. M. Shah 99241 12785
B.Com.,D.T.P., F.C.A.

CA H. K. Shah 98257 22785
B.Com.,L.L.B., D.T.P., F.C.A.

CA G. K. Shah 98258 44995
B.Com., F.C.A., D.I.S.A. (ICAI)

H. K. Shah & Co.
Chartered Accountants

CA J. G. Vaidya 99099 19785
B.Com., F.C.A.

CA T. H. Patel 93289 09995
B.Com., F.C.A., C.P.A.

CA M. G. Desai 9998612120
M.Com., F.C.A., C.S.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **MSK PROJECTS (HIMMATNAGAR BY PASS) PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income) for the period 01st April 2016 to 31st March 2017, the Cash Flow Statement for the year then ended and the statement of changes in equity for the period, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

Management's Responsibility for Ind AS Financial Statements

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

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

H. K. SHAH & CO.
C & AG NO/WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
CHARTERED ACCOUNTANTS

Mailing Address : 403/404, "SARAP" Building, 4th Floor, Opp. Navjivan Press, Nr. Income Tax, Off Ashram Road, Ahmedabad-380014
Phone : 079-27544995 / 2785 (M) 9909919785
Head Office : Ahmedabad (Guj.) Branches in Gujarat : Gandhinagar, Vadodara, Vapi Branch in Maharashtra : Kandiwali (East) Mumbai
e-mail : hkshahandco@gmail.com
PAN No. : AACFH 1917 R SERVICE Tax No. : AACFH 1917 R - ST001
C&AG Regn. No. : WRO / 510. ICAI Regn. No. : 109583/W

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583W
TELEPHONE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

II. As required by Section 143(3)of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under;

e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules ,2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses;

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
REA UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017 and

iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 8

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

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

CA Gopesh K Shah
Partner
M. No. 106204

Place: Ahmedabad
Date: 29|5|'17

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

i. In respect of fixed assets:

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of immovable properties are held in the name of the company.

ii. In respect of inventories:

The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. In respect of loans granted:

a. The Company has granted any loans, secured or unsecured, one company covered in the register maintained under section 189 of the Companies Act, 2013. Outstanding amount of which is Rs. 1,81,71,825/- as on 31st March, 2017. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants of such loans are not prejudicial to the interest of the Company.

b. According to the information and explanations given to us and on the basis of our examination of the records, schedule of repayment of principal and payment of interest has been stipulated and the Company has received the principal amounts and interest on the said loans as stipulated.

c. In our opinion and according to the information and explanations given to us, there is no amount overdue for more than ninety days and the Company has taken reasonable steps for recovery of the principal and interest.

iv. In respect of loans, investments, guarantees and security:

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

v. In respect of acceptance of deposits:

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

vi. In respect of cost records:

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

vii. In respect of statutory dues:

a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sale-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

b. According to the information and explanations given to us, there is no amount due on account of dispute in respect of income-tax or sales-tax or service-tax or duty of customs or duty of excise or value added tax.

viii. In respect of default of repayment of loans or borrowing:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank or Government or debenture holders.

ix. In respect of application of money raised:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised the money by way of initial public offer or further public offer (including debt instruments) and term loans.

x. In respect of fraud:

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

xi. In respect of managerial remuneration:

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

According to the information and explanations given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In respect of Nidhi Company:
According to the information and explanations given to us and on the basis of our examination of the records, the company is not a Nidhi Company.

xiii. In respect of transactions with related parties:
According to the information and explanations given to us and on the basis of our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. In respect of allotment or placement of shares:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

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

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

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

H. K. SHAH & CO.
C.A. NO.WRO/510
FRN NO. 109583W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

CA Gopesh K Shah
Partner
M. No. 106204

Place: Ahmedabad
Date: 29|5|'17

Annexure - B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED** ("the company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

CA Gopesh K Shah
Partner
M. No. 106204

Place: Ahmedabad
Date: 29/5/'17

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Balance Sheet as at 31 March 2017

