

ELSAMEX INDIA PRIVATE LIMITED

FINANCIAL STATEMENT

2014-15

Elsamex India Private Limited

306 , Aggarwal Mall , Plat No 3 , Sector - 5 , Dwarka , New Delhi - 110075, India

BALANCE SHEET

As on 31st March, 2015

| Particulars | Notes | As on 31st March 2015 | As on 31st March 2014 |
|----------------------------------|-------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 21,180,000 | 21,180,000 |
| Reserve and Surplus | 3 | 109,747,570 | 107,041,701 |
| | | <u>130,927,570</u> | <u>128,221,701</u> |
| Non Current Liabilities | | | |
| Long Term Borrowings | 4 | - | 2,292,330 |
| Other Long Term Liability | 5 | 9,269,852 | 12,596,173 |
| Long Term Provisions | 6 | 370,828 | 248,600 |
| | | <u>9,640,680</u> | <u>15,137,103</u> |
| Current Liabilities | | | |
| Trade Payables | 7 | 32,041,846 | 158,882,783 |
| Other Current Liabilities | 8 | 3,434,960 | 11,727,985 |
| Short Term Provisions | 6 | 2,411,629 | 36,125,475 |
| | | <u>37,888,435</u> | <u>206,736,243</u> |
| TOTAL | | <u><u>178,456,685</u></u> | <u><u>350,095,046</u></u> |
| II. ASSETS | | | |
| Non Current assets | | | |
| Fixed Assets (Net Block) | | | |
| Tangible Assets | 9 | 2,824,171 | 9,421,579 |
| Long Term Loans and Advances | 10 | 29,262,715 | 23,450,387 |
| | | <u>32,086,886</u> | <u>32,871,966</u> |
| Current Assets | | | |
| Inventories | 11 | - | 7,956,223 |
| Trade Receivables | 12 | 119,309,745 | 251,188,399 |
| Cash and Cash Equivalent | 13 | 7,634,764 | 7,434,962 |
| Short Term Loan & Advances | 10 | 19,425,291 | 50,643,496 |
| | | <u>146,369,799</u> | <u>317,223,080</u> |
| TOTAL | | <u><u>178,456,685</u></u> | <u><u>350,095,046</u></u> |

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: 11-05-2015

For and on behalf of the Board of Directors

Director

Director

Elsamex India Private Limited

306 , Aggarwal Mall , Plat No 3 , Sector - 5 ,Dwarka , New Delhi-110075, India

Profit & Loss Account

For the period ended 31st March, 2015

| Particulars | Notes | As on 31st March 2015 | As on 31st March 2014 |
|---|-------|--------------------------|--------------------------|
| <u>Income</u> | | | |
| Revenue From Operation | 14 | 186,605,417 | 915,443,522 |
| Other Income | 15 | 4,287,560 | 1,858,313 |
| Total Revenue | | 190,892,977 | 917,301,835 |
| <u>Expenditure</u> | | | |
| Cost of Material Consumemed | 16 | 60,851,043 | 126,987,548 |
| Man Power Cost | 17 | 11,154,536 | 228,684,163 |
| Finance Cost | 18 | 1,026,515 | 311,451 |
| Depreciation and Amortisation | 9 | 1,079,295 | 2,001,507 |
| Other Expenses | 19 | 109,589,924 | 448,566,353 |
| Total Expenses | | 183,701,313 | 806,551,022 |
| Profit/(Loss) before extraordinary items & taxation | | 7,191,664 | 110,750,813 |
| Tax Expenses | | | |
| Current Tax | | 2,279,200 | 35,992,620 |
| Provision for Income Tax (Prior Period) | | 2,206,595 | (63,966) |
| Total Tax Expenses | | 4,485,795 | 35,928,654 |
| Profit /(Loss) For the year | | 2,705,869 | 74,822,159 |
| Earnings per Share (Basic and Diluted Note 20 (Nominal value Rs. 10 per share) | | 1.28 | 35.33 |

