



M/s. R C S P H & ASSOCIATES
Chartered Accountants

605/606 Shiromani Complex, Opp. Ocean Park, Nehrunagar, Ahmedabad - 380 015
☎ 079 26760880, +91 93745 36342 E-mail : carspk.b405@gmail

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MSK PROJECTS (KIM MANDAVI CORRIDOR) PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the standalone Ind AS financial statements of **MSK PROJECTS (KIM MANDAVI CORRIDOR) PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including other Comprehensive Income) the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Management and 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 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) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

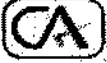
This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies;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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone 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 standalone Ind AS 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 standalone Ind AS financial statements that give 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 control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

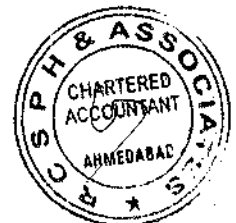
Material Uncertainty Related to Going Concern

We draw attention to Note 14 & 29 in the financial statements, which indicates that the Company entered into business transfer agreement with GSRDC. As stated in Note 14 & 29, these events or conditions, along with other matters as set forth in Note 14 & 29, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone 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 including Ind AS;

- (a) in the case of the Balance Sheet, of the state of affairs (financial position) of the Company as at March 31, 2018;
- (b) in the case of the Statement of Profit and Loss, of the **LOSS** (financial performance including other comprehensive income) for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date; and
- (d) in the case of the changes in equity Statement, of the changes in equity for the year ended on that date.





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Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion the aforesaid standalone Ind AS financial statements comply with the Indian 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 31 March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statement;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivatives contract.
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR M/S R C S P H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 120242W

Place: AHMEDABAD.

Dated: 09/05/2018

Chirag K Shah

(Chirag K Shah) PARTNER
Membership No. 128778





ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

This Annexure referred to in Independent Auditors Report to the members of the Company on the standalone Ind AS Financial Statements for the year ended 31 March 2018, we report that:

1. Fixed Assets:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. However company is in the process of updating the records.
 - (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size and nature of the Company. Discrepancies if any noticed on such physical verification have been properly dealt in the books of accounts.
According to the information and explanations given to us and on the basis of our
 - (c) examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Companies Act 2013 therefore clauses iii (a) to (c) are not applicable to the company.
 4. In our opinion and according to the information and explanations given to us, the Company has not made any investments, provided any Security and guarantee under Section 185 and 186 of the Companies Act.
 5. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public.
 6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the activity carried out by the Company.





7. Statutory Dues

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, Income-tax, sales tax, value added tax, duty of customs, Excise duty, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable and except :

Sr. No.	Nature of Dues	Amount Rs.
1	Labour Welfare Fund	978
2	ESIC	626
3	Professional Tax	19,570

- (b) According to the information and explanations given to us, there are no dues of duty of customs, income tax, service tax, value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank and Government.
9. The Company have not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the provisions of Section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company as no managerial remuneration is paid during the financial year under review.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.





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13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013. Details of transactions with the related parties have been disclosed in the financial statements as required by applicable Accounting Standard, and are at Arms Length Price.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
16. As per the information and explanation given this is a company engaged in the toll project on BOT basis hence the same is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR M/S R C S P H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 120242W

Place: AHMEDABAD
Dated: 09/05/2018


(CHIRAG K SHAH) PARTNER
Membership No. 128778





M/s. R.C.S.P.H. & ASSOCIATES
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Annexure - B to the Independent Auditors' 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 (KIM MANDAVI CORRIDOR) PRIVATE LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the 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.

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.





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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 2018, 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 M/S R C S P H & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 120242W

Place: AHMEDABAD

Dated: 09/05/2018

C.K. Shah
(Chirag K Shah) PARTNER
Membership No. 128778



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Balance Sheet as at 31 March 2018

(Rupees In Lakhs)

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4(a)	-	22.94
(b) Intangible assets	4(b)	-	4,283.41
(c) Financial assets			
(i) Loans	5	0.27	0.67
(d) Deferred tax assets (net)	6	221.98	221.97
(e) Non-current tax assets (net)	7	1.67	0.49
		223.92	4,529.47
2. Current assets			
(a) Financial assets			
(i) Trade receivables	8	10.87	9.79
(ii) Cash and cash equivalents	9	64.89	11.94
(iii) Bank balances other than (iii) above	10	75.66	285.06
(iv) Loans	11	0.05	0.90
(v) Other financial assets	12	3.11	8.46
(b) Other current assets	13	-	0.81
		154.58	316.97
Assets held-for-sale	14	2,826.49	-
Total assets		3,204.99	4,846.44
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15a	673.00	673.00
Other equity	15b	49.61	1,502.01
		722.61	2,175.01
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	2,145.91
(b) Provisions	17	15.16	11.32
		15.16	2,157.23
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2,407.59	95.69
(ii) Trade payables	19	10.78	12.52
(iii) Other financial liabilities	20	46.43	405.42
(b) Provisions	21	0.56	0.23
(c) Other current liabilities	22	1.86	0.34
		2,467.22	514.20
Total Equity and Liabilities		3,204.99	4,846.44

