

**YALA CONSTRUCTION COMPANY PRIVATE  
LIMITED**

**FINANCIAL STATEMENTS**

**2013-14**



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**YALA CONSTRUCTION CO. PRIVATE LIMITED**

### Report on Financial Statement:

We have audited the accompanying financial statements of **YALA CONSTRUCTION CO. PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry Of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting policies generally accepted in India. This responsibility includes the design, implementation and the maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and a plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall preparation of the financial statements.

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



**Opinion:**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

- (1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act *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;*

**Place: NEW DELHI**

**Date:**

**For GUPTA MAHESH & CO.**  
**Chartered Accountants**  
Firm's Registration No. 005427C



**Mahesh Gupta**  
Prop.  
Membership No.074202

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

### Referred to in Paragraph 1 under the heading of "report on other legal and other regulatory requirements" 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 on the basis of available information.
  - 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 11,40,676 (Previous year 11,40,676) and the year end balance was Rs. 11,40,676 (Previous year 11,40,676).
  - 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 31<sup>st</sup> March, 2014 for a period of more than 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 –**

**For Gupta Mahesh & Co.  
Chartered Accountants**



**Mahesh Gupta  
Prop.**

**Membership No.074202  
Registration No.005427C**

**Yala Construction Co. Private Limited**  
1304-A, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India  
**Balance Sheet as at 31st March, 2014**

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	63,187,200	63,187,200
Reserve and Surplus	3	47,415,728	22,238,581
		<u>110,602,928</u>	<u>85,425,781</u>
<b>Non Current Liabilities</b>			
Long term Borrowings	4	29,632,424	363,307
Deferred Tax Liability	5	809,719	290,950
Long Term Provisions	6	1,667,792	826,310
		<u>32,109,935</u>	<u>1,480,567</u>
<b>Current Liabilities</b>			
Trade Payables	7	41,553,965	6,248,640
Other Current Liabilities	8	20,663,321	5,667,101
Short Term Provisions	6	12,127,546	2,011,130
		<u>74,344,832</u>	<u>13,926,871</u>
<b>TOTAL</b>		<u><u>217,057,695</u></u>	<u><u>100,833,219</u></u>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets( Net)</b>			
Tangible Assets	9	37,104,418	13,148,482
Long Term Loans & Advances	10	37,616,461	29,892,697
		<u>74,720,879</u>	<u>43,041,179</u>
<b>Current Assets</b>			
Inventories	11	4,460,738	4,439,007
Trade Receivables	12	40,735,864	2,105,146
Cash and Cash Equivalents	13	64,494,249	43,196,596
Short Term Loans & Advances	10	15,038,199	4,178,403
Other Current Assets	14	17,607,766	3,872,888
		<u>142,336,816</u>	<u>57,792,040</u>
<b>TOTAL</b>		<u><u>217,057,695</u></u>	<u><u>100,833,219</u></u>

**Significant Accounting policies**

1

The notes referred to from 1 to 36 form an integral part of the financial statements

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants

NEW DELHI

(Mahesh Gupta)

Proprietor

Membership No. 074202

Firm Registration No. 005427C

Place : New Delhi

Date :

For and on behalf of the Board of Directors

Director



Director

# Yala Construction Co. Private Limited

1304-A, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

## Statement of Profit and Loss Account for the year ended 31st March, 2014

Particulars	Notes	Year ended on 31st March, 2014 Rs.	Year ended on 31st March, 2013 Rs.
<b>Income</b>			
Revenue From Operation	15	228,770,923	89,382,619
Other Income	16	5,896,867	12,785,949
<b>TOTAL INCOME</b>		<b>234,667,790</b>	<b>102,168,568</b>
<b>Expenses</b>			
Cost of material Consumed	17	116,378,043	42,528,529
Employee benefits expenses	18	22,624,230	17,722,001
Finance Costs	19	1,582,253	620,471
Depreciation & Amortization	9	2,218,804	2,666,009
Other Expenses	20	54,144,204	32,681,039
<b>TOTAL EXPENSE</b>		<b>196,947,534</b>	<b>96,218,049</b>
<b>Profit/(Loss) before exceptional &amp; extraordinary items</b>		<b>37,720,256</b>	<b>5,950,519</b>
Exceptional & extraordinary items		-	-
<b>Profit/(Loss) before tax</b>		<b>37,720,256</b>	<b>5,950,519</b>
<b>Tax Expenses</b>			
Current Tax		12,050,180	2,000,000
Deffered Tax		518,769	(46,833)
Earlier year tax		(25,840)	262,849
<b>Profit/(Loss) for the year</b>		<b>25,177,147</b>	<b>3,734,503</b>
<b>Basic and Diluted earnings per Equity Share (Refer note 21 )</b>		<b>3.98</b>	<b>0.68</b>
(Nominal value Rs. 10 per share)			