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: 11-05-2015

For and on behalf of the Board of Directors


Director


Director

Elsamex India Private Limited

Cash Flow Statement for the Period ended 31st March, 2015

| | As on 31st March 2015 Rupees | Rupees | Rupees | As on 31st March 2014 Rupees |
|---|------------------------------------|-------------|---------------|------------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit after tax | | 2,705,869 | | 74,822,159 |
| Adjustment for : | | | | |
| Depreciation | 1,079,295 | | 2,001,507 | |
| Interest received | (3,338) | | (160,489) | |
| Interest paid | 1,026,515 | | 311,451 | |
| loss/(Profit) on sale of Assets | (532,331) | | (440,880) | |
| Foreign Exchange Loss/(Gain) | - | | - | |
| | | 1,570,141 | | 1,711,589 |
| Operating profit before changes in Working Capital | | 4,276,010 | | 76,533,748 |
| Adjustments for changes in Working Capital and provisions: | | | | |
| Inventories | 7,956,223 | | 1,780,273 | |
| Trade receivables | 131,878,655 | | (137,726,129) | |
| Loans and advances | 25,405,877 | | (21,288,942) | |
| Other current Assets | | | (59,556,552) | |
| Current Liabilities | (138,460,283) | | 126,027,036 | |
| Provisions | (33,591,618) | (6,811,146) | 24,676,155 | (66,088,160) |
| Cash generated from operations | | (2,535,136) | | 10,445,588 |
| Foreign Exchange Fluctuation | | - | | - |
| Net Cash from Operating activities | | (2,535,136) | | 10,445,588 |
| B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES | | | | |
| Fixed Assets : | | | | |
| Purchase | (158,650) | | (6,655,730) | |
| Interest received | 3,338 | | 160,489 | |
| Sale of Fixed Assets | 6,209,094 | | 780,000 | |
| Net Cash (used in) investing activities | | 6,053,782 | | (5,715,241) |
| C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES | | | | |
| Increase/(Decrease) in Unsecured Loan | - | | - | |
| Share Application money | - | | - | |
| Interest paid | (1,026,515) | | (311,451) | |
| Increase/(Decrease) in Secured Loan | (2,292,330) | | 2,122,124 | |
| Net Cash from financing activities | | (3,318,845) | | 1,810,673 |
| D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 199,802 | | 6,541,020 |
| Cash and Cash Equivalents (Opening balance) | | 7,434,963 | | 893,943 |
| Cash and Cash Equivalents (Closing balance) | | 7,634,764 | | 7,434,963 |



Notes for Cash Flow Statement:

1 Detail of Opening and Closing Cash & Cash Equivalent

| | Closing | Opening |
|-----------------------------|------------------|------------------|
| Cash in Hand | 17,310 | 37,939 |
| Balance with Scheduled Bank | | |
| In Current Account | 7,582,454 | 5,471,033 |
| In Fixed Deposit Account | 35,000 | 1,925,990 |
| | <u>7,634,764</u> | <u>7,434,962</u> |

2 The above Cash Flow Statement has been prepared under
by Companies Accounting Standard Rules, 2006

3 Figures in brackets indicate cash outgo.

4 Figures have been rounded off to the nearest rupees.



Elsamex India Private Limited

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Notes forming part of the Balance Sheet

| | As on 31st March 2015 | As at March 31, 2014 |
|--|--------------------------|-------------------------|
| | Rupees | Rupees |

Note 2

Share Capital

Authorised Capital

4,50,000 equity shares of Rs 10 each

45,000,000 45,000,000

Issued, subscribed and paid up Capital

2,118,000 (previous year 2,118,000)
equity shares of Rs 10 each fully paid

21,180,000 21,180,000

21,180,000 21,180,000

(a) Share holders holding more than 5% shares

Holding Company:

ELSAMEX SA, Spain

21,000,000 21,000,000

(b) Movement of Equity Shares

| Particulars | Equity Shares | | As at 31 March 2014 | |
|---|--------------------------|--------------|------------------------|--------------|
| | As on 31st March 2015 | | As at 31 March 2014 | |
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Shares outstanding at the beginning of the year | 2118000 | 21,180,000 | 2118000 | 21,180,000 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Any other movement (please specify) | - | - | - | - |
| Shares outstanding at the end of the year | 2118000 | 21,180,000 | 2118000 | 21180000 |

