

ELSAMEX INDIA PRIVATE  
LIMITED

ANNUAL REPORT

2009 - 10

## Draft Directors' Report

### The Shareholders Elsamex India Private Limited

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Statement of Accounts of your Company for the year ended March 31, 2010

### Financial Results

The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2010 are as under:

Particulars	(In Rs.)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Total Income	130,491,518	52,141,405
Total Expenses	116,143,418	57,774,685
Profit/(Loss) before taxation and prior period expenses	14,348,100	(5,633,280)
Prior period expenses	91,619	15,562
Profit/ (Loss) before tax	14,256,481	(5,648,842)
Less : Provision for tax	(2,952,200)	(70,141)
Profit/ (Loss) after tax	11,304,281	(5,578,701)
Add : Brought forward Losses	(37,577,751)	(31,999,050)
Balance carried forwarded Losses	(26,273,470)	(37,577,751)

### Operations

The Company's turnover has significantly increased from Rs 5.21 crores to Rs 13.04 Crores for the financial year 2009-2010, as compared to the previous year. In the year 2007-08 the company entered into a sub contract with Ramky Infrastructure Ltd. (RIL) for short-term improvement and routine maintenance of Ahmedabad – Vadodara Expressway NE-1 KM 0/00 KM 93/302 including ROB's and its approaches in the State of Gujarat, amounting Rs 28.73 Crores

The competition continues to play a vital role in the industry and the economy is progressing and having some encouraging indicators that have recently emerged

**Dividend**

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

**Directors**

Presently, the Board of Directors of the Company is comprised of four Directors. During the year under review, Mr M B Bajulge was appointed as an Additional Director w.e.f. December 22, 2009

In terms of the provisions of Section 260 of the Companies Act, 1956 (the Act) Mr M B Bajulge will retire at the forthcoming Annual General Meeting

In accordance with the provisions of the Companies Act, 1956, resolution seeking approval of the Members for appointment of Mr M B Bajulge Director have been incorporated in the Notice of the forthcoming Annual General Meeting of the Company

**Auditor**

M/s S.P.Nagrath & Co, Chartered Accountants, New Delhi, Statutory Auditors, retire 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 employee in respect of whom statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is required to be given.

**Secretarial Compliance Report**

The Company has maintained proper secretarial records as required by Companies Act, 1956, however no Secretarial Compliance Certificate pursuant to section 383A of the Companies Act, 1956 is required to be annexed

## **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 Rs.20,580,000 (Previous Year: Rs.4,017,233) and outflows were Rs. Nil (Previous Year 1,079,591)

## **Directors' Responsibility Statement**

Section 217 (2AA) of the Companies Act, 1956 (the Act) requires the Board of Directors to provide a statement to the members of the Company in connection with the maintenance of books, records and preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the company. Pursuant to the foregoing, and on the basis of representations received from the Management and after due enquiry, it is confirmed 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) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for that period
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities
- iv) The Directors have prepared the Annual Accounts on a 'going concern' basis

## **Acknowledgements**

The Directors wish to record their appreciation of the services rendered and contribution made by the employees at all levels for the growth of the Company. The Directors also convey their grateful thanks to the Banks, Government Authorities, Suppliers and the consumers for their continued assistance and co-operation.

For and on behalf of the Board

Director

Director

Mumbai,  
June 11, 2010



## **S. P. NAGRATH & Co.**

Bangalore • New Delhi

CHARTERED ACCOUNTANTS  
A-380, Defence Colony  
New Delhi - 110 024 India  
Tel. : +91(11)4980 0000  
Fax : +91(11)4980 0029  
email : spn@spnagrath.com

### **Auditors' Report To the members of Elsamex India Private Limited**

1. We have audited the attached Balance Sheet of Elsamex India Private Limited as at March 31, 2010 and also the Profit & Loss Account of the Company 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. 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, 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 the law, have been kept by the Company so far as appears from our examination of the books;
- (c) the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (e) on the basis of the written representations received from the Directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 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.*

(e) in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2010 and
- (ii) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date and;
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.



For S.P. Naik & Co.,  
Chartered Accountants

(Prashant Kapoor)  
Partner  
Membership No.091554

Firm Registration No.000541N

Place: Mumbai

Date 11/06/2010

Annexure referred to in paragraph (3) of the Auditors' Report of even date to the members of Elsamex India Private Limited for the year ended March 31, 2010

- i)
  - 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, the fixed assets have been physically verified by the management at reasonable intervals and no discrepancies were noticed.
  - c) During the year, the Company has not disposed off significant part of the fixed assets and therefore, the question of effect on going concern assumption does not arise.
  
- ii)
  - a) As explained to us, the inventories have been physically verified by the management during the year at reasonable intervals and in our opinion, the frequency of such verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion, the Company has maintained proper records of the inventories. No material discrepancies were noticed on verification between physical stocks of raw material and finished goods and the books records.
  