(Amount in Lakhs)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2016
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	3	10.46	14.59	5.03
(b) Intangible assets	4	136.76	182.35	243.14
(c) Financial assets				
(i) Other financial assets	5	-	-	-
(d) Deferred tax assets		4.88	5.35	12.27
(e) Non-current tax assets (net)	6	3.41	4.72	21.09
		155.51	**207.01**	**281.53**
2. Current assets				
(b) Financial assets				
(ii) Trade receivables	7	19.10	-	-
(iii) Cash and cash equivalents	8	59.74	25.07	7.05
(iv) Bank balances other than (iii) above	9	-	-	11.74
(vi) Other financial assets	10	1.57	0.15	1.62
(c) Current tax assets (net)	11	-	-	-
(d) Other current assets	12	182.50	190.72	107.27
		262.91	**215.95**	**127.68**
Total assets		**418.43**	**422.96**	**409.20**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	24.20	24.20	24.20
Other equity	13 (a)	387.00	368.07	363.01
		411.20	**392.27**	**387.21**
LIABILITIES				
1. Non-current liabilities				
(a) Financial liabilities				
(b) Provisions	14	-	5.52	15.95
(c) Deferred tax liabilities		-	-	
		-	**5.52**	**15.95**
2. Current liabilities				
(a) Financial liabilities				
(ii) Trade payables	15	5.18	10.84	-
(iii) Other financial liabilities	16	1.44	11.01	2.34
(c) Provisions	17	-	0.11	3.56
(d) Other current liabilities	18	0.60	3.23	0.14
		7.23	**25.18**	**6.04**
Total equity and liabilities		**418.43**	**422.96**	**409**

The accompanying notes are an integral part of the financial statements
As per our report of even date
For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

H.K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

CA Gopesh.K.Shah
Partner
Membership No.: 106204

Place: Mumbai
Date: May 29 2017

For & On behalf of the Board of Directors

Sandeep Garg
Director
DIN : 00036419
Date: May 29 2017

Shriniwas Kargutkar
Director
DIN : 06926585
Date: May 29 2017

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Financial statements as at and for the year ended 31 March 2017

(Amount in Lakhs)

		Note	Year ended 31 March 2017	Year ended 31 March 2016
I.	Revenue from operations	19	441.14	335.38
II.	Other income	20	5.85	0.00
III.	**Total income (I+II+III)**		**446.99**	**335.38**
iv.	**Expenses**			
	Employee benefits expense	21	0.37	53.85
	Depreciation and amortisation expense	22	49.71	66.69
	Finance costs	23	0.51	0.17
	Other expenses	24	372.27	199.86
	Total expenses (V)		**422.86**	**320.58**
V	**Profit before exceptional items and tax (IV-V)**		**24.14**	**14.80**
	Exceptional items			
VI	**Profit before tax**		**24.14**	**14.80**
VII	**Income tax expense**			
	- Current tax		4.73	2.82
	- MAT Credit entitlement			
	- Deferred tax (benefit)/ charge		0.47	6.92
VIII	**Profit for the year (VII-VIII)**		**18.93**	**5.06**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss)			
	Tax relating to above			
IX.	**OCI for the year**		-	-
X	**Total comprehensive income for the year (IX-X)**		**18.93**	**5.06**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

CA Gopesh.K.Shah
Partner
Membership No.: 106204
Date: May 29 2017

H.K. SHAH & CO. G-& AG NO.WRO/510 FRN NO. 109583/W RBI UNIQUE CODE NO. 122900 AHMEDABAD CHARTERED ACCOUNTANTS

For & On behalf of the Board of Directors

Sandeep Garg
Director
DIN : 00036419
Date: May 29 2017

Shriniwas Kargutkar
Director
DIN : 06926585
Date: May 29 2017

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Financial statements as at and for the year ended 31 March 2017

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

(Amount in Lakhs)