Significant Accounting Policies

1

The notes referred to from 1 to 36 form an integral part of the financial statements

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 :

For and on behalf of the Board of Directors

  
 Director



  
 Director



**Yala Construction Co. Private Limited**

**Cash Flow Statement for the year ended 31st March, 2014**

	For the year ended 31st March, 2014		For the year ended 31 March 2013	
	Rupees	Rupees	Rupees	Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after tax		25,177,147		3,734,503
<b>Adjustment for :</b>				
Depreciation	2,218,804		2,666,009	
Interest received	(3,374,610)		(3,669,858)	
Interest paid	1,582,253		620,471	
Foreign Exchange Loss/(Gain)	-		1,909,060	
Loss/(Profit) on sale of assets (net)	-	426,447	29,446	1,555,128
Operating profit before changes in Working Capital		25,603,594		5,289,631
<b>Adjustments for changes in Working Capital and provisions:</b>				
Inventories	(21,731)		(3,062,098)	
Trade receivables	(38,630,718)		1,700,054	
Loans and advances	(18,583,560)		(374,229)	
Other current assets	(13,734,878)		-	
Current Liabilities	50,301,545		(28,824,079)	
Deferred tax Liability	518,769		(46,833)	
Provisions	10,957,898	(9,192,676)	(9,928,939)	(40,536,125)
Cash generated from operations		16,410,919		(35,246,494)
Foreign Exchange Fluctuation		-		(1,909,060)
<b>Net Cash from Operating activities</b>		<b>16,410,919</b>		<b>(37,155,554)</b>
<b>B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>				
Fixed Assets :				
Purchase	(26,590,535)		(475,285)	
Sale of fixed assets	415,795		25,000	
Interest received	3,374,610		3,669,858	
<b>Net Cash (used in) investing activities</b>		<b>(22,800,130)</b>		<b>3,219,573</b>
<b>C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>				
Interest paid	(1,582,253)		(620,471)	
Increase/(Decrease) in Secured Loan	29,269,117		(937,115)	
Share Capital	-		40,821,950	
<b>Net Cash from financing activities</b>		<b>27,686,864</b>		<b>39,264,364</b>
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>21,297,653</b>		<b>5,328,383</b>
Cash and Cash Equivalents (Opening balance)		43,196,596		37,868,213
Cash and Cash Equivalents (Closing balance)		64,494,249		43,196,596



**Notes for Cash Flow Statement:**

1 Detail of Opening and Closing Cash & Cash Equivalent

	At 31/03/2014	At 31/03/2013
Cash in Hand	67,066	50
<i>Balance with Scheduled Bank</i>		
In Current Account	13,399,902	641,214
On Deposit Account	678,079	16,090,551
In Fixed Deposit Account	50,349,202	26,464,781
	<u>64,494,249</u>	<u>43,196,596</u>

- 2 The above Cash Flow Statement has been prepared under the indirect method setout in Accounting Standard (revised) -3 (AS-3) notified by Companies Accounting Standard Rules,2006  
3 Figures in brackets indicate cash outgo.  
4 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, 2014. 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. 005427C  
Date :  
Place :

Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

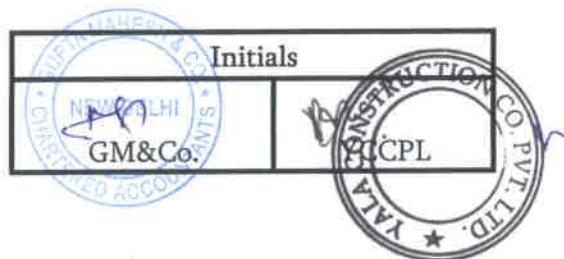
	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
Note 2		
Share Capital		
Authorised Capital		
12,000,000 Equity shares of Rs.10 each	120,000,000	120,000,000
Issued, Subscribed and Paid up	63,187,200	63,187,200
63,18,720 Equity Shares of Rs.10 each fully paid	63,187,200	63,187,200

