

YALA CONSTRUCTION COMPANY PRIVATE
LIMITED

ANNUAL REPORT

2010-11

Directors' Report

The Shareholders
Yala Construction Co. Private Limited

Your Directors are pleased to present the Eleventh Annual Report together with the Audited Statement of Accounts of your Company for the year ended March 31, 2011.

Financial Results

The Financial Results of the Company for the year ended March 31, 2011 are as follows:

Particulars	(in ₹)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Total Income	122,316,902	107,870,859
Total Expenses	104,133,641	106,682,348
Profit/(Loss) before taxation and prior period expenses	18,183,261	1,188,511
Prior period expenses	-	121,246
Profit/ (Loss) before tax	18,183,261	1,067,265
Less : Provision for tax	(7,500,273)	(553,642)
Profit/ (Loss) after tax	10,682,988	513,623
Add : Profit Brought forward	1,013,114	499,491
Balance carried forward	11,696,102	1,013,114

Operations

During the year under review, the Company was awarded contracts from Sri Sathya Sai Port Trust Puttaparthi (AP) for Microsurfacing on Air Port runway of worth ₹ 3.39 Crores. The Company was also awarded contract from, PWD, New Delhi for Microsurfacing on Flyover of worth ₹ 0.89 Crores, ISTPL, Dhule (NH-3, Maharashtra) for Microsurfacing of Worth ₹ 3.56 Crores and RIDCOR, Balhotra (Rajasthan) for Microsurfacing of Worth ₹ 1.56 Crores.

Dividend

Your Directors do not recommend any dividend for the year under review.

Directors

Presently, the Board of Directors of the Company comprises of Four Directors. There were no changes in the Directors of the Company from the date of previous Annual General Meeting

Auditor

M/s Gupta Mahesh & Co, Chartered Accountants, New Delhi, Statutory Auditors, retires at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors, if re-appointed.

Deposits

The Company has neither invited nor accepted any fixed deposits from the public during the year within the meaning of section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

Particulars of Employees

During the year, the Company had no employees in respect of whom statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is required to be given.

Secretarial Compliance Report

The Company has maintained proper secretarial records as required by Companies Act, 1956. A Secretarial Compliance Certificate issued by M/s. Ashok Panigrahi & Co., Company Secretaries, pursuant to section 383A of the Companies Act, 1956 is attached as annexure to this report.

Industrial Relations

During the year under review, labour relations remained cordial and smooth.

Conservation of Energy & Technology absorption

Your Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented and there are no major areas where further energy conservation measure can be taken.

Research & Development

The Company has not undertaken any research & development activity during the year.

Foreign Exchange Inflow & Outflow

During the year, foreign exchange inflows were Nil (Previous year 13,999,990) and outflows were ₹2,221,369 (Previous Year Nil)

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ("the Act") the Directors based on the representations received from the Operating Management, confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis


Acknowledgements

The Directors place on record their appreciation for the continued support and co-operation rendered by the Banks, Government Authorities, Suppliers and the consumers and the shareholders of the Company. The Directors also convey their thanks to the employees at all levels for the growth of the Company.

For and on behalf of the Board



(Director)



(Director)

Date : May 20, 2011
Place : Mumbai

**11th ANNUAL ACCOUNTS & REPORT
FOR THE YEAR ENDED
31st MARCH, 2011**



YALA CONSTRUCTION CO. PRIVATE LIMITED

BOARD OF DIRECTORS

**MR. HARISH CHANDRA MATHUR
MR. AJAY GOPALAKRISHNAN MENON
MR. M.B. BAJULGE
MR. HIMANSHU VASHIST**



**Auditors
GUPTA MAHESH & CO.
CHARTERED ACCOUNTANTS
NEW DELHI**

Regd. Office : 1304-A, Chiranjiv Tower, 43, Nehru Place, New Delhi- 110 019



Gupta Mahesh & Co.