- iii)
  - a) The Company has granted loan to two "2" parties covered in the register required to be maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 5,722,825 (Previous year 2,000,000) and the year end balance was 3,592,398(Previous year Rs 2,000,000).
  - b) 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.
  - c) 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.
  - d) The repayments are as per the terms and conditions governing the loans therefore no steps are required for recovery/payment of the principal



amount and the interest.

- e) The Company has taken interest free unsecured loan from three "3" parties and interest bearing unsecured loan from one "1" party covered in the register required to be maintained under section 301 of the Act. The maximum amount outstanding was Rs.38, 711,150 (Previous year 45,122,942) and the year end balance was Rs 30,497,400 (Previous year 39,398,150).
  - f) The rate of interest and other terms and conditions of loans taken both secured and unsecured are prima facie not prejudicial to the interest of the Company.
  - g) As per terms and conditions governing the loans, payment of principal and interest amount is in accordance with the terms and condition of the loan.
- iv) In our opinion and according to the information and explanations provided to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and sale of goods and services.
- During the course of Audit, no major weakness was found in the internal control system.
- v) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register required to be maintained in pursuance of section 301 of the Companies Act, 1956 and aggregating during the year to Rs 5, 00,000 (Rupees Five Lacs) or more in respect of any party for purchase of goods and services, have been so entered. Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time as per the explanations provided to us by the management.
- vi) 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 Section 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.
- vii) The company has an internal audit system commensurate to the size of the company and the nature of its business



- viii) 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.
- ix) a) According to the information and explanations given to us by the management, the Company during the year is generally regular in depositing the undisputed statutory dues with the appropriate authorities including Income Tax, Sales Tax and any other statutory dues *except Employees' State Insurance*.
- There are no undisputed amounts, outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable. The Company's operations, during the year, did not give rise to any liability for Wealth Tax, Excise Duty, Cess, Investor Education and Protection fund.
- b) According to the information and explanations given to us by the management, there are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- x) *The Company has accumulated losses as at the end of the year. Also, the Company has not incurred cash loss during the current financial year but had incurred cash losses in the immediately preceding financial year.*
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in any loan from financial institutions or banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv) The Company is not dealing in or trading in shares, securities, debentures or other investments, hence this clause is not applicable to the Company.
- xv) According to the information and explanations given to us by the management, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) According to the information and explanations given to us, the Company has not raised any term loan during the year.



- xvii) According to the information and explanations given to us and on the overall examination of the Balance Sheet, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered under register maintained under section 301 of the Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised money by way of public issues during the year.
- xxi) According to the best of our knowledge and belief and as per the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.



For S. P. Nagrath & Co.,  
Chartered Accountants

(Prashant Kapoor)  
Partner

Place: Mumbai,  
Date: 11/06/2010

Membership No. 091554  
Firm Registration No.000541N

**Elsamex India Private Limited**

**Balance Sheet as at March 31st, 2010**

	Schedule	Rupees	As at March 31st, 2010 Rupees	Rupees	As at March 31st, 2009 Rupees
<b>Source of Funds</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	600,000		600,000	
Share Application	2	21,587,169		1,007,169	
Reserve and Surplus	3	-	22,187,169	-	1,607,169
<b>Loan Funds</b>					
Secured Loans	4	1,389,421		2,316,916	
Unsecured Loans	5	30,497,400	31,886,821	39,398,150	41,715,066
			<u>54,073,990</u>		<u>43,322,235</u>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Gross Block	6	5,987,944		7,764,752	
Less : Accumulated Depreciation		2,680,683		3,020,365	
Net Block			3,307,261		4,744,387
<b>Current Assets, Loans and Advances</b>					
Inventories	7	-		2,335,511	
Cash and Bank Balances	8	22,371,199		874,360	
Sundry Debtors	9	31,587,563		8,520,681	
Loans and Advances	10	19,689,511		11,187,760	
		<u>73,648,273</u>		<u>22,918,312</u>	
<b>Less : Current Liabilities and Provisions</b>					
Current Liabilities	11	46,119,743		21,836,401	
Provisions	12	3,035,271		81,814	
		<u>49,155,014</u>		<u>21,918,215</u>	
Net Current Assets			24,493,259		1,000,097
Profit and Loss Account			26,273,470		37,577,751
			<u>54,073,990</u>		<u>43,322,235</u>
			(0)		-

**Notes on Accounts**

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

As per our report of even date

For S.P. Nagrath & Co.