Significant Accounting Policies

Notes forming part of the financial statements (Refer note 1 to 42)

As per our report of even date

FOR R C S P H & ASSOCIATES

Chartered Accountants

Firm Registration No. 120242W

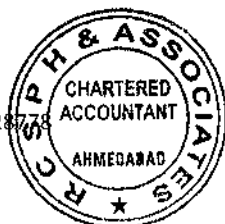
Chirag Shah

PARTNER

Membership No.: 128778

Place: Ahmedabad

Date : 8 May 2018



For and on behalf of the Board of Directors

Sandeep Garg

Director

DIN : 00036419

Place: Mumbai

Date : 8 May 2018

Shrinivas Kargutkar

Director

DIN : 06926585

Place: Mumbai

Date : 8 May 2018

MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Statement of profit and loss for the year ended 31 March 2018

(Rupees in Lakhs)

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Income			
I. Revenue from operations	23	504.78	457.61
II. Other income	24	56.95	58.06
III. Total income (I+II)		561.73	515.67
IV. Expenses			
Employee benefits expense	25	136.54	100.66
Depreciation and amortisation expense	26	305.52	275.01
Finance costs	27	299.62	135.37
Other expenses	28	86.64	344.17
Total expenses (IV)		828.32	855.21
V. Profit / (Loss) before exceptional items and tax (III-IV)		(266.59)	(339.55)
VI. Exceptional items	29	1,183.23	-
VII. Profit / (Loss) before tax (V-VI)		(1,449.82)	(339.55)
VIII. Income tax expense			
- Current tax		-	-
- MAT Credit entitlement		-	-
- Deferred tax (benefit)/ charge		-	-
IX. Profit / (Loss) for the year (VII-VIII)		(1,449.82)	(339.55)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurement gain/(loss)		(2.58)	-
Tax relating to above		-	-
X. Other Comprehensive Income for the year		(2.58)	-
XI. Total comprehensive Income for the year (IX-X)		(1,452.41)	(339.55)
Earnings per equity share of Rs.10 each fully paid up			
	35		
Basic (Rs)		(21.58)	(5.05)
Diluted (Rs)		(5.14)	(1.20)

Significant Accounting Policies

Notes forming part of the financial statements (Refer note 1 to 42)

As per our report of even date

FOR R C S P H & ASSOCIATES

Chartered Accountants

Firm Registration No. 120242W

Chirag Shah
Chirag Shah
PARTNER

Membership No.: 120779

Place : Ahmedabad

Date : 8 May 2018



For and on behalf of the Board of Directors

Sandeep Garg
Sandeep Garg
Director

DIN : 00036419

Place: Mumbai

Date : 8 May 2018

Shriniwas Kargutkar
Shriniwas Kargutkar
Director

DIN : 06926585

Place: Mumbai

Date : 8 May 2018

MSK Projects (Kim Mandvi Corridor) Private Limited
Cash Flow Statement for the year ended 31 March 2018

	31 March 2018	31 March 2017
A. Cash Flow from operating activities		
Net Profit before taxation	(1,452.41)	(339.55)
<u>Add adjustment for non cash items:</u>		
Depreciation and amortisation	305.52	275.01
Loss on sales of assets	1,183.23	-
Financial expenses including Interest	299.62	135.37
Provision for gratuity & leave encashment	4.16	11.56
Interest on Income tax refund	-	(0.01)
Operating profit before working capital changes	340.12	82.38
<u>Working Capital Adjustments for :</u>		
Increase/ (decrease) in other current liabilities	1.52	151.36
Increase/ (decrease) in short term borrowings	166.00	95.69
Decrease / (increase) in Trade Receivable	(1.08)	(9.79)
Decrease / (increase) in long-term loans and advances	(0.78)	0.03
Decrease / (increase) in short-term loans and advances	0.85	(0.87)
Decrease / (increase) in other current assets	6.17	(2.29)
Increase/ (decrease) in trade payables	(1.74)	(2.52)
Cash generated from /(used in) operations	170.94	231.61
CASH GENERATED FROM OPERATIONS	511.06	314.00
Net cash inflow from/ (outflow) from operating activities	511.06	314.00
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(8.91)	(0.84)
Net Cash inflow from/ (outflow) from Investing activities	(8.91)	(0.84)
C. Cash flow from financing activities		
Borrowing repaid	-	(210.93)
Other Long term liabilities	(358.99)	221.73
Financial expenses including Interest	(299.62)	(135.37)
Net Cash inflow from/ (outflow) from Financing activities	(658.61)	(124.57)
Net increase / (decrease) in cash and cash equivalents	(156.46)	188.59
Opening cash and cash equivalents	297.01	105.02
Closing cash and cash equivalents	140.55	293.61
<u>Closing cash and cash equivalents</u>		
Cash in hand	3.08	2.13
Balance with banks	137.48	291.48
	140.55	293.61