	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
Gross carrying amount (cost)						
As at □01 April 2015	5.52	3.41	0.20	0.14	0.18	9.44
Additions	14.80			0.27	0.40	15.46
Disposals	-					-
Transfer to assets held for sale						-
As at □31 March 2016	20.32	3.41	0.20	0.40	0.58	24.90
Additions						-
Disposals						-
Transfer to assets held for sale						-
As at □31 March 2017	20.32	3.41	0.20	0.40	0.58	24.90

	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
Accumulated depreciation						
As at □01 April 2015	2.53	1.66	0.09	0.08	0.05	4.41
Additions during the year	4.87	0.61	0.06	0.22	0.15	5.91
Deletions during the period						-
Transfer to assets held for sale						-
As at □31 March 2016	7.40	2.27	0.15	0.30	0.19	10.31
Additions during the year	3.53	0.39	0.03	0.06	0.11	4.12
Deletions during the period						-
Transfer to assets held for sale						-
As at □31 March 2017	10.93	2.67	0.18	0.36	0.30	14.44
Net carrying amount as at □31 March 2017	9.39	0.74	0.02	0.04	0.27	10.46
Net carrying amount as at □31 March 2016	12.92	1.13	0.05	0.10	0.38	14.59
Net carrying amount as at □01 April 2015	2.99	1.74	0.11	0.05	0.13	5.03

As at □31 March 2016	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
Gross carrying amount	20.32	3.41	0.20	0.40	0.58	24.90
Less: Accumulated depreciation	(7.40)	(2.27)	(0.15)	(0.30)	(0.19)	(10.31)
Net carrying amount	12.92	1.13	0.05	0.10	0.38	14.59

As at □01 April 2015	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
Gross carrying amount	5.52	3.41	0.20	0.14	0.18	9.44
Less: Accumulated depreciation	2.53	1.66	0.09	0.08	0.05	(4.41)
Net carrying amount	8.05	5.07	0.29	0.22		5.03

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

4 (b) Intangible Assets ::

(Amount in Lakhs)

	Himmatnagar Bypass Projects	Total
Gross carrying amount (cost)		
As at 01 April 2015	**844.47**	844.47
Additions	-	-
Transfer to assets held for sale	-	
As at 31 March 2016	**844.47**	**844.47**
Additions		
Disposals		
Transfer to assets held for sale		
As at 31 March 2017	**844.47**	**844.47**

	Himmatnagar Bypass Projects	Total
Accumulated depreciation		
As at 01 April 2015	**601.34**	601.34
Additions during the year	60.78	60.78
Deletions during the period		
Transfer to assets held for sale		
As at 31 March 2016	**662.12**	**662.12**
Additions during the year	45.59	45.59
Deletions during the period		
Transfer to assets held for sale		
As at 31 March 2017	**707.71**	**707.71**
Net carrying amount as at 31 March 2017	**136.76**	
Net carrying amount as at 31 March 2016	**182.35**	
Net carrying amount as at 01 April 2015	**243.14**	

	Himmatnagar Bypass Projects	Total
As at 31 March 2016		
Gross carrying amount	844.47	844.47
Less: Accumulated depreciation	(662.12)	(662.12)
Net carrying amount	**182.35**	**182.35**

	Himmatnagar Bypass Projects	Total
As at 01 April 2015		
Gross carrying amount	844.47	844.47
Less: Accumulated depreciation	(601.34)	(601.34)
Net carrying amount	**243.14**	**243.14**

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Financial statements as at and for the year ended 31 March 2017

Financial assets

5 Other non-current financial assets - others

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
(Unsecured considered good, unless otherwise stated)			
Security deposits			
- Related parties	-	-	-
- Others	-	-	-
Advance recoverable in cash or kind	-	-	-
Total	-	-	-
Total financial assets	-	-	-

6 Non-current tax assets (net)

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance with Government authorities			
- Direct tax (net of provision for taxation)	3.41	4.72	21.09
- Wealth tax	-	-	-
- MAT credit entitlement	-	-	-
Total	**3.41**	**4.72**	**21.09**

H. K. SHAH & CO.
ICAI REG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

7 Trade receivables

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Unsecured			
Over six months			
- Considered good	-	-	-
- Considered doubtful	-	-	
	-	-	-
Others			
- Considered good	19.10	-	-
- Considered doubtful	-	-	-
	19.10	-	-
	19.10	-	-
Total	**19.10**	-	-

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.