Chartered Accountants

45 Lower Ground Floor, Pocket A-8,
Kalkaji Extension, New Delhi - 110 019
Ph : 011-41605390, 9811015010
E-mail : mahesh.gupta@camahesh.com
mahesh_g2006@rediffmail.com

AUDITOR'S REPORT

To the Members of
Yala Construction Co. Private Limited

1. We have audited the attached Balance Sheet of Yala Construction Co. Private Limited as at March 31, 2011 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Sec 227(4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
4. Further to our comments in the annexure referred to above, we report that:
 - (i) We have obtained all the information & explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our Opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;



- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
- (v) On the basis of written representations from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 *except in the case of Mr. Himanshu Vashist for which we are unable to give our opinion, as the company has not received any written representation from him, regarding the above;*
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view:
- in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2011;
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place – *New Delhi*
Date – *20th May, 2011*

For GUPTA MAHESH & CO.
Chartered Accountants




Mahesh Gupta
Prop.
Membership No.074202
Registration No.005427C

**ANNEXURE TO AUDITORS' REPORT
(REFERRED IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)**

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us, all the fixed assets have been physically verified by the Management during the year and no material discrepancies noticed. In our opinion the frequency of such verification is reasonable having regards to the size of the company and the nature of its assets.
 - c) During the year, the Company has not disposed off substantial part of fixed assets and therefore, the question of effect on going concern assumption does not arise.
2.
 - a) As explained to us, the inventories have been physically verified by the management during the year by the management and in our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory/work in progress as compared to book records.
3.
 - a) The company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b) The company has granted loan to one "1" parties covered in the register required to be maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs 5,251,789 (Previous year 16,484,599) and the year end balance was Rs. 1,140,676 (Previous year 5,251,789).
 - c) The rate of interest and other terms and conditions of loans given by the Company, secured or unsecured are prima facie not prejudicial to the interest of the Company.
 - d) As per terms and conditions governing the loans, receipt of principal amount is in accordance with the terms and condition of the loan. No interest has been received during the year, since the loans are interest free.



4. In our opinion and according to information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.
5.
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to Section 301 of the Act have been entered into the Register maintained under section 301 of the Act.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
6. In our opinion and according to the information and explanations given to us, during the year, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. According to the information and explanations given to us, no order has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal during the year, with respect to above referred sections.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. As explained by the management, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Act in respect of activities of the Company.
9.
 - a) According to the information and explanations given to us by the management, the Company during the year is regular in depositing with the appropriate authorities the undisputed statutory dues including Income Tax, Sales Tax and any other statutory dues.
 - b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sale Tax, Customs Duty and excise duty were outstanding as on 31st March, 2011 for a period of more then six month from date of becoming payable.
10. The company does not have accumulated losses as at the end of the year. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the company.
14. The company is not dealing a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
16. According to the information and explanation given to us and on the overall examination of the Balance Sheet, the Company has applied term loans for the purpose they were obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not created security or charge in respect of debentures issued and outstanding at the year-end.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of fraud by/on the company.

Place - New Delhi
Date - 20th May, 2011

For Gupta Mahesh & Co.
Chartered Accountants




Mahesh Gupta
Prop.
Membership No. 074202
Registration No. 005427C

Yala Construction Co. Private Limited

Balance Sheet as at 31st March, 2011

	Schedule	Rupees	As at 31st March, 2011 Rupees	Rupees	As at 31st March, 2010 Rupees
Source of Funds					
Shareholders' Funds					
Share Capital	1	22,365,250		8,365,260	
Share Application	2	-		13,999,990	
Reserve and Surplus	3	<u>12,412,422</u>	<u>34,777,672</u>	<u>1,729,434</u>	24,094,684
Loan Funds					
Secured Loans	4	2,413,847		1,430,105	
Unsecured Loans		<u>-</u>	<u>2,413,847</u>	<u>-</u>	1,430,105
Deferred Tax Liability			<u>214,296</u>		714,023
			<u><u>37,405,815</u></u>		<u><u>26,238,812</u></u>
Application of Funds					
Fixed Assets					
Gross Block	5	37,987,136		35,801,962	
Less : Depreciation		<u>21,981,856</u>		<u>19,341,955</u>	
Net Block			<u>16,005,280</u>		16,460,007
Current Assets, Loans and Advances					
Inventories	6	5,712,221		3,053,010	
Cash and Bank Balances	7	25,273,478		36,046,468	
Sundry Debtors	8	4,872,681		6,166,538	
Loans and Advances	9	40,117,964		22,022,163	
		<u>75,976,344</u>		<u>67,288,179</u>	
Less: Current Liabilities and Provisions					
Current Liabilities	10	46,228,590		56,873,149	
Provisions	11	8,347,219		636,225	
		<u>54,575,809</u>		<u>57,509,374</u>	
Net Current Assets			<u>21,400,535</u>		9,778,805
			<u><u>37,405,815</u></u>		<u><u>26,238,812</u></u>
Significant Accounting Policies	17				
Notes to Accounts	18				