(a) Share holders holding more than 5% shares

Name of Shareholder	As at 31st March, 2014		As at March 31,2013	
	No. of Share Holding	Percentage of Holding	No. of Share Holding	Percentage of Holding
ELSAMEX INTERNACIONAL SPAIN	2338433	37.00%	2338433	37.00%
ELSAMEX,SA SPAIN	3729329	59.00%	3729329	59.00%

(b) Movement of Equity Shares

Particulars	Equity Shares			
	As at 31st March, 2014		As at 31 March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	6318720	63187200	2236525	22365250
Shares Issued during the year	-	-	4082195	40821950
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	6318720	63187200	6318720	63,187,200



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
<b>Note 3</b>		
<b>Reserve and Surplus</b>		
Share Premium Account	716320	716320
	(A) <u>716,320</u>	<u>716,320</u>
<b>Profit and Loss Account</b>		
Opening Balance	21,522,261	17,787,758
Add/Less: Profit/(Loss) as per Profit and Loss Account	25,177,147	3,734,503
	(B) <u>46,699,408</u>	<u>21,522,261</u>
<b>TOTAL (A+B)</b>	<u><u>47,415,728</u></u>	<u><u>22,238,581</u></u>



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	Non- Current		Current maturities	
	As at 31st March, 2014	As at 31st March 2013	As at 31st March, 2014	As at 31st March 2013
<b>Note 4</b>				
<b>Long Term Borrowings</b>				
a. Term Loans				
- From Bank (Secured)	42,673,400	1,300,422	13,040,976	937,115
- From other Parties				
Amount disclosed under the head "Other current Liabilities" note no. 8	(13,040,976)	(937,115)	-	-
	<u>29,632,424</u>	<u>363,307</u>	<u>13,040,976</u>	<u>937,115</u>

**Note 5**

**Calculation of DTL / DTA**

	31st March, 2014	31st March 2013
WDV as per Companies Act 1956 as on 31.03.2014	37,104,418	13,148,482
WDV as per Income tax Act 1961 as on 31.03.2014	34,483,970	12,206,897
Depreciation Differential under both Acts	(2,620,448)	(941,585)
<b>Deferred Tax Asset/(Liability) on account of depreciation</b>	<u>(809,719)</u>	<u>(290,950)</u>
Deferred Tax Liability as on 31.3.2013	290,950	337,783
<b>Deferred Tax Asset / (Liability) during the year</b>	<b>(518,769)</b>	<b>46,833</b>



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

Note 6 Provisions	Long Term		Short Term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
a. Provision for employee benefits Provision for gratuity	1,667,792	826,310	77,366	11,130
b. Others Provisions Provision for Tax	-	-	12,050,180	2,000,000
<b>TOTAL</b>	<b>1,667,792</b>	<b>826,310</b>	<b>12,127,546</b>	<b>2,011,130</b>

Note 7  
Trade Payables

	As at 31st March, 2014	As at 31st March, 2013
- Unsecured Payables	41,553,965	6,248,640
	<b>41,553,965</b>	<b>6,248,640</b>

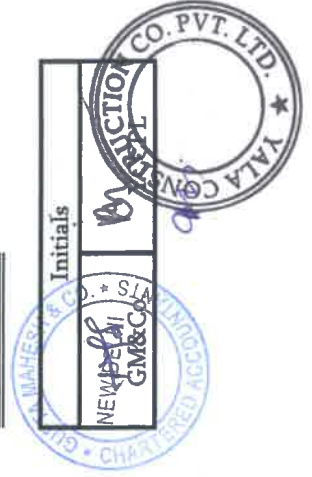
Note 8

Other Current Liability

A) Current Maturity of long term Debts

B) others

Security Deposits and Advances	358,341	322,742
Expenses payable	3,241,383	1,479,584
Duties and Taxes	3,975,765	816,851
Advance from Customers	-	1,137,900
Other Payable	46,856	972,909
	<b>20,663,321</b>	<b>5,667,101</b>



**Yala Construction Co. Private Limited**

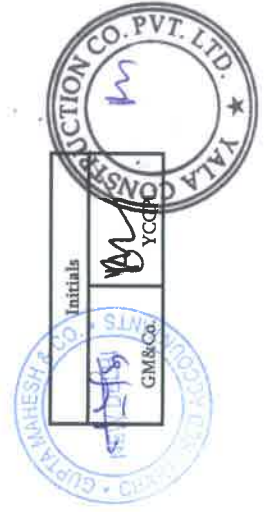
Notes annexed to and forming part of the Accounts

Note 9

Fixed Assets

(Amount in Rs.)