For terms and conditions relating to related party receivables.

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

8 Cash and cash equivalents

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with banks			
- In current accounts	56.05	22.38	3.94
- Deposit Accounts having original maturity of less than three months			
Cash on hand	3.70	2.69	3.11
Total	**59.74**	**25.07**	**7.05**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E)

Particulars	SBN's*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.66	3.72	6.38
Add: Permitted receipts	2.14	30.76	32.90
Less: Permitted payments	-	4.32	4.32
Less: Amount deposited in Banks	4.80	30.11	34.91
Closing balance as at December 30, 2016	-	4.37	4.37

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

9 Bank balances other than (iii) above

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with banks			
- In current accounts			
- Deposit Accounts having original maturity of less than three months			
In Earmarked Accounts :-	-	-	11.74
- Held as margin money or security against guarantees and other commitments #			
Cash on hand			
Total	-	-	**11.74**

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

10 Current financial assets - others

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Interest accrued on			
- Current Investment	-	-	-
- Fixed deposit	-	-	0.96
- Inter corporate deposits	-	-	-
Advance recoverable in cash or kind (unsecured)			
- Considered good	1.57	0.15	0.65
	1.57	**0.15**	**0.65**
Total	**1.57**	**0.15**	**1.62**

11 Current tax assets (net)

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance with Government authorities			
- Direct tax			
Total	-	-	-

H. K. SHAH & CO.
C & AG NO. WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

12 Other current assets

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance with Government authorities			
- Indirect tax			
Prepaid expenses	0.19	0.13	-
Loans and advances to employees	0.59	0.59	-
Other	-	-	-
Advance recoverable in cash or kind			
- Unsecured considered good			
Other advances			
Advance suppliers/sub-contractors			
- Considered good	181.72	190.00	107.27
	182.50	**190.72**	**107.27**
Total	**182.50**	**190.72**	**107.27**

26 Deferred-Tax Assets (Net)

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Depreciation	4.88	7.09	13.37
Retirmentment Benefits	-	(1.74)	(1.10)
Total	**4.88**	**5.35**	**12.27**

H. K. SHAH & CO.
C & AG NO. WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

13 Share capital and other equity

13(a) :- Equity share capital

(i) Authorised share capital

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Authorised			
Equity shares of Rs 10 each			
2,50,000 (2,50,000 31 March 2016 ; 2,50,000 01 April 2016) Equity Shares of Rs.10 each fully paid up	2,500,000	2,500,000	2,500,000
issued, subscribed and paid up			
2,42,000 (2,42,000 31 March 2016 ; 2,42,000 01 April 2016) Equity Shares of Rs.10 each fully paid up	24.20	24.20	24.20

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

(i) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Equity shares allotted as fully paid up for consideration other than cash	Nil	Nil	Nil
Equity shares allotted as fully paid up bonus shares	Nil	Nil	Nil
Equity shares bought back	Nil	Nil	Nil

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	242,000	100%	242,000	100%

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	242,000	100%	242,000	100%

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	242,000	24.20	242,000	24.20
Add : Shares issued during the year	-	-	-	-
Number of shares at the end of the period	242,000	24.20	242,000	24.20

(v) Aggregate number of shares issued for consideration other than cash

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Item 1			
Item 2			

13 (b)-"Reserves & Surplus"

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Securities premium reserve	208.80	208.80	208.80
Retained earnings	178.20	159.27	154.21
Total	**387.00**	**368.07**	**363.01**

(i) Securities premium reserve

(Amount in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance	208.80	208.80
Addition during the year	-	-
Dedution during the year	-	-
Closing balance	208.80	208.80
	-	-

(ii) Retained earnings

(Amount in Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance	159.27	154.21
Total Comprehensive income for the year	18.93	5.06
Closing balance	178.20	159.27
	-	-