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants

(Mahesh Gupta)
Proprietor

Membership No. 074202

Firm registration No. 005427C

Place : New Delhi

Date : 20th May, 2011

(Signature)



For and on behalf of the Board

(Signature)
Director

(Signature)
Director



Yala Construction Co. Private Limited

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Current Year Rupees	Previous Year Rupees
Income			
Project Revenues	12	118,451,561	104,799,720
Other Income	13	3,865,341	3,071,139
		<u>122,316,902</u>	<u>107,870,859</u>
Expenditure			
Operating	14	86,873,094	81,357,657
Administration, Selling and Distribution	15	13,354,250	20,727,933
Interest and Financial	16	398,674	2,385,551
Depreciation		2,639,901	2,211,207
Exchange Variation		867,722	-
		<u>104,133,641</u>	<u>106,682,348</u>
Profit/(Loss) before Tax, extraordinary items and prior period items		<u>18,183,261</u>	<u>1,188,511</u>
Provision for Income Tax		8,000,000	450,000
Provision for Deferred Tax (Asset)/Liability		(499,727)	103,642
Profit/(Loss) after Tax but before extraordinary items and prior period items		<u>10,682,988</u>	<u>634,869</u>
Prior period Expenses		-	121,246
Profit/(Loss) after Tax		<u>10,682,988</u>	<u>513,623</u>
Add: Brought forward Profit		1,013,114	499,491
Profit carried to Balance Sheet		<u>11,696,102</u>	<u>1,013,114</u>
Basic and Diluted earnings per Equity Share (Refer note 18 h) (Nominal value Rs. 10 per share)		5.83	0.61
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants



(Mahesh Gupta)
 Proprietor
 Membership No. 074202
 Firm registration No. 005427C
 Place : New Delhi
 Date : 20th May, 2011


For and on behalf of the Board


 Director


 Director



Yala Construction Co. Private Limited

Yala Construction Co. Private Limited

Cash Flow Statement for the year ended 31st March 2011

		For the year ended 31 March 2011		For the year ended 31 March 2010
	Rupees	Rupees	Rupees	Rupees
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax		10,682,988		513,623
Adjustment for :				
Depreciation	2,639,901		728,496	
Interest received	(1,478,857)		(596,090)	
Interest paid	398,674		2,385,551	
Foreign Exchange Loss/(Gain)	867,722		(2,022,061)	
Loss/(Profit) on sale of assets (net)	-	2,427,440	(4,196)	491,700
Operating profit before changes in Working Capital		13,110,429		1,005,323
Adjustments for changes in Working Capital and provisions:				
Inventories	(2,659,211)		(1,646,813)	
Trade receivables	1,293,857		750,769	
Loans and advances	(18,095,801)		8,844,931	
Current Liabilities	(10,644,559)		18,333,169	
Deferred tax Liability	(499,727)		103,642	
Provisions	7,710,994	(22,894,448)	(53,956)	26,331,742
Cash generated from operations		(9,784,019)		27,337,065
Foreign Exchange Fluctuation		(867,722)		2,022,061
Net Cash from Operating activities		(10,651,741)		29,359,126
B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES				
Fixed Assets :				
Purchase	(2,185,174)		(2,696,772)	
Loss/(Profit) on Sales of Assets	-		4,196	
Interest received	1,478,857	(706,317)	596,090	(2,096,486)
Net Cash (used in) investing activities				
C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES				
Increase/(Decrease) in Unsecured Loan	-		-	
Interest paid	(398,674)		(2,385,551)	
Increase/(Decrease) in Secured Loan	983,742		(13,938,777)	
Share application money	-		13,999,990	
Net Cash from financing activities		585,068		(2,324,338)
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(10,772,990)		24,938,302
Cash and Cash Equivalents (Opening balance)		36,046,468		11,108,166
Cash and Cash Equivalents (Closing balance)		25,273,478		36,046,468