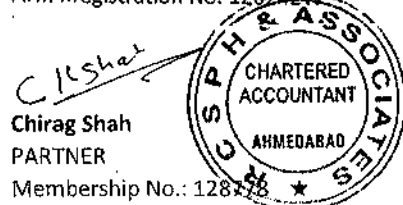
Note: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

FOR R C S P H & ASSOCIATES

Chartered Accountants

Firm Registration No. 120242W



Chirag Shah

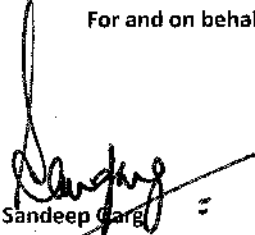
PARTNER

Membership No.: 128278

Place: Ahmedabad

Date : 8 May 2018

For and on behalf of the Board of Directors


 Sandeep Garg
 Director

DIN : 00036419

Place : Mumbai

Date : 8 May 2018


 Shrinivas Kargutkar
 Director

DIN : 06926585

Place : Mumbai

Date : 8 May 2018

MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

(Rupees In Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance	6,730,000	673.00	6,730,000	673.00
Changes in equity share capital during the period	-	-	-	-
Closing Balance	6,730,000	673.00	6,730,000	673.00

B. Other equity

(Rupees In Lakhs)

Particulars	Attributable to owners of MSK Projects (Kim Mandvi Corridor) Private				
	Equity Component of Compulsorily Convertible Debentures	Capital Reserve	Retained earnings	Total Reserve and Surplus	TOTAL OTHER EQUITY
As at 31 March 2016	2,151.78	316.50	(626.73)	(310.23)	1,841.56
Profit for the year			(339.55)	(339.55)	(339.55)
Other comprehensive income				-	-
Total comprehensive income for the year			(339.55)	(339.55)	(339.55)
As at 31 March 2017	2,151.78	316.50	(966.28)	(649.78)	1,502.01
Profit for the year			(1,449.82)	(1,449.82)	(1,449.82)
Other comprehensive income			(2.58)	(2.58)	(2.58)
Total comprehensive income for the period			(1,452.40)	(1,452.40)	(1,452.40)
As at 31 March 2018	2,151.78	316.50	(2,418.68)	(2,102.18)	49.61

Notes forming part of the financial statements (Refer note no. 1 to 42)

As per our report of even date

FOR R C S P H & ASSOCIATES
Chartered Accountants
Firm Registration No. 120242W

Chirag Shah
Chirag Shah
PARTNER
Membership No.: 128778
Place: Ahmedabad
Date : 8th May 2018



For and on behalf of the Board of Directors

Sandeep Gore
Sandeep Gore
Director
DIN : 00036419
Place : Mumbai
Date : 8th May 2018

Shriniwas Kargutkar
Shriniwas Kargutkar
Director
DIN : 06926585
Place : Mumbai
Date : 8th May 2018

MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

1. Corporate information

MSK Projects (Kim Mandvi Corridor) 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 2017-18 were authorized for issue in accordance with a resolution of board of directors on 8 May 2018

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.



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The company has identified 12 months as its operating cycle.

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

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

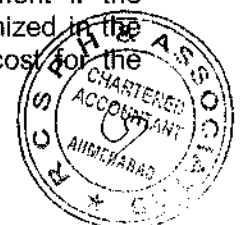
iii) Exceptional items

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 equipments

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



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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.

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:

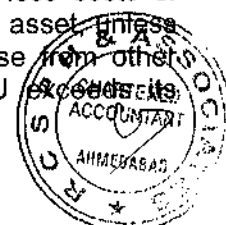
Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its intangible assets as recognized in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015

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 in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each Balance sheet date, the projected revenue for the balance toll period is reviewed by the 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



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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 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

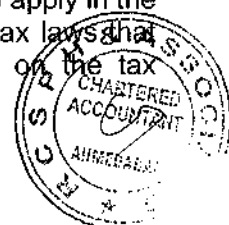
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current 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



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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.

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.

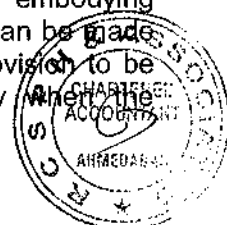
x). Earnings per share

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 of 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



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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 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 fulfillment 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.



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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.

i) Debt instruments measured at amortized cost

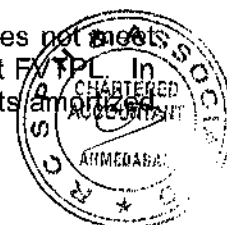
Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship 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



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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
- 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.



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- 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.