Note 3

| | As on 31st March 2015 | As at March 31, 2014 |
|---|--------------------------|-------------------------|
| Reserve and Surplus | | |
| Opening Balance | 107,041,701 | 32,219,542 |
| Add: Profit/(Loss) as per Profit and Loss Account | 2,705,869 | 74,822,159 |
| | <u>109,747,570</u> | <u>107,041,701</u> |



Elsamex India Private Limited

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Notes forming part of the Balance Sheet

| | Non- Current As on 31st March 2015 | As on 31st March 2014 | Current maturities As on 31st March 2015 | As on 31st March 2014 |
|--|--|--------------------------|---|--------------------------|
| Note 4 | | | | |
| Long Term Borrowings | | | | |
| a. Term Loans | | | | |
| - From Bank (Secured) | 842,542 | 2,964,180 | 842,542 | 671,850 |
| - From other Parties | | | | |
| Amount disclosed under the head "Other current Liabilities" note no.8 | (842,542) | (671,850) | - | - |
| TOTAL | - | 2,292,330 | 842,542 | 671,850 |

Note 5
Other Long Term Liabilities

| | on 31st March 2015 | on 31st March 2014 |
|---------------------------------|--------------------|--------------------|
| (a) Securities Deposit Received | 9,269,852 | 12,596,173 |
| TOTAL | 9,269,852 | 12,596,173 |

| | Long Term As on 31st March 2015 | As on 31st March 2014 | Short Term As on 31st March 2015 | As on 31st March 2014 |
|---|---------------------------------------|--------------------------|--|--------------------------|
| Note 6 | | | | |
| Provisions | | | | |
| a. Provision for employee benefits | | | | |
| Provision for gratuity | 370,828 | 248,600 | 1,470 | 1,896 |
| Provision for Leave encashment | - | - | - | - |
| b. Others Provisions | | | | |
| Provision for Tax | - | - | 2,279,200 | 35,992,620 |
| Tax Demand | - | - | 130,959 | 130,959 |
| TOTAL | 370,828 | 248,600 | 2,411,629 | 36,125,475 |



Elsamex India Private Limited

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Notes forming part of the Balance Sheet

| | As on 31st March 2015 | As on 31st March 2014 |
|--|--------------------------|--------------------------|
| Note 7 | | |
| Trade Payables | | |
| Payables outstanding for a period less than six months - Unsecured Payables | 32,041,846 | 158,882,783 |
| TOTAL | 32,041,846 | 158,882,783 |
| Note 8 | | |
| Other Current Liabilities | | |
| a) Current Maturity of Long Term Debts | 842542 | 671850 |
| b) Others | - | - |
| Expenses payable | 2,342,336 | 6,339,288 |
| Duties and Taxes Payable | 250,082 | 3,008,965 |
| Mobilization Advance | - | 1,707,882 |
| | 3,434,960 | 11,727,985 |



Elsamex India Private Limited
306 , Aggarwal Mall , Plat No 3 , Sector - 5 , Dwarka , New Delhi-110075, India
Notes forming part of the Balance Sheet