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

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

Statement of changes in equity for the year ended March 31, 2017
A. Equity share capital

(Amount in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Opening balance	242,000	24.20	242,000	24.20	242,000	24.20
Changes in equity share capital during the year	-	-	-	-	-	-
Closing Balance	**242,000**	**24.20**	**242,000**	**24.20**	**242,000**	**24.20**

B. Other equity

Particulars	Attributable to owners of Msk Projects (Himmatnagar Bypass)			
	(Amount in Lakhs)			
	Reserves and surplus			
	Securities Premium	Retained earnings	Total Reserve and Surplus	TOTAL OTHER EQUITY
As at 01 April 2015	**208.80**	**154.21**	**363.01**	**363.01**
Profit for the year		5.06	5.06	5.06
Other comprehensive income		-	-	-
Total comprehensive income for the year	-	5.06	5.06	5.06
As at 31 March 2016	208.80	159.27	368.07	368.07
Profit for the year		18.93	18.93	18.93
Other comprehensive income		-	-	-
Total comprehensive income for the year	-	18.93	18.93	18.93
As at 31 March 2017	208.80	178.20	387.00	387.00

The accompanying notes are an integral part of the financial statements
As per our report of even date
For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

H. K. SHAH & CO.
& AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

CA Gopesh.K.Shah
Partner
Membership No.: 106204

For & On behalf of the Board of Directors

Sandeep Garg
Director
DIN : 00036419
Date: May 29 2017

Shriniwas Kargutkar
Director
DIN : 06926585
Date: May 29 2017

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Financial statements as at and for the year ended 31 March 2017

14 Long term provisions

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Provision for employee benefits			
- Gratuity	-	3.49	-
- Leave benefits	-	2.03	-
Provision for Tax			15.95
Total	-	**5.52**	**15.95**

15 Trade payables

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Acceptances	-	-	-
Trade payables	5.18	10.84	-
Total	**5.18**	**10.84**	-

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 60-day terms.
For explanations on the Company's credit risk management processes,

16 Current financial liabilities - others

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Deposits			
Security deposits payable			
Share application money pending allotment			
Payable to employees	-	3.60	-
Creditors for expenses	1.44	7.41	2.34
Total	**1.44**	**11.01**	**2.34**

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

17 Short term provisions

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Provision for employee benefits			
- Gratuity	-	0.06	2.50
- Leave benefits	-	0.05	1.06
Total	-	**0.11**	**3.56**

18 Other current liabilities

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Payable to other parties			
Trade advances and deposits			
Statutory dues payable	0.60	3.23	0.14
Total	**0.60**	**3.23**	**0.14**

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Financial statements as at and for the year ended 31 March 2017

24 Revenue from operations

(Amount in Lakhs)

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from		
- Engineering, Procurement and Construction (EPC)	-	-
- Build Operate Transfer (BOT) Business	441.14	335.38
Revenue From Operations (Gross)	441.14	335.38
Total	441.14	335.38

25 Other income

(Amount in Lakhs)

	Year ended 31 March 2017	Year ended 31 March 2016
Unclaimed liabilities written back	5.62	-
Miscellaneous income	0.23	0.00
Total	5.85	0.00

26 Employee benefit expenses

(Amount in Lakhs)

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	-	47.58
Contribution to provident and other funds	0.37	4.67
Employee stock option expenses	-	-
Staff welfare expenses		1.61
Total	0.37	53.85

27 Depreciation and amortisation expense

(Amount in Lakhs)

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plant and equipment	4.12	5.91
Amortisation of intangible assets	45.59	60.78
Total	49.71	66.69

28 Finance costs

(Amount in Lakhs)

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expenses on:-		
- Term loans		
- Working capital		
- Others		
- Bank charges and other finance costs	0.51	0.17
	0.51	0.17
Unwinding of discount on deposits		
Total	0.51	0.17

29 Other expenses

(Amount in Lakhs)