Particulars	Rate of Depn. %	Gross Block				Depreciation				Net Block			
		Opening as at 1st April 2013	Additions	Deduction	Closing as at 31st March, 2014	Accumulated upto 1st April 2013	On opening balances	On Additions	For the year	Deduction	Accumulated upto 31st March, 2014	Closing as at 31st March, 2014	As at 31st March 2013
Building	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	13.91%	30,284,224	26,405,058	257,659	56,431,623	19,601,011	1,470,463	52,110	1,522,573	-	21,123,584	35,308,039	10,683,213
Vehicles	25.89%	4,704,618	-	2,167,322	2,537,296	3,513,700	307,432	-	307,432	2,022,571	1,798,561	738,735	1,190,918
Commercial Vehicles	30.00%	2,189,597	-	-	2,189,597	1,386,400	240,959	-	240,959	-	1,627,359	562,238	803,197
Furniture & Fixture	18.10%	38,395	8,413	-	46,808	6,516	5,770	1,072	6,842	-	13,358	33,450	31,879
Office Equipments	13.91%	655,234	133,540	22,063	766,711	376,985	38,704	11,252	49,957	8,678	418,264	348,447	278,249
FA Less Than 5,000	100%	-	18,024	-	18,024	-	-	17,225	18,024	-	18,024	-	-
Computers	40%	512,190	25,500	-	537,690	351,164	64,410	8,607	73,017	-	424,181	113,509	161,026
<b>TOTAL</b>		<b>38,384,258</b>	<b>26,590,535</b>	<b>2,447,044</b>	<b>62,527,749</b>	<b>25,235,776</b>	<b>2,127,738</b>	<b>90,266</b>	<b>2,218,804</b>	<b>2,031,249</b>	<b>25,423,331</b>	<b>37,104,418</b>	<b>13,148,482</b>
Previous Year		38,280,743	475,285	345,500	38,410,528	22,887,087	2,578,021	90,164	2,666,009	291,050	25,262,046	13,148,482	15,393,656






**Yala Construction Co. Private Limited**

**Notes forming part of the Balance Sheet**

**Note 10**

**Loans & Advances:**

	Long Term		Short Term	
	As at 31st March, 2014	31st March 2013	As at 31st March, 2014	31st March 2013
a. Security Deposit	24,483,431	15,638,146	-	-
b. Loans & Advances to related Parties	13,133,030	14,254,551	-	-
c. Advance Tax/TDS	-	-	13,755,577	2,911,108
d. Advance to staff	-	-	627,718	421,596
e. Prepaid Expenses	-	-	375,489	259,755
f. Other Advances	-	-	279,415	585,944
<b>TOTAL</b>	<b>37,616,461</b>	<b>29,892,697</b>	<b>15,038,199</b>	<b>4,178,403</b>

 GM&Co.	Initials 	



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>Note 11</b>		
<b>Inventories</b>		
(As taken, valued and certified by the management)		
Project Work in Progress	1,600,000	2,400,000
Raw material	2,860,738	2,039,007
	<u>4,460,738</u>	<u>4,439,007</u>
<b>Note 12</b>		
<b>Trade Receivables</b>		
Debts outstanding for a period exceeding six months		
- Unsecured, Considered good	58,839	
Debts outstanding for a period Less Than six months	40,677,025	2,105,146
	<u>40,735,864</u>	<u>2,105,146</u>
<b>Note 13</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
On Current Account	13,399,902	16,731,765
On Fixed Deposit Account	50,349,202	16,090,551
On Deposit Account held as, Security, BG, EMD with various Authorities for performance of contract)	678,079	10,374,230
Cash in hand	67,066	50
	<u>64,494,249</u>	<u>43,196,596</u>
<b>Note 14</b>		
<b>Other Current Assets</b>		
Interest Accrued	4,246,584	2,817,095
Income Tax refund	1,380,477	503,891
WCT/VAT	524,865	599,902
Unbilled revenue	11,455,840	-
Others	-	(48,000)
	<u>17,607,766</u>	<u>3,872,888</u>