Note 9

| Particular | Life of Assets (years) | Gross Block | | | | Depreciation | | Dep. On Addition | for the year | Deductions | Net Block | |
|------------------------|------------------------|------------------------------|----------------|-------------------|--------------------------------|---------------------------------|-----------------------------------|------------------|------------------|------------------|------------------------|-----------------------|
| | | Opening as at 1st April 2014 | Additions | Deductions | Closing as at 31st March, 2015 | Accumulated upto 1st April 2014 | Accumulated upto 31st March, 2015 | | | | As at 31st March, 2015 | As at 31st March 2014 |
| Plant and Machinery | 12 00 | 3,642,142 | 11,419 | 614,807 | 3,038,754 | 321,895 | 263,525 | 264,592 | 125,289 | 461,198 | 2,577,556 | 3,320,247 |
| Office equipments | 5 00 | 1,887,569 | 122,231 | 1,624,415 | 385,385 | 556,763 | 233,658 | 296,513 | 574,748 | 278,528 | 106,857 | 1,330,806 |
| Furniture and Fixture | 10 00 | 984,205 | - | 683,635 | 300,570 | 262,263 | 50,143 | 50,144 | 135,082 | 177,324 | 123,246 | 721,942 |
| Vehicles | 8 00 | 8,814,067 | - | 7,611,535 | 1,202,532 | 5,710,951 | 220,145 | 220,146 | 4,728,564 | 1,202,532 | (b) | 3,103,116 |
| Computers | 3 00 | 1,671,225 | 25,000 | 1,671,225 | 25,000 | 799,250 | 165,612 | 174,403 | 965,164 | 8,488 | 16,512 | 871,975 |
| Site Office(Containor) | | 440,968 | - | - | 440,968 | 367,475 | 73,496 | 73,497 | - | 440,968 | 0 | 73,493 |
| Total | | 17,440,176 | 158,650 | 12,205,617 | 5,393,209 | 8,018,597 | 1,006,579 | 1,075,295 | 6,528,847 | 2,569,038 | 2,824,171 | 9,421,579 |



Elsamex India Private Limited

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Notes forming part of the Balance Sheet

Note 10

Loans & Advances:

| | Long term | | Short Term | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | As on 31st March 2015 | As on 31st March 2014 | As on 31st March 2015 | As on 31st March 2014 |
| a. Security Deposit | 25,670,317 | 19,857,989 | - | - |
| b. Loans & Advances to related Parties | 3,592,398 | 3,592,398 | - | - |
| c. Other Loans & Advances | - | - | 16,672,071 | 46,335,109 |
| - Duties & Taxes | - | - | 64,295 | 330,340 |
| - Advance to staff | - | - | 350,045 | 3,270,860 |
| - Prepaid Expenses | - | - | 2,293,970 | 446,445 |
| - Advance to Suppliers | - | - | 10,570 | 151,767 |
| - Interest Accrued | - | - | 34,340 | 108,975 |
| - Electricity Receivable | - | - | 19,425,291 | 50,643,496 |
| TOTAL | 29,262,715 | 23,450,387 | | |



Elsamex India Private Limited

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Notes forming part of the of the balance sheet

| | As on 31st March 2015 | As on 31st March 2014 |
|---|--------------------------|--------------------------|
| Note 11 | | |
| Inventories | | |
| (As taken valued and Certified by the management) | - | 4,478,104 |
| Closing Stock | - | 3,478,119 |
| Work in Progress | - | 7,956,223 |
| | | |
| Note 12 | | |
| Trade Receivables | | |
| (Unsecured, considered good) | 76,187,052 | 251,188,399 |
| Debts outstanding for a period Less Than six months | 43,122,693 | - |
| Debts outstanding for a period More Than six months | 119,309,745 | 251,188,399 |
| TOTAL | | |
| Note 13 | | |
| Cash and Cash Equivalent | | |
| <i>Balances with Banks</i> | 7,582,454 | 5,471,033 |
| on Current Account | 35,000 | 1,925,990 |
| on Deposit Account | 17,310 | 37,939 |
| Cash in Hand | 7,634,764 | 7,434,962 |



Elsamex India Private Limited

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Note forming part of the Profit & Loss Account

| | As on 31st March 2015 | As on 31st March 2014 |
|---|--------------------------|--------------------------|
| Note 14 | | |
| Projects Income | | |
| Projects Income | 186,605,417 | 915,443,522 |
| | <u>186,605,417</u> | <u>915,443,522</u> |
| Note 15 | | |
| Other Income | | |
| Profit on sale of Assets | 532,331 | 440,880 |
| Interest Received | 3,338 | 160,489 |
| Misc Income | 2,201,159 | - |
| Electricity Charges Received From facility Area | - | 150,164 |
| Rent received (Facality Area) | - | 1,106,749 |
| Reimbursement of Expenses (Income) | 1,550,732 | - |
| Rebate & Discount | - | 31 |
| TOTAL | <u>4,287,560</u> | <u>1,858,313</u> |