	Year ended 31 March 2017	Year ended 31 March 2016
Stores and spares consumed		
Hire charges	0.19	-
Power, fuel and water charges	0.97	0.46
Repairs and Maintenance :-	1.75	2.65
- Plant and machinery	-	-
- Road maintenance	6.14	-
- Others	330.61	147.35
Civil Work	0.98	0.11
Donation	0.91	-
Rent	0.82	-
Rates and taxes	0.90	0.63
Insurance cost	-	0.02
Travelling and conveyance	0.77	0.57
Communications	1.66	3.95
Legal and professional fees	0.15	0.29
Business Promotion expenses	21.47	40.45
Printing and stationary	-	0.47
Payment to Auditors	0.81	1.21
- As Auditor (***)		
- Taxation matters	0.75	0.77
Office expenses	-	-
Filing and registration expenses	3.20	-
Miscellaneous expenses	0.04	0.05
	0.15	0.90
Total	**372.27**	**199.86**

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2017

(Amount in Lakhs)

	March 31, 2017	March 31, 2016
A. Cash Flow from Operating Activities		
Net Profit before taxation	24.14	14.80
Add adjustment for non cash items:		
Credit Balance Written Off	(5.62)	-
Depreciation and amortisation	49.71	66.69
Financial Expenses including Interest	0.51	0.17
Provision for Gratuity & Leave Enashment	-	5.62
Operating Profit before Working Capital changes	**68.74**	**87.29**
Working Capital Adjustments for :		
Increase/ (decrease) in other current liabilities	(17.85)	22.59
Decrease / (increase) in short-term loans and advances	8.12	(86.52)
Decrease / (increase) in Trade Receivable	(19.10)	-
Increase/ (decrease) in Other Current Assets	-	0.96
Cash generated from /(used in) operations	(28.82)	(62.96)
CASH GENERATED FROM OPERATIONS	**39.91**	**24.32**
Income tax Paid	**(4.73)**	(2.41)
Net Cash inflow from/ (outflow) from Operating activities	**35.18**	**21.92**
B. Cash Flow from Investing Activities		
Purchase of fixed assets	-	(15.46)
Net Cash inflow from/ (outflow) from Investing activities	-	**(15.46)**
C. Cash Flow from Financing Activities		
Borrowing	-	-
Repayment of borrowings (incl. inter company)		-
Financial Expenses including Interest	(0.51)	(0.17)
Net Cash inflow from/ (outflow) from Financing activities	**(0.51)**	**(0.17)**
Net increase / (decrease) in cash and cash equivalents	**34.67**	**6.28**
Opening Cash and Cash Equivalents	**25.07**	**18.79**
Closing Cash and Cash Equivalents	59.74	25.07
Closing Cash and Cash Equivalents		
Cash in hand	3.70	2.69
Balance with banks	56.05	22.38
	59.74	**25.07**

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

As per our report of even date
FOR H.K. SHAH & CO.
Chartered Accountants
Firm Registration No.: 109583W

H.K. SHAH & CO. ICAI REG. NO. 109583W PCAOB UNIQUE CODE NO. 122900 AHMEDABAD CHARTERED ACCOUNTANTS

Gopesh.K.Shah
Partner
Membership No.: 106204
Date: May 29 2017
Place: Ahmedabad

& On behalf of the Board of Directors

Sandeep Garg	**Shriniwas Kargutkar**
Director	**Director**
DIN : 00036419	DIN : 06926585
Date: May 29 2017	**Date: May 29 2017**

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Notes forming part of the financial statements

1. Corporate information

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

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for

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. These financial statements for the year ended 31 March 2017 are the first financial statements of the

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

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

3. Significant accounting policies

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.
The company has identified 12 months as its operating cycle.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

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. Toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll

Amount due in respect of the claim is recognized as revenue only when there are conditions stipulated in the contracts for such claims are evidenced inter-alia by way of confirmation by the customers.

a) Service Concession Arrangement:

The Company manages concession arrangement which includes toll road project. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided

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

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.

c) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Exceptional items

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

iv) Property, Plant and Equipment

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 recognised 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 recognised in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

C & AG NO.WR0510
FRN NO. 109583W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

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.