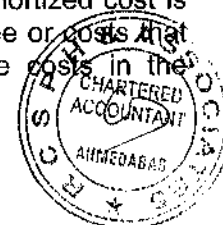
b) Subsequent measurement

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.



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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.

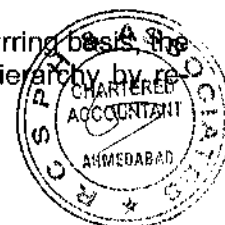
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

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-



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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 installments.

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.

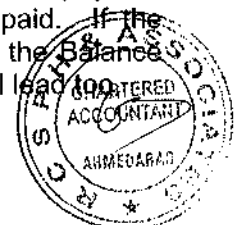
Accumulated Leave which is expected to be utilized within twelve months is treated as Short Term employee's benefits. The Company measures the expected Cost of such absence as additional amount that expects to pay as result of the unused entitlement that has accumulated at the reposting date.

b). Long term employees 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.

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



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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 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.



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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.

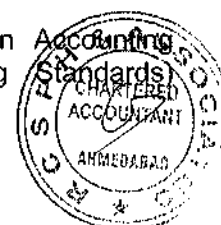
d) Fair Value Measurement

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 Amendment Rules, 2018 amending the following standard.



4 (a) Property, Plant and Equipment and Capital work-in-progress

(Rupees in Lakhs)

	LAND	PLANT & MACHINERIES	VEHICLE	FURNITURE	OFFICE EQUIPMENTS	COMPUTER	Total
Gross carrying amount (cost)							
Deemed cost as at 01 April 2016	16.13	2.20	1.33	0.14	5.21	0.80	25.81
Additions	-	-	-	-	-	0.84	0.84
Disposals	-	-	-	-	-	-	-
As at 31 March 2017	16.13	2.20	1.33	0.14	5.21	1.64	26.65
Additions	-	-	-	-	-	8.91	8.91
Disposals	-	-	-	-	-	-	-
Transfer to assets held for sale	16.13	2.20	1.33	0.14	5.21	10.55	35.56
As at 31 March 2018	-	-	-	-	-	-	-
Accumulated depreciation							
Deemed cost as at 01 April 2016	-	-	-	-	-	-	-
Additions during the year	-	0.51	0.41	0.04	2.12	0.62	3.71
Deletions during the period	-	-	-	-	-	-	-
As at 31 March 2017	-	0.51	0.41	0.04	2.12	0.62	3.71
Additions during the year	-	0.39	0.28	0.03	1.07	3.58	5.35
Deletions during the period	-	-	-	-	-	-	-
Transfer to assets held for sale	-	0.90	0.70	0.07	3.19	4.20	9.06
As at 31 March 2018	-	-	-	-	-	-	-
Net carrying amount as at 31 March 2018	-	-	-	-	-	-	-
Net carrying amount as at 31 March 2017	16.13	1.69	0.92	0.10	3.08	1.02	22.94
As at 31 March 2018							
Gross carrying amount	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-

4 (b) Intangible Assets ::

(Rupees in Lakhs)

	KIM MANDVI PROJECTS	Total
Gross carrying amount (cost)		
Deemed cost as at 31 March 2016	4,767.32	4,767.32
Additions	-	-
Disposals	-	-
As at 31 March 2017	4,767.32	4,767.32
Additions	-	-
Disposals	-	-
Transfer to assets held for sale	4,767.32	4,767.32
As at 31 March 2018	-	-
Accumulated depreciation		
As at 31 March 2016	212.61	212.61
Additions during the year	271.30	271.30
Deletions during the period	-	-
As at 31 March 2017	483.91	483.91
Additions during the year	300.17	300.17
Deletions during the period	-	-
Transfer to assets held for sale	784.08	784.08
As at 31 March 2018	-	-
Net carrying amount as at 31 March 2018	-	-
Net carrying amount as at 31 March 2017	4,283.41	4,283.41



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
5 Non-current financial assets - Loans		
(Unsecured considered good, unless otherwise stated)		
Security deposits		
- Others	0.27	0.67
Total	0.27	0.67

Total financial assets

Loans are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income. The carrying value may be affected by changes in the credit risk of the counterparties.

Security deposit are interest free non-derivative financial assets carried at amortised cost. It primary includes deposits given against rented premises and various deposits with government authorities. The carrying value may be affected by changes in the credit risk of the counterparties.