Elsamex India Private Limited

306 , Aggarwal Mall , Plat No 3 , Sector - 5 , Dwarka , New Delhi-110075, India

Notes forming part of the Profit & Loss Account

| | As on 31st March 2015 | As on 31st March 2014 |
|---|--------------------------|--------------------------|
| Note 16 | | |
| Cost of Material Consumed | | |
| Material Consumed (Operation & Maintenance) | 5,735,201 | 44,175,067 |
| Material Consumed (Microsurfacing) | 55,115,842 | 82,812,482 |
| | 60,851,043 | 126,987,548 |
| Note 17 | | |
| Employee Benefit Expenses | | |
| Salaries and Allowances | 8,192,788 | 44,294,935 |
| Labour Cost | 1,810,342 | 158,754,353 |
| Security Service Charges | 119,031 | 19,263,147 |
| Employers Contribution to PF and ESI | 410,733 | 1,352,678 |
| Staff Welfare | 318,782 | 4,545,117 |
| Gratuity | 241,773 | 473,933 |
| Leave Encashment Expenses | 61,087 | - |
| | 11,154,536 | 228,684,163 |



Elsamex India Private Limited

306 , Aggarwal Mall , Plat No 3 , Sector - 5 , Dwarka , New Delhi-110075, India

Notes forming part of the Profit & Loss Account

| | As on 31st March 2015 | As on 31st March 2014 |
|--|--------------------------|--------------------------|
| Note 18 | | |
| Finance Cost | | |
| Interest on Loans | 1,001,915 | 186,984 |
| Bank and Financial Charges | 24,599 | 124,467 |
| | 1,026,515 | 311,451 |
| Note 19 | | |
| Other Expenses | | |
| Operating Expenses | | |
| Sub-contract | 87,808,154 | 271,282,176 |
| Consultancy and Professional | - | - |
| Other Site Expenses | 660,184 | 23,579,508 |
| Hiring ,Running and Maintenance of Vehicle | 3,718,464 | 69,736,130 |
| Tour & Travelling | 1,196,791 | 16,689,959 |
| Testing Charges | - | 4,385,909 |
| Freight and Cartage | 1,949,970 | 5,320,690 |
| Rent | 114,000 | 2,287,194 |
| Electricity and Water | 36,134 | 17,037,579 |
| TOTAL (A) | 95,483,697 | 410,319,145 |
| Sales & Administration Expenses | | |
| Rent | 402,451 | 1,439,696 |
| Legal and Professional | 598,583 | 726,597 |
| Conveyance ,Tour and travelling | 324,459 | 754,006 |
| Duties & Taxes | 10,428,724 | 9,832,860 |
| Insurance | 531,716 | 4,161,946 |
| Telephone & Courier Charges | 210,544 | 1,837,097 |
| Director's Sitting Fee | 101,124 | 95,506 |
| Office Running , Repair and Maintenance | 286,332 | 2,133,405 |
| Printing , stationery and Advertisement | 717,552 | 3,956,428 |
| Audit Fees | 157,304 | 157,304 |
| Brokerage & Commission | 174,158 | 37,500 |
| Tender & Bid Expenses | 50,000 | 55,124 |
| Sundry Balances Written off | 123,281 | 13,059,739 |
| TOTAL (B) | 14,106,228 | 38,247,208 |
| (A+B) | 109,589,924 | 448,566,353 |



Elsamex India Private Limited

306 , Aggarwal Mall , Plat No 3 , Sector - 5 , Dwarka , New Delhi-110075, India
Notes forming part of the Profit & Loss Account

| | As on 31st March 2015 | As on 31st March 2014 |
|--|--------------------------|--------------------------|
| Note 20 | | |
| Earnings per share | | |
| Profit after Tax attributable to Equity Shareholders (Rupees) | 2,705,869 | 74,822,159 |
| Weighted average number of equity shares used in calculating basic and diluted EPS | 2,118,000 | 2,118,000 |
| Nominal Value per share (Rupees) | 10 | 10 |
| Basic and diluted loss per share (Rupees) | 1.28 | 35.33 |



Elsamex India Private Limited
Notes forming part of the financial statement

Note 1: SIGNIFICANT ACCOUNTING POLICIES

Background

Elsamex India Private Limited (the Company) was incorporated as a private limited company on 5th January 1999. The company is primarily engaged in the business of repair and maintenance of infrastructure projects including roads, highways and consultation supervision of infrastructure projects and to participate, represent consortiums in infrastructure projects.