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 recognised 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) is amortized/ written off over the concession period on the basis of written down value at the rate of 25%.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised 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 unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised 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.

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

b) Deferred tax

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

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

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

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

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised 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.

vii) 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 recognised 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.

viii) 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.

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
REG UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

ix) 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.

x) Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurence or non occurence 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 recognised in financial statements since this may result in the recognition of income that may never be realised. Contingent assets are disclosed if the inflow of economic benefits is probable.

xi) 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.

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

xii) Financial instruments

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

A. Financial assets

a) Initial recognition and measurement

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

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

i) Debt instruments measured at amortised cost

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

iii) Debt instruments 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 amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii) Debt instruments measured at 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 recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised 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.

iii) Debt instruments measured at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.
Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv) Equity instruments

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 Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and Loss.

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 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

C. Impairment of financial assets

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

i) Financial assets measured at amortised cost

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or

ii) full lifetime expected credit losses (expected credit losses that result from all possible default events

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 recognises 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

D. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised 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 recognised 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

FRN NO. 109583W
RBI UNIQUE CODE
NO 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

b) Subsequent measurement

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

i) Financial liabilities measured at amortised cost

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

i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised 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

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

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

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.

xii) 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

xiii) Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in associates, joint venture and subsidiaries at cost.

H. K. SHAH & CO.
C & AG NO.WRO/510
RBI UNIQUE CODE
AHMEDABAD
CHARTERED ACCOUNTANTS

MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED

Notes forming part of the financial statements

First-time adoption of Ind-AS

These financial statements for the year ended 31 March 2017, are the first financial statement the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company is in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards.

Exemptions applied

i) Previous GAAP carrying value as Deemed cost

The Company has elected to continue with the previous GAAP carrying value for its Build, Operate & Transfer Project Assets at the transition date.

ii) Fair value measurement of financial assets or financial liabilities at initial recognition

The Company has applied Ind AS 109 day one gain or loss provisions prospectively for the transactions entered into on or before date of transition.

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

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

(Amount in Lakhs)

	As at 31 March 2017	As at 31 March 2016
Economic assumptions		
Discount rate	-	7.92%
Salary Escalation Rate	-	9.00%
Demographic assumptions		
Mortality	-	Indian assured lives Mortality (2006-08)
Retirement Age	-	The employees retire at 60 years of age.
Attrition Rate	-	3% up to age 35, 2% up to age 44 and 1% thereafter

28 Segment Information

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

29 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 2017	As at 31 March 2016	As at 01 April 2015
Welspun Enterprises Limited	100%	100%	100%

c) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr. Sandeep Garg	Director
Mr. Banwarilal Biyani	Director
Mr Shriniwas Khargutkar	Director

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

(Amount in Lakhs)

Nature of transactions	Year ended 31 March 2017	Year ended 31 March 2016
Contruction Work Executed		
Welspun Enterprises Limited	330.00	112.50
Loan Given during the year		
Welspun Enterprises Limited	181.72	190.00
Loan Given during the year		
MSK Projects (Kim Mandvi Corridor) Private Limited	9.50	-
Loan given / repaid during the year		
MSK Projects (Kim Mandvi Corridor) Private Limited	9.50	-

H. K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

Closing balances as at

(Amount in Lakhs)

Nature of transactions	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Amount payable to			
Welspun Enterprises Limited	181.72	10.84	865.98

30 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.

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

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

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

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

32 In the opinion of the Board of Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

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

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

K. SHAH & CO.
C & AG NO.WRO/510
FRN NO. 109583/W
RBI UNIQUE CODE
NO. 122900
AHMEDABAD
CHARTERED ACCOUNTANTS

CA Gopesh.K.Shah
Partner
Membership No.: 106204

Place: Mumbai
Date:

For and on behalf of the Board of Directors

Sandeep Garg	**Shriniwas Kargutkar**
Director	Director
DIN : 00036419	DIN : 06926585