Notes for Cash Flow Statement:

1 Detail of Opening and Closing Cash & Cash Equivalent

	Closing	Opening
Cash in Hand	70,313	75,937
Balance with Scheduled Bank		
In Current Account	6,473,209	35,340,789
In Fixed Deposit Account	18,729,956	629,742
	<u>25,273,478</u>	<u>36,046,468</u>

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard (revised) -3 (AS-3) notified by Companies Accounting Standard Rules,2006
- Figures in brackets indicate cash outgo.
- Figures have been rounded off to the nearest rupees.

For and on behalf of the Board of Directors


Director


Director

Date :
Place :



Auditor's Certificate

We, have verified the above Cash Flow Statement of Yala Construction Co. Private Limited for the year ended March 31, 2011. The statement has been prepared in accordance with the requirement of AS 3 (revised) notified by Companies Accounting Standard Rules,2006 and is in agreement with the Profit and Loss account and the Balance Sheet of the Company, covered by the our report of even date to the members of the Company.

As per our report attached

For Gupta Mahesh & Co.
Chartered Accountants


(Mahesh Gupta)
Proprietor
Membership No. 074202
Firm registration No. 0054276



Date : 20th May, 2011
Place : New Delhi



Yala Construction Co. Private Limited

Schedules forming part of the Balance Sheet

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule 1		
Share Capital		
Authorised Capital		
3,000,000 Equity shares of Rs.10 each	<u>30,000,000</u>	<u>30,000,000</u>
(Previous Year 3,000,000 Equity shares of Rs.10 each)		
Issued, Subscribed and Paid up	22,365,250	8,365,260
22,36,525 (Previous year 836,526) Equity Shares of Rs.10 each fully paid		
Of the above:		
(i) 765,279 (Previous year 359,878) Equity shares are held by Elsamex, S.A, Spain		
(ii) 122,0288 (Previous year 225,690) Equity Shares are held by Elsamex Internacional S.L.		
(iii) 21,300 (Previous year 21,300) Equity Shares are held by Himanshu Vashist		
(iv) 229,658 (Previous year 229,658) Equity Shares are held by Kanta Vashist		
	<u>22,365,250</u>	<u>8,365,260</u>

Schedule 2

Share Application Money

Elsamex, S.A, Spain	-	8,604,100
Elsamex Internacional, S.L.	-	5,395,890
		<u>13,999,990</u>



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedules forming part of the Balance Sheet

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule 3		
Reserve and Surplus		
Share Premium Account	716,320	716,320
	(A) <u>716,320</u>	<u>716,320</u>
Profit and Loss Account		
Balance as per last Balance Sheet	1,013,114	499,491
Add/Less: Profit/(Loss) as per Profit and Loss Account	<u>10,682,988</u>	<u>513,623</u>
	(B) <u>11,696,102</u>	<u>1,013,114</u>
	(A+B) <u>12,412,422</u>	<u>1,729,434</u>



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedules forming part of the Balance Sheet

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule 4		
Secured Loan		
From Banks		
Vehicle Loans *	2,413,847	1,430,105
	<u>2,413,847</u>	<u>1,430,105</u>

* Secured against the hypothecation of vehicles
Installment payable including interest within next
twelve months Rs.190,6425(Previous Year Rs.623,836)



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedule 5

Schedules annexed to and forming the part of Accounts

Fixed Assets

(Amount in Rs.)