	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
6 Deferred Tax Assets (net)		
Depreciation	(733.88)	(733.88)
Retirement Benefit	1.96	1.96
Accumulated losses	953.90	953.90
Bonus Payable		
Total	221.98	221.97

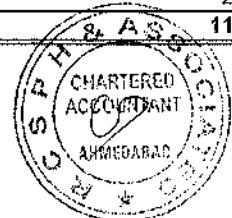
	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
7 Non-current tax assets (net)		
Balance with government authorities		
- Direct tax (net of provision for taxation)	1.67	0.49
Total	1.67	0.49

	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
8 Trade receivables		
Unsecured		
Others		
- Considered good	10.87	9.79
- Considered doubtful		
Total	10.87	9.79

No trade or other receivable are due from directors or other officers 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 director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
9 Cash and cash equivalents		
Balances with banks		
- In current accounts	61.81	9.81
Cash on hand	3.08	2.13
Total	64.89	11.94



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

10 Other bank balances	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- Deposit Accounts having original maturity of more than 3 months but less than 12 months	75.66	285.06
Total	75.66	285.06

11 Current financial assets - loans	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
(Unsecured considered good, unless otherwise stated)		
Advances to employees	0.05	0.90
Total	0.05	0.90

12 Current financial assets - Others	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Advance recoverable in cash or kind		
- Unsecured considered good	3.11	8.46
Total	3.11	8.46

13 Other current assets	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Prepaid expenses	-	0.81
Total	-	0.81

14 Asset held for Sale	(Rupees In Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Asset Held for sale	2,826.49	-
Total	2,826.49	-

Note:-

During the year ended 31 March 2018, in light of business transfer agreement entered into with GSRDC, the Company has reclassified Intangible asset comprising toll rights of BOT project to Non-current asset held-for-sale as per Ind AS 105 as the carrying amount is expected to be recovered principally by sale rather than its continuing use. The difference between the estimated fair value less cost to sell (Rs 2,800 lakhs) and carrying value Rs 3,983.23 Lakhs amounting to Rs. 1183.23 Lakhs is recognized as "Impairment loss recognized on the re-measurement to fair value less cost to sale" and disclosed under the head exceptional items



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Financial statements as at and for the period ended 31 March 2018

15a Share capital and other equity

15a(a) - Equity share capital (Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Authorised		
Equity shares of Rs 10 each		
10,000,000 (10,000,000 31 March 2017) Equity Shares of Rs.10 each fully paid up	1,000.00	1,000.00
Issued, subscribed and paid up		
67,30,000 (67,30,000 31 March 2017) Equity Shares of Rs.10 each fully paid up	673.00	673.00

Terms/ rights 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.

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date

	As at 31 March 2018	As at 31 March 2017
Equity shares allotted as fully paid up for consideration other than cash	-	-
Equity shares allotted as fully paid up bonus shares	-	-
Equity shares bought back	-	-

(ii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	6,730,000	100%	6,730,000	100%

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	6,730,000	100%	6,730,000	100%

(iv) Reconciliation of the number of shares outstanding and the amount of the share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	6,730,000	673.00	6,730,000	673.00
Add : Shares issued during the year	-	-	-	-
Number of shares at the end of the period	6,730,000	673	6,730,000	673.00

15a(b) - Other Equity

(i) Equity component of Compulsorily Convertible Debentures of Rs 100 each fully paid (Rupees in Lakhs)

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Opening Balance	2,151,784	2,151.78	2,151,784	2,151.78
Add : Issued during the year	-	-	-	-
Closing Balance	2,151,784	2,151.78	2,151,784.00	2,151.78

Note:

In earlier year the Company has issued a Compulsory Convertible Debentures of Rs. 100/- each, fully paid up. Each debenture shall be convert in to 10 Equity Share of Rs. 10/- each, at the end of 5 (Five) years from date of allotment.

1. Welspun Enterprises Limited
2. ARSS Bus Terminal Private Limited

Nos. of Debenture	Amount
1,001,784	1,001.78
1,150,000	1,150.00
2,151,784	2,151.78



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Financial statements as at and for the period ended 31 March 2018

	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
(ii) Other Reserves		
Capital Reserves	316.50	316.50
Retained earnings	(2,418.68)	(966.27)
Total	(2,102.18)	(649.77)

	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
(a) Capital Reserves		
Opening balance	316.50	316.50
Addition during the year	-	-
Deduction during the year	-	-
Closing balance	316.50	316.50

	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
(b) Retained earnings		
Opening balance	(966.27)	(626.73)
Total Comprehensive income for the year	(1,452.41)	(339.55)
Closing balance	(2,418.68)	(966.27)



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED**Notes forming part of the financial statements****16 Non- current financial liability - borrowings**

(Rupees In Lakhs)

	As at 31 March 2018	As at 31 March 2017
Borrowing from related parties		
Term Loans from		
- Banks	-	2,303.91
Current maturities		
Term Loans - Banks	-	(158.00)
Total	-	2,145.91

- 1 First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects.
- 2 First charge on Company's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.
- 3 First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)
- 4 Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.
- 5 First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.
- 6 Corporate gurantee given by Welspun Enterprises Limited, a holding company (formerly known as Welspun Projects Limited)
- 7 Rate of Interest : 5.0927% + 3.5% Libor

17 Long term provisions

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
- Gratuity	10.37	7.99
- Leave benefits	4.79	3.33
Total	15.16	11.32