**Yala Construction Co. Private Limited**  
**Notes forming part of the Profit & Loss Account**

	Current Year Rupees	Previous Year Rupees
<b>Note 15</b>		
<b>Revenue</b>		
Project Revenue	228,770,923	89,382,619
	<u>228,770,923</u>	<u>89,382,619</u>
<b>Note 16</b>		
<b>Other Income</b>		
Interest	3,374,610	3,669,858
Slurry Machine Rent	2,400,000	2,400,000
Profit On Sale Of Assets	8,916	-
Misc Income	113,341	6,716,091
	<u>5,896,867</u>	<u>12,785,949</u>



**Yala Construction Co. Private Limited**  
**Notes forming part of the Profit & Loss Account**

	<b>Current Year</b>	<b>Previous Year</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 17</b>		
<b>Cost of Material Consumed</b>		
Opening Stock		
Add: Purchases	2,039,007	1,376,908
- Bitumen	89,378,486	35,065,842
-Additive	12,684,437	4,612,342
-Aggregate	10,925,806	3,803,350
-Others	4,211,045	2,109,094
Less: Closing Stock		
- Bitumen	2,167,169	1,191,960
-Additive	484,822	597,572
-Agreegate	192,555	229,635
-Others	16,192	19,840
<b>Raw Material Consumed (A)</b>	<u>116,378,043</u>	<u>44,928,529</u>
<b>(Increase)/Decrease in Work-in-progress</b>		
Closing Work in progress	<u>1,600,000</u>	<u>2,400,000</u>
Less:	<u>1,600,000</u>	<u>2,400,000</u>
Opening Work-in-progress	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>(B)</b>	<u>-</u>	<u>(2,400,000)</u>
<b>Material Consumed (A+B)</b>	<u>116,378,043</u>	<u>42,528,529</u>




\* (Purchases shown above excludes WIP)

**Yala Construction Co. Private Limited**  
Notes forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
<b>Note 18</b>		
<b>Employee benefit costs</b>		
Salaries	17,177,203	14,870,666
Labour Cost	3,253,737	1,300,077
Employers Contribution to PF and ESI	767,272	899,756
Gratuity Expenses	907,718	271,061
Staff Welfare	518,300	380,441
	<u>22,624,230</u>	<u>17,722,001</u>
<b>Note 19</b>		
<b>Finance Costs</b>		
Bank Charges	804,862	290,409
Bank Interest	777,391	330,062
	<u>1,582,253</u>	<u>620,471</u>
<b>Note 20</b>		
<b>Other Expenses</b>		
A) Operating Expenses:		
-Site Operations	21,158,803	12,847,620
-Freight and Cartage	6,218,503	4,346,093
	<u>27,377,306</u>	<u>17,193,713</u>
B) Sales & Administration Expenses:		
Advertisement and Business promotion	1,529,568	48,419
Annual maintenance	27,657	44,235
Auditor Remuneration	112,360	84,270
Conveyance ,Tour and Travelling	770,603	709,674
Director Sitting Fee	84,270	43,708
Duties and Taxes	4,828,064	1,826,838
Electricity and Water	273,904	199,716
Exchange Variation	-	15,325
Insurance	351,818	278,348
Legal and Professional	2,465,294	3,147,705
Loss on sale of Asset	-	29,446
Membership & Subscription	-	73,207
Office expenses	508,102	168,376
Postage and Courier	122,328	91,351
Printing and Stationery	167,617	126,216
Rent office	1,880,557	1,909,060
Repair, running and maintainence	184,191	337,564
Royalty a/c	12,802,014	5,021,517
Sundry Balance Written Off	72,730	-
Telephone & internet charges	332,681	291,715
Tender & Bid Expenses	79,817	26,514
Vehicle Runing Expenses	173,323	1,014,122
(B)	<u>26,766,898</u>	<u>15,487,326</u>
(A+B)	<u>54,144,204</u>	<u>32,681,039</u>



Yala Construction Co. Private Limited

Notes forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
<b>Note 21</b>		
<b>Earnings per share</b>		
Profit after Tax attributable to Equity Shareholders (Rupees)	25,177,147	3,734,503
Weighted average number of equity shares used in calculating basic and diluted EPS	6,318,720	5,513,465
Nominal Value per share (Rupees)	10	10
Basic and diluted loss per share (Rupees)	3.98	0.68



**Yala Construction Co. Private Limited**  
**Notes forming part of the financial statements**

Note: 1

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**1. Background**

Yala Construction Co. Private Limited (the Company) was incorporated as a private limited company on 4<sup>th</sup> February 2000. The company is primarily engaged in the business of Micro surfacing on roads, highways & airports. Macro seal – Cold micro asphalt Micro surfacing 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.