Particulars	Gross Block				Depreciation						Net Block	
	Opening as at 1st April 2010	Additions	Deduction	Closing as at 31st March, 2011	Accumulated upto 1st April 2010	On opening balances	On Additions	For the year	Deduction	Accumulated upto 31st March, 2011	Closing as at 31st March, 2011	As at 31st March 2010
Building	26,270	-	-	26,270	7,270	950	-	950	-	8,220	18,050	19,000
Plant & Machinery	30,408,336	2,013,176	-	32,421,512	15,608,861	2,058,607	119,514	2,178,121	-	17,786,982	14,634,530	14,799,475
Vehicles	4,233,148	-	-	4,233,148	2,831,159	362,975	-	362,975	-	3,194,134	1,039,014	1,401,989
Commercial Vehicles	589,916	-	-	589,916	552,275	11,292	-	11,292	-	563,567	26,349	37,641
Office Equipments	310,250	114,518	-	424,768	200,239	15,303	25,870	41,173	-	241,412	183,356	110,011
Computers	234,042	57,480	-	291,522	142,151	36,756	8,634	45,390	-	187,541	103,981	91,891
TOTAL	35,801,962	2,185,174	-	37,987,136	19,341,955	2,485,883	154,018	2,639,901	-	21,981,856	16,005,280	16,460,007
Previous Year	33,105,190	5,888,019	3,191,247	35,801,962	18,613,459			2,211,207	1,482,712	19,341,955	16,460,007	14,491,731



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited
Schedules forming part of the Balance Sheet

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule 6		
Current Assets, Loans and Advances		
Inventories		
(As taken, valued and certified by the management)		
Project Work in Progress	3,457,142	-
Raw material	2,255,079	3,053,010
	<u>5,712,221</u>	<u>3,053,010</u>
Schedule 7		
Cash and Bank Balances		
Cash in hand	70,313	75,937
Balances With Scheduled Banks		
On current account	6,473,209	35,340,789
On deposit account	18,729,956	629,742
(Tax deducted Rs. 1,11,114 (Previous Year Rs 47832).	<u>25,273,478</u>	<u>36,046,468</u>
Schedule 8		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
-Considered good		-
Other debts		
-Considered good	4,872,681	6,166,538
	<u>4,872,681</u>	<u>6,166,538</u>
Schedule 9		
Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Advance to Group entities	1,140,676	5,251,789
Advance to Others	11,152,706	402,735
Duties and Taxes	8,800,088	5,600,633
Security Deposit	18,832,829	10,657,992
Prepaid Expenses	191,665	109,014
	<u>40,117,964</u>	<u>22,022,163</u>



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited
Schedules forming part of the Balance Sheet

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule 10		
Current Liabilities & Provision		
Acceptances		
Sundry Creditors		
-Total outstanding dues of micro and small enterprises		-
-Total outstanding dues of creditors other than micro and small enterprises	39,609,710	49,401,502
	<u>39,609,710</u>	<u>49,401,502</u>
Security Deposits and Advances	1,348,782	1,819,053
Expenses payable	2,601,518	808,848
Duties and Taxes	2,668,580	4,843,746
	<u>46,228,590</u>	<u>56,873,149</u>
Schedule 11		
Provisions		
Income Tax A.Y 2011-12	8,000,000	450,000
Gratuity	347,219	186,225
	<u>8,347,219</u>	<u>636,225</u>



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedules forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Schedule 12		
Project Revenue		
Project	118,451,561	104,799,720
	118,451,561	104,799,720

Schedule 13

Other Income

Exchange Variation	-	2,022,061
Interest	1,478,857	596,090
Excess provision written back	-	48,792
Bad Debts Recovered	2,386,484	
Profit on sale of Assets	-	4,196
Machine Rent	-	400,000
	3,865,341	3,071,139



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedules forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Schedule 14		
Operating Expenses		
Consumption of Raw Materials		
Opening Stock	3,053,010	-
Add: Purchases		
- Bitumen	36,623,659	26,673,753
- Additive	4,479,902	969,215
- Aggregate	1,512,732	2,121,000
- Others	1,358,363	998,353
Less: Closing Stock		
- Bitumen	1,948,632	2,105,251
- Additive	246,240	548,998
- Aggregate	60,207	386,021
- Others		12,740
Raw Material Consumed (A)	44,772,587	27,709,311
(Increase)/Decrease in Work-in-progress		
Closing Work in progress	3,457,142	-
	3,457,142	-
Less:		
Opening Work-in-progress	-	1,406,197
	-	1,406,197
	(3,457,142) (B)	1,406,197
Site Expenses		
Sub Contract Cost	1,729,294	13,383,758
Site Expenses- Sub contract	997,623	
Duties and Taxes	8,767,102	10,327,352
Site Operations	16,127,060	7,273,294
Freight and Cartage	4,088,700	5,245,158
Personnel	11,247,870	4,668,930
Consultancy	2,600,000	11,343,657
	45,557,649 (C)	52,242,149
(A+B+C)	86,873,094	81,357,657