18 Current financial liabilities - borrowings

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Loans repayable on demand		
- From banks	2,101.55	-
(refer note no. 14)		
- From related parties	306.04	95.69
Total	2,407.59	95.69



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

19 Trade payables	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Trade payables	10.78	12.52
Total	10.78	12.52

Terms and conditions of the above financial liabilities:

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

20 Current financial liabilities - others	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term debt	-	158.00
Security deposits payable	1.89	1.89
Payable to employees	1.12	7.96
Forward contract	-	237.57
Creditor for expenses	43.42	-
Total	46.43	405.42

Interest payable is normally settled quarterly throughout the financial year

Deposits are non-interest bearing and have an average terms of six months

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

21 Short term provisions	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
- Gratuity	0.36	0.16
- Leave benefits	0.20	0.07
Total	0.56	0.23

22 Other current liabilities	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Statutory dues payable	1.86	0.34
Total	1.86	0.34



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

23 Revenue from operations	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from		
- Build operate transfer (BOT) business	504.78	457.61
Total	504.78	457.61
24 Other income	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Interest Income on financial asset measured at amortised cost		
- On bank deposits	11.42	8.29
- On Income tax refund	-	0.01
Provision no longer required	18.61	-
Exchange gain	26.92	49.74
Miscellaneous income	-	0.02
Total	56.95	58.06
25 Employee benefit expenses	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	119.33	87.43
Contribution to provident and other funds	9.45	7.21
Staff welfare expenses	7.76	6.02
Total	136.54	100.66
26 Depreciation and amortisation expense	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	5.35	3.71
Amortisation of intangible assets	300.17	271.30
Total	305.52	275.01
27 Finance costs	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses on:-		
- Term loans	255.54	134.73
- Bank charges and other finance costs	44.08	0.64
Total	299.62	135.37
28 Other expenses	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Stores and spares consumed	15.29	0.79
Hire charges	3.18	4.21
Power, fuel and water charges	4.66	3.74
Repairs and Maintenance :-		
- Plant and machinery	0.73	0.94
- Road maintenance	33.54	52.29
- Others	3.10	5.17
Project Monitoring and Maintenance Fees	-	4.58
Toll Survey expenses	10.02	-



MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
Notes forming part of the financial statements

Rent	1.21	1.22
Rates and taxes	-	0.01
Insurance cost	3.44	3.18
Travelling and conveyance	2.57	1.02
Communications	0.23	0.49
Legal and professional fees	6.29	0.20
Civil consultancy charges	-	40.31
Freight and transportation expenses	-	0.28
Advertisement expenses	-	0.09
Printing and stationary	0.36	1.93
Payment to Auditors		
- As Auditor	1.10	1.01
- As Taxation	0.40	-
Filing and registration expenses	0.06	0.38
Exchange loss	-	221.73
Miscellaneous expenses	0.46	0.61
Total	86.64	344.17

29 Exceptional Item (Net)

	(Rupees in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Impairment loss recognised on the remeasurement to fair value less cost to sales	1,183.23	-
(Net value of Intangible assets Rs.3983.23 (-) fair value less Cost to Sales Rs. 2800.00 Lakhs)		
Total	1,183.23	-

Non current asset held for sale and Exceptional Items:

During the year ended March 31, 2018, in light of business transfer agreement entered into with GSRDC, the Company has reclassified Intangible asset comprising toll rights of BOT project to Non-current asset held-for-sale as per Ind AS 105 as the carrying amount is expected to be recovered principally by sale rather than its continuing use. The difference between the estimated fair value less cost to sell (Rs 2,800 Lakhs)and carrying value Rs 3,983.23 lakhs amounting to Rs 1183.23 lakhs is recognized as "Impairment loss recognized on the re-measurement to fair value less cost to sale" and disclosed under the head exceptional items



Notes forming part of the financial statements

30 Significant accounting judgements, estimates 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.

Judgement

The Company has entered into a forward contract to buy USD at a future date. The management has exercised judgement and considered the same as fair value through P&L derivative instrument.

Estimates and assumptions

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 crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the 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) Useful lives, residual values and depreciation

The Company uses Schedule II of Companies Act 2013 for estimating the useful lives and residual values of property, plant and equipment. In respect of intangible assets (constructed on BOT basis), the management estimates projected revenue and uses residual concession period for calculating depreciation, useful lives and residual value at each financial year end.

c) Impairment testing

i. Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. 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) Tax

a) 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.

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

c) 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.

c) Fair Value Measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED**d) Defined benefit obligation**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing

activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

31 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Rupees in lakhs)

	Increase / decrease in basis points	Effect on Profit before tax
31st March 2018		
INR	+ 50 / - 50	11.6 / - 11.6

Foreign Currency risk

Foreign Currency Risk is the risk that the fair value of the future cash flow of an exposure will fluctuate because of changes in Foreign Currency rate. The Company manages its Foreign Currency Risk, by hedging transaction that are expected or occur within maximum 36 Months, Period for hedge. The Company hedge its exposure to fluctuation on transaction in to INR by holding net borrowing in Foreign Currency and using foreign currency swaps and forwards.