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 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 derecognized 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 derecognized.

d) Depreciation

- i. Depreciation on fixed assets has been provided at the rates provided in Schedule II of the Companies Act, 2013 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 recognized 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**

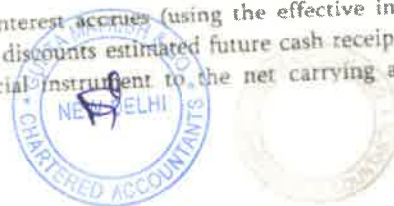
Revenue from projects is recognized following "the percentage of completion method", in accordance with AS-7 (Accounting for Construction contracts). Revenues under percentage of completion method is recognized, on basis of percentage, that of actual cost incurred on the projects under execution bears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

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 employees of the company render the associated services. 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 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.

21. Contingent liabilities:

Bank Guarantee issued on behalf of the Company Rs91,88,861/- (Previous year Rs88,53,861/-) (Out of this bank guarantee of Rs 71,26,461/- has been provided by ILFS Transport Networks Ltd, Mumbai) issued towards performance of construction projects.

22. 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.

23. The Cash Flow Statement is reported using the indirect method, whereby net profit before 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.

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.

25. 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 | 372,298 | 250,496 |
| Fair Value of Plan Assets | Nil | Nil |
| Net Assets/ (Liability) recognized in the Balance Sheet as per provision. | (372,298) | (250,496) |



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

| Particulars | Current Year | Previous Year |
|-----------------------------------|--------------|---------------|
| | (In %) | (In %) |
| Discount rate | 7.75 | 9.27 |
| Expected rate of return on assets | 0.00 | 0.00 |
| Future Salary Increase | 10.0 | 10.0 |
| Employee turnover: | | |
| Up to 30 years | 3.00 | 3.00 |
| Up to 44 years | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 |

Expenditure in foreign currency: (on payment basis)

| Particulars | Current Year | Previous Year |
|------------------|--------------|---------------|
| | (Rs.) | (Rs.) |
| Revenue expenses | Nil | Nil |
| Imports | 95,791 | Nil |

26. Disclosure required as per Accounting Standard – 18 on "Related Party Disclosures" as notified by CASR,2006:

(a) Parties Having Control over the Company:

Elsamex S.A. (Spain) – Major Share Holder
 ILFS Education & Technology Services Ltd.
 ILFS Engineering & Construction Company Ltd.
 IL&FS Transport Networks Limited – Ultimate Holding Company
 ILFS Technology Ltd.

(b) Parties under Common Management

Yala Construction Company limited
 Elsamex Maintenance Services Ltd.

(c) Details of related party Transaction (schedule attached)

27. Auditors' remuneration:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|-----------------|-----------------------|------------------------|
| Statutory Audit | 101,124 | 101,124 |
| Others | - | 11,236 |
| Total | 1,01,124 | 1,12,360 |



28. Small and Micro Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 that 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, 2015.

29. The Company is engaged primarily in maintaining and resurfacing of roads in India. Accordingly, quantitative detail and the information 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 | | 3,478,119 |

30. 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 | 186,605,417 | 915,443,522 |
| 2 | Aggregate amount of cost incurred till Balance Sheet date | 183,701,313 | 806,551,022 |
| 3. | Aggregate amount of recognized Net profits or (loss) | 7,191,664 | 110,750,813 |
| 4. | Amount of advances received. | Nil | Nil |
| 5. | Amount of retentions | 92,69,852 | 1,83,27,332 |

31. Previous year's figures have been regrouped /rearranged wherever considered necessary to conform with the current year's presentation. Figures have been rounded off to the nearest rupee.

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 : 11-05-2015

For and or behalf of the Board


Director 
Director