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedules forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Schedule 15		
Administration and Other Expenses		
Personnel	2,234,408	2,030,523
Conveyance ,Tour and Travelling	952,182	1,121,998
Rent office	1,561,712	894,050
Car Running and Maintenance	576,334	554,327
Membership & Subscription	70,889	
Legal and Professional	544,946	412,994
Rent Guest House	38,374	250,000
Office expenses	184,018	180,206
Auditor Remuneration	82,725	231,630
Director Sitting Fee	30,000	
Communication	254,478	150,968
Repair, running and maintainence	137,795	146,309
Staff Welfare	289,995	129,743
Electricity and Water	111,152	77,439
Brokerage and Commision	12,000	77,000
Advertisement and Business promotion	221,228	67,133
Insurance	95,470	56,561
Gratuity Expenses	177,869	
Printing and Stationery	119,033	46,177
Annual maintenance	33,736	13,604
Tender & Bid Expenses	41,118	
Postage and Courier	51,150	4,054
(A)	<u>7,820,612</u>	<u>6,444,716</u>
Written off		
Assets	-	1,677,661
Sundry Balances	696,341	9,925,365
Group Entity	4,837,297	2,680,191
(B)	<u>5,533,638</u>	<u>14,283,217</u>
(A+B)	<u>13,354,250</u>	<u>20,727,933</u>
Schedule 16		
Interest and Financial Charges		
Bank	146,645	1,434,571
Others	252,029	950,980
	<u>398,674</u>	<u>2,385,551</u>



Initials	
GM&Co.	YCCPL

Yala Construction Co. Private Limited

Schedules forming part of the Accounts

Schedule 17: SIGNIFICANT ACCOUNTING POLICIES

1. Background

Yala Construction Co. Private Limited (the Company) was incorporated as a private limited company on 4th February 2000. The company is primarily engaged in the business of microsurfacing on roads, highways & airports. Macroseal – Cold micro asphalt Microsurfacing has been extensively used in many countries viz.. USA, Canada, Italy, Malta, Thailand, Korea Indonesia etc to mention few. Many million square meters of roads have been resurfaced using this product with very good results over a period of time.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India including the applicable Accounting Standards issued pursuant to the Companies (Accounting Standards) Rules, 2006. All income and expenditure having a material bearing on the financial statements recognised on an accrual basis.

The financial statements are prepared in accordance with the going-concern principle and on a historical cost basis. The presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement are based on the principle of materiality.

b) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates and any revision is recognized in the current and future periods.

c) Fixed Assets

Fixed Assets acquired by the Company are reported at acquisition cost less accumulated depreciation and impairment losses if any. Acquisition cost includes the purchase price (excluding refundable taxes) and expenses such as delivery and handling costs, installation, legal services etc. directly attributable to bringing the asset to the site and in working condition for its intended use.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the



difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

d) Depreciation

- (i) Depreciation on fixed assets has been provided for on the Written Down Value Method at the rates provided in Schedule XIV of the Companies Act, 1956 on prorata basis.
- (ii) All categories of assets costing less than Rs 5,000 each have been written off in the year of capitalization.

e) Inventory Valuation

Inventory include the material / consumable stores, project in progress (WIP) and the completed projects . Inventory is valued at lower of cost or market value using the First in First out method.

The basis of determining cost of inventory, project work-in-progress and completed works is as follows:

Material / Consumable stores	:	At cost including all direct expenses incurred to bring the material to site.
Work-in-progress	:	At cost including material cost, services and other overheads related to projects under construction.
Completed works	:	At cost including material cost, services and other overheads related to completed works.

f) Provisions

Provisions are recognised when the company has a present obligation 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. Where 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 any provision is presented in the income statement net of any reimbursement.

g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue comprises:



i. Project Revenue

Revenue from projects is recognized following "the percentage of completion method", in accordance with AS-7 (Accounting for Construction contracts). Revenues under percentage of completion method is recognized, on basis of percentage, that of actual cost incurred on the projects under execution bears to the latest estimated total cost.