**1.1 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 recognized 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 are stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes cost of acquisition and cost incurred to bring assets in workable condition when that cost is incurred if the recognition criteria are met.

The carrying values of Fixed Assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of Fixed is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 derecognized.



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 recognized 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 recognized 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 recognized 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

Transactions in foreign currencies are recorded at the currency rate ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currency are retranslated at the exchange rate ruling at the Balance Sheet date.

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 recognized 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

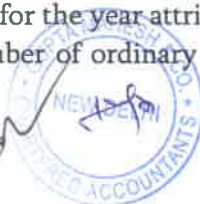
Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences arising from differences in accounting policies as per the accounts drawn up under the Companies Act and the Income Tax Act. Deferred Tax Assets and Liabilities other than on carry forward losses 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 recognized 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

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.





## 1) Contingent Liabilities

Contingent Liability is disclosed in the case of

- a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- a possible obligation, unless the probability of outflow of resources is remote.

### 22. Contingent liabilities –

Bank Guarantees of Rs 1,06,59,506 (Previous year: Rs. 1,80,53,940) (Out of this bank guarantee of Rs 91,11,214/- has been provided by ILFS Transport Networks Ltd, Mumbai) issued towards performance of construction projects.

23. Major Judgments: 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 recognized as and when incurred.

24. 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	17,45,158	8,37,440
Fair Value of Plan Assets	Nil	Nil
Net Assets/ (Liability) recognized in the Balance Sheet as per provision.	(17,45,158)	(8,37,440)

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	9.25%	8%
Expected rate of return on assets	-	-
Future salary increase	10%	5%
Employee turnover:		
Upto 30 years	5	3
Upto 44 years	5	2
Above 44 years	5	1



Above 44 years	5	1
----------------	---	---

25. Foreign currency Inflow: Nil

Expenditure in foreign currency: (on payment basis)

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Revenue expenses	Nil	1,02,92,836
Imports	2,21,05,950	1,78,61,131

26. 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

Road Infrastructure Development Company of Rajasthan Limited  
Elsamex India Private limited- (Schedule attached)

27. Deferred Tax Asset/(Liabilities)

The company has net Deferred Tax Liabilities of Rs. 809,719 (Previous year Rs. 290,950) the component as are under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Deferred Tax Liability, Only depreciation (DTL)		
Opening Deferred Tax Liability	2,90,950	3,37,783
Reinstated Deferred Tax Liability	8,09,719	2,90,950
Deferred Tax Liability/Deferred Tax( Asset) during the year	5,18,769	(46,833)
Closing Deferred Tax (asset)/liability	8,09,719	2,90,950



28. Auditors' remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee( including service tax)	1,01,124	84,270
Others	11,236	2,247
<b>Total</b>	<b>1,12,360</b>	<b>86,517</b>

29. 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, 2014.

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

31. 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.

32.

S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1.	Amount of Project Work in Progress as valued and certified by the management	16,00,000	24,00,000

33. 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	22,87,70,923	8,93,82,619
2	Aggregate amount of cost incurred till Balance Sheet date	19,69,47,545	9,62,18,049
3.	Aggregate amount of recognized Net profits or (loss)	3,77,20,256	59,50,519
4.	Amount of advances received	Nil	11,37,900
5.	Amount of retentions	4,60,633	9,44,221



34. Material consumed during the year are as below:-

S. No.	Particulars	Purchases		Consumption	
		Quantity	Value(Rs.)	Quantity	Value(Rs.)
	Raw Material:				
1	Bitumen	1805.00 MT	8,96,21,570	1789.34 MT	8,64,88,747
2	Additive	186.54 MT	1,26,84,437	189.18 MT	1,34,00,731
3	Aggregate	4,34,252.65 CFT	1,07,94,929	4,27,687.16 CFT	1,28,85,314
4	Cement	3410 Bags	9,62,624	3428 Bags	9,78,547

35. As per the information available, there is no outstanding balance payable to small and micro industries as on the date of Balance Sheet.

36. Figures have been rounded off to the nearest rupee. Previous year figures are regrouped where required.

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants



Proprietor

Membership No.074202

Firm registration No. 005427C

Place :

Date :

For and on behalf of the Board



Director Director