(Rupees in lakhs)

Currency	Liabilities as at	
	March 31, 2018	March 31, 2017
USD	32.81	35.35

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the small quantum and short period of such exposure.



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED**Foreign Currency sensitivity analysis**

Capital advances, Trade receivables, other receivables and trade payables, other payables in foreign currency is entirely denominated in USD, the impact of increase / decrease in USD by 5% shall result in gain / loss as given below:

(Rupees in lakhs)

	Impact on Profit after Tax	
	31 March 2018	31 March 2017
INR / US\$ - Increase by 5% (31 March 2017 - 5%)	(105.31)	(8.60)
INR / US\$ - Decrease by 5% (31 March 2017 - 5%)	(105.31)	(8.60)

Credit risk

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts specified in Note 5 and 6.

The carrying amount of following financial assets represents the maximum credit exposure:

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

(Rupees in Lakhs)

	As at	As at
	31 March 2018	31 March 2017
Up to 3 months	10.87	9.79
Total	10.87	9.79

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2018,

(Rupees in lakhs)

	Due in
	1st year
Financial liabilities	
Borrowings	2,407.59
Trade Payable	10.78
Other current financial liabilities	46.43
Total	2,464.80

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March, 2017

(Rupees in lakhs)

	Due in
	1st year
Financial liabilities	
Borrowings	95.69
Trade Payable	12.52
Other current financial liabilities	405.42
Total	513.63



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED

Notes forming part of the financial statements

32 (a) Fair value measurement:

Financial instruments by category	As at 31 March 2018		As at 31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Service concession receivables				
Cash and cash equivalents	-	64.89	-	11.94
Loans	-	0.05	-	0.90
Other advances	-	3.11	-	9.28
Total	-	68.05	-	22.12
Financial liabilities at amortised cost				
Borrowings	-	2,407.59	-	2,241.60
Trade payables	-	10.78	-	12.52
Creditor for expenses	-	1.86	-	0.34
Total	-	2,420.23	-	2,254.46

(b) Fair value hierarchy

	Carrying amount as at 31 March 2018	Fair value measurement Level 3
Financial Instrument measured at FVTPL		
Service concession receivables	-	-
Total	-	-
	Carrying amount as at 31 March 2017	Fair value measurement Level 3
Financial Instrument measured at FVTPL		
Service concession receivables	-	-
Total	-	-

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.



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
33 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholder of the Company. The primary objective of the Company's capital management is to maximise the shareholder 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 loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(Rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
Borrowing from related parties	306.04	95.69
Bank borrowings	2,101.55	2,303.91
Other current financial liabilities	46.43	22.38
Less : cash and cash equivalents (incl other bank balances)	(140.55)	(293.61)
Net debt	2,313.47	2,128.37
Equity	673.00	673.00
Compulsorily convertible debentures	2,151.78	2,151.78
Total Capital	2,824.78	2,824.78
Capital and net debt	5,138.25	4,953.15
Capital gearing ratio	45%	43%

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

(Rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
Up to 3 months	10.87	9.79
Total	10.87	9.79

35 Earnings per share (EPS)

(Rupees in lakhs)

		As at 31 March 2018	As at 31 March 2017
Net profit after tax available for equity shareholders	A	(1,452.41)	(339.55)
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	B	6,730,000	6,730,000
Add : Effect of dilutions :-			
Compulsorily Convertible Debentures (number of shares)	C	2,151,784	2,151,784
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	D = B+C	28,247,840	28,247,840
Basic earnings per share	A/B	(21.58)	(5.05)
Diluted earnings per share	A/D	(5.14)	(1.20)

There have been no transactions involving equity shares or potential equity shares between the reporting period and the date of authorisation of these financial statements

36 Commitment and contingencies
(a) Leases
Operating lease commitments — Company as lessee

The Company has taken office premises and residential facilities under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease varies from six months to twenty four months. Lease rental charges for Rs. 1.21 Lakhs (P.Y. 31 March 2017 is Rs 1.22 Lakhs).

(Rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
Within one year	1.21	1.22
After one year but not more than five years	-	-
More than five years	-	-
	1.21	1.22



	As at 31 March 2018	As at 31 March 2017
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(b) Contingent liabilities (to the extent not provided for)

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37 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:

	(Rupees in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Net benefit expenses (recognised in statement of profit and loss)		
Current service cost	2.22	1.88
Net benefit expenses (recognised in profit and loss)	2.22	1.88

	(Rupees in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Expenses recognised during the year in other comprehensive income (OCI)		
Actuarial (gains) / losses arising from changes in financial assumptions	0.31	(5.13)
Actuarial (gains) / losses arising from changes in experience assumptions	(0.14)	3.47
Expected return on plan assets excluding interest		
Net expenses	0.17	(1.66)

	(Rupees in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Net liability recognised in the balance sheet		
Fair value of plan assets		
Present value of obligation	10.73	8.15
Liability recognized in balance sheet	10.73	8.15

Change in the Present value of the Benefit Obligations

	(Rupees in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation at 01 April 2017		
Service cost	2.22	1.88
Interest cost	0.62	
Total amount recognised in Profit and Loss	2.84	1.88
<i>Remeasurements</i>		
i) Actuarial (gains) / losses arising from changes in financial assumptions	0.31	(5.13)
ii) Actuarial (gains) / losses arising from changes in experience assumptions	(0.14)	3.47
Total amount recognised in other comprehensive income	0.17	(1.67)
Benefits paid	(0.42)	(0.21)
Defined benefit obligation at 31 March 2018	10.73	8.15



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED
vi. Reconciliation of opening and closing balance of net defined benefit obligation

(Rupees in lakhs)

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation as at the beginning of the year	8.15	-
Current service cost	2.22	10.02
Interest cost (net)	0.62	-
Actuarial (gain) / loss	0.17	(1.67)
Benefits paid	(0.42)	(0.21)
Defined benefit obligation at the end of the year	10.74	8.15

Changes in fair value of assets

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
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 :

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Present value of obligation	-	8.15
Fair value of plan assets	-	-
Deficits of funded plans	-	8.15
Unrecognised Actuarial gain / (Loss)	-	-
Liability Recognized in Balance Sheet	-	(8.15)

Reconciliation for other comprehensive income

	As at 31 March 2018	As at 31 March 2017
Net cumulative unrecognized actuarial (gain)/loss opening	-	-
Actuarial gain / (loss) for the year on PBO	0.17	1.67
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/ (loss) at the end of the year	0.17	1.67

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

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Impact of change in discount rate		
Present value obligation at the end of the period	10.73	8.15
Impact due to increase of 0.50%	(0.07)	(0.06)
Impact due to decrease of 0.50%	0.07	0.06
Impact of change in salary increase		
Present value obligation at the end of the period	10.73	8.15
Impact due to increase of 0.50%	0.06	0.04
Impact due to decrease of 0.50%	(0.06)	(0.04)

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

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Year ended		
31-Mar-19	0.82	0.22
31-Mar-20	1.05	0.45
31-Mar-21	2.61	0.58
31-Mar-22	2.02	0.72
31-Mar-23	2.57	-

The average duration of defined benefit obligation is 31.01 years



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED

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

	As at 31 March 2018	As at 31 March 2017
<u>Economic assumptions</u>		
Discount rate	7.80%	7.55%
Salary Escalation Rate	6.00%	6.00%
<u>Demographic assumptions</u>		
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 30, 5% up to age 45 and 1% thereafter	3% up to age 35, 2% up to age 45 and 1% thereafter

38 Segment Information

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

39 Disclosure as required by Ind AS 24 - Related Party disclosures
a) Particulars of Holding Companies

Name of the entities	Extent of holding	
	As at 31 March 2018	As at 31 March 2017
Welspun Enterprises Limited	100%	100%

b) Directors / Key managerial Personnel (KMP)

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

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

(Rupees in Lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Loan Received during the year		
Welspun Enterprises Limited	549.36	111.69
Repayment of Loan received during the year		
Welspun Enterprises Limited	339.01	16.00
Loan given / repaid during the year		
MSK Projects (Himmatnagar Bypass) Private Limited	74.75	9.50
Loan Received during the year		
MSK Projects (Himmatnagar Bypass) Private Limited	74.75	9.50

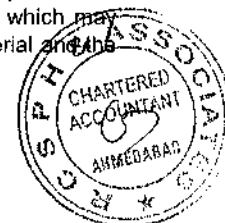
Closing balances as at

Nature of transactions	As at 31 March 2018	As at 31 March 2017
Amount Payable		
Welspun Enterprises Limited	306.04	95.69

TERMS ::

The Operation & Maintenance Services from related parties are made on terms equivalent, to those that prevail in arm length transaction.

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



MSKPROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED

41 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 forming part of the financial statements.

42 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 R C S P H & ASSOCIATES

Chartered Accountants

Firm Registration No. 120242W

C/S Shah
Chirag Shah

PARTNER

Membership No.: 120242W

Place: Ahmedabad

Date: 8th May 2018



For and on behalf of the Board of Directors

Sandeep Garg
Sandeep Garg

Director

DIN : 00036419

Place: Mumbai

Date: 8th May 2018

Shriniwas Kargutkar
Shriniwas Kargutkar

Director

DIN : 06926585

Place: Mumbai

Date: 8th May 2018