Stage of completion of the project is determined on basis of percentage that actual cost incurred, bears to total estimated cost of the project undertaken.

The costs incurred on projects under execution on which revenue is not recognized, as they are yet to be certified by the concerned authorities, are shown as inventory of project work-in-progress in the Balance Sheet.

ii. Interest Income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

h) Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing between the reporting currency and the foreign currency on the date of transaction. Current liabilities and current assets denominated in foreign currency are translated at the exchange rate prevalent on the Balance Sheet date. The resulting differences are recorded in the Profit and Loss Account.

i) Employee Benefits

Salaries, bonuses, social security contributions, paid annual leave and other benefits are accrued in the year in which the associated services are rendered by employees of the company.

The cost of accumulated compensated leave is determined on the basis of accumulated compensated leave due to an employee as on the date of financial statement multiplied by salary as on that date.

The Gratuity plan for the employees of the company is a defined benefit plan. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the period in which they occur.

j) Taxes

Income Tax comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the year. Current Tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income Tax Act, 1961



Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences arising from differences in accounting policies as per the accounts drawn up under the Companies Act and the Income Tax Act. Deferred Tax Assets and Liabilities other than on carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit and Loss Account in the period of substantive enactment of the change

The carrying amount of deferred income tax assets is reviewed at each balance sheet and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

k) Earnings per Share

The basic earnings per share is calculated by dividing the net profits after tax for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.



Schedule 18: Notes forming part of the Accounts:

a) Contingent liabilities:

Bank Guarantees of Rs 9,311,214 (Previous year: Rs. 5,688,655) issued towards performance of construction projects.

b) Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. NIL (Previous Year: Nil)

c) In case of maintenance /resurfacing of roads projects, generally company gives defect liability wherein the company undertakes to bear the expenditure on specified maintenance. The contractee may recover the said expenses out of the retention money withheld by them. Based on past trends, the management estimates that no material expenses to be incurred on the maintenance during the unexpired defect liability period and the said expenses to be recognised as and when incurred.

d) The Cash Flow Statement is reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities of the Company are segregated.

e) The Company has provided for the liability on account of Employee benefits on actuarial basis, as required by the Accounting Standard on Employee Benefits (Accounting Standard 15) issued by the Companies (Accounting Standard) Rules 2006 as amended by Companies (Accounting Standard) Rules 2008.

Disclosure required as per Accounting Standard (AS) 15 (Revised) "Employee Benefits" is as under:

Asset/Liability	Current Year (Rs.)	Previous Year (Rs.)
Present Value of Obligation	347,219	186,225
Fair Value of Plan Assets	Nil	Nil
Net Assets/ (Liability) recognized in the Balance Sheet as per provision.	(347,219)	(186,225)



The principal assumptions considered in determining gratuity obligations for the Company's plans are as under

Particulars	Current Year (Rs.)	Previous Year (Rs.)
	(In %)	(In %)
Discount rate	8.00	7.00
Expected rate of return on assets	0.00	0.00
Future salary increase	5.0	4.50
Employee turnover:		
Upto 30 years	3.00	3.00
Upto 44 years	2.00	2.00
Above 44 years	1.00	1.00

f) Foreign currency Inflow: Nil

Expenditure in foreign currency: (on payment basis)

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Revenue expenses	Nil	Nil
Imports	2,221,369	Nil

g) Disclosure required as per Accounting Standard – 18 on “Related Party Disclosures” as notified by CASR,2006:

1) Parties Having Control over the Company:

Elsamex Internacional S.L. (Spain) – Major Share Holder

Elsamex S.A. (Spain) – Major Share Holder

IL&FS Transport Networks Limited – Ultimate Holding Company

Infrastructure Leasing & Financial Services Limited – Ultimate Holding Company

2) Parties under Common Management

Elsamex India Private limited



h) Earnings Per Share (EPS)

Description	Current Year (Rs.)	Previous Year (Rs.)
Net profit after tax (Rs.)	10,682,988	513,623
Weighted Average number of equity share outstanding	1,833,786	836,526
Nominal value of equity shares (Rs. per share)	10	10
Weighted average number of equity shares outstanding during the year	1,833,786	836,526
EPS-Basic & Diluted (Rs.)	5.83	0.61

i) Deferred Tax Asset/(Liabilities)

The company has net Deferred Tax Liabilities of Rs. 214,296 (Previous year Rs. 714,023) the component as are under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Opening Deferred Tax Liability	714,023	610,381
Reinstated Deferred Tax Liability	214,296	714,023
Deferred Tax Liability/Deferred Tax(Asset) during the year	(499,727)	103,642
Deferred Tax (asset)/liability as on 31.3.2011	214,296	714,023

j) Auditors' remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee(including service tax)	82,750	176,480
Tax Audit	-	55,150
Others	39,524	46,670
Total	122,274	278,300



k) Employees Cost:

Employee cost is made up of:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salaries	132,45,334	6,367,523
Contribution to Provident Fund and other funds	650,485	331,927
Staff Welfare	289,995	129,743
Total	141,85,814	6,829,193

l) Small and Micro Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating enterprises covered under the Act. As per the information available with the company, there are no amounts outstanding as payable to any small-scale industrial units as on March 31, 2011.

m) As per management estimates, the realizable value of monetary assets is be at least equal to their book value.

n) The Company is engaged primarily in maintaining and resurfacing of roads in India. Accordingly, quantitative detail and the information required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 are given to the extent applicable.

S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1.	Amount of Project Work in Progress as valued and certified by the management	3,457,141	Nil



0) Disclosures pursuant to Accounting Standard -7 Construction Contracts as notified by CASR, 2006:

S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Contract Revenue recognized for the year	118,451,561	104,799,720
2	Aggregate amount of cost incurred till Balance Sheet date	104,133,641	106,682,348
3.	Aggregate amount of recognized Net profits or (loss) considering costs incurred directly on the running projects.	14,317,920	(1,882,628)
4.	Amount of advances received.	Nil	Nil
5.	Amount of retentions	5,993,510	4,368,999

p) Material consumed during the year are as below:-

S. No.	Particulars	Purchases		Consumption	
		Quantity	Value(Rs.)	Quantity	Value(Rs.)
	Raw Material:				
1	Bitumen	809.865 MT	366,23,659	117,438 MT	367,80,277
2	Additive	80.4 MT	4,479,902	85 MT	4,782,660
3	Aggregate	109,054.5 CFT	1,512,732	115,838.02 CFT	1,838,545
4	Cement	1,424 Bags	314,017.9	1,473 Bags	326,75,7.90

- q) Project revenue shown in Profit & Loss account is inclusive of VAT
- r) Figures have been rounded off to the nearest rupee.
- s) Schedules 1 to 18 form an integral part of the accounts and have been duly authenticated. Previous year's figures have been regrouped /rearranged wherever considered necessary to conform to the current year's presentation.

As per our report of even date
For Gupta Mahesh & Co.
Chartered Accountants

(Mahesh Gupta)
Proprietor
Membership No.074202


Firm registration No. 005427C
Place: New Delhi
Date: 20th May, 2011





For and or behalf of the Board


Director


Director



Yala Construction Co. Private Limited

Yala Construction Co Private Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE For the year ending on 31st March 2011

I. Registration Details

Registration No.	U4520DL2000PTC103620	State Code	55
Balance-sheet Date	31/Mar/11		

II. Capital raised during the year (Amount in Rs Thousand.)

Public Issue	Nil	Rights Issue	14 000
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	91.8 97	Total Assets	91.8 97
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Sources of Funds

Paid Up Capital	22 365	Reserves & Surplus	12 412
Share Application Money	-	Secured Loans	2 414
Unsecured Loans	-	Deferred Tax Liabilities (Net)	214

Application of Funds

Fixed Assets	16 005	Investments	Nil
Net Current Assets	21 401	Deffered Tax Assets (Net)	Nil
Miscellaneous Expenditure	Nil	Accumulated Losses	Nil

IV. Performance of Company (Amount in Rs.Thousand)

Turnover	122 317	Total Expenditure	104 134
Profit/Loss before Tax	18 183	Profit/Loss after Tax	10 683
Earning per share in Rs. (on par value Rs. 10/- each)	5.83	Dividend Rate	Nil

V. Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)

Product Description

NA

NA