Chartered Accountants

For and on behalf of the Board

(Prashant Kapoor)

Partner

Membership No. 091554

Firm registration No. 000541N

Place : Mumbai

Date : 11-6-2010

Director

Director

Place : Mumbai

Date : 11-6-2010

**Elsamex India Private Limited**

**Profit and Loss Account for the year ended March 31st, 2010**

	Schedule	Current Year Rupees	Previous Year Rupees
<b>Income</b>			
Project Income	13	115,622,786	52,122,323
Traded Product	14	12,577,166	-
Other Income	15	2,291,566	19,082
		<u>130,491,518</u>	<u>52,141,405</u>
<b>Expenditure</b>			
Project Operating	16	92,993,501	51,071,256
Purchase- Trading	17	11,448,762	-
Administration, Selling and Distribution	18	4,510,088	3,045,614
Interest and Financial	19	6,000,410	2,353,195
Depreciation		1,190,657	1,215,209
Exchange Variation		-	89,411
		<u>116,143,418</u>	<u>57,774,685</u>
<b>Profit/(Loss) before taxation and prior period expenses</b>		<u>14,348,100</u>	<u>(5,633,280)</u>
Provision for Income Tax		2,200,000	-
Provision for Fringe Benefit tax		-	121,828
Provision for Deferred tax(Asset)/Liability		-	(191,969)
Provision for Tax demand		752,200	
<b>Profit /(Loss) after tax and before prior period expenses</b>		<u>11,395,900</u>	<u>(5,563,139)</u>
Prior Period Expenses		91,619	15,562
<b>Profit /(Loss) after taxation</b>		<u>11,304,281</u>	<u>(5,578,701)</u>
Add: Brought forward loss		(37,577,751)	(31,999,050)
<b>Profit/(Loss) carried to Balance Sheet</b>		<u>(26,273,470)</u>	<u>(37,577,751)</u>
Basic and Diluted earnings per Equity Share (Nominal value Rs. 10 per share)		188.40	(92.98)

**Notes on Accounts**

20

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

As per our report of even date  
For S.P. Nagrath & Co.  
Chartered Accountants

For and on behalf of the Board

(Prashant Kapoor)  
Partner  
Membership No. 091554  
Firm registration No. 000541N  
Place : Mumbai  
Date : 11-6-2010

Director

Director

Elsamex India Private Limited

Cash Flow Statement for the year ended 31st March 2010

	For the year ended 31 March 2010		For the year ended 31 March 2009	
Rupees	Rupees	Rupees	Rupees	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after tax		11,304,281		(5,578,701)
<b>Adjustment for :</b>				
Depreciation	(339,682)		1,215,209	
Interest received	(6,423)		(5,990)	
Interest paid	6,000,410		2,353,195	
Foreign Exchange Loss/(Gain)	(2,049,273)		89,411	
		3,605,032		3,651,825
Operating profit before changes in Working Capital		14,909,313		(1,926,876)
Adjustments for changes in Working Capital and provisions:				
Inventories	2,335,511		(2,335,511)	
Trade receivables	(23,066,882)		(7,031,757)	
Loans and advances	(8,501,751)		(10,738,565)	
Current Liabilities	24,283,342		7,662,484	
Deferred tax	-		(191,969)	
Provisions	2,953,457	(1,996,323)	(4,830)	(12,640,148)
Cash generated from operations		12,912,990		(14,567,024)
Foreign Exchange Fluctuation		2,049,273		(89,411)
<b>Net Cash from Operating activities</b>		14,962,263		(14,656,435)
<b>B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>				
Fixed Assets :				
Purchase	1,776,808		(5,190,733)	
Interest received	6,423		5,990	
<b>Net Cash (used in) investing activities</b>		1,783,231		(5,184,743)
<b>C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>				
Increase/(Decrease) in Unsecured Loan	(8,900,750)		20,709,979	
Share Application money	20,580,000			
Interest paid	(6,000,410)		(2,353,195)	
Increase/(Decrease) in Secured Loan	(927,495)		2,316,916	
<b>Net Cash from financing activities</b>		4,751,345		20,673,700
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
Cash and Cash Equivalents (Opening balance)		874,360		41,838
Cash and Cash Equivalents (Closing balance)		22,371,199		874,360

**Notes for Cash Flow Statement:**

1 Detail of Opening and Closing Cash & Cash Equivalent

		<b>Closing</b>	<b>Opening</b>
Cash in Hand	3,951	6,495	18,215
Balance with Scheduled Bank			
In Current Account	22,276,258	776,875	-
In Fixed Deposit Account	90,990	90,990	23,623
	<u>22,371,199</u>	<u>874,360</u>	<u>41,838</u>

- 2 The above Cash Flow Statement has been prepared under the indirect method setout in Accounting Standard (revised) -3 (AS-3) 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 Elsamex India Private Limited for the year ended March 31, 2010. 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 S.P.Nagrath & Co.  
Chartered Accountants

Prashant Kapoor  
Partner  
Membership No. 091554  
Firm registration No. 000541N  
Place : Mumbai  
Date : 11-6-2010

**Elsamex India Private Limited**

**Schedules annexed to and forming part of the Accounts**

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Schedule 1</b>		
<b>Share Capital</b>		
Authorised 4,500,000 equity shares of Rs 10 each	<u>45,000,000</u>	<u>5,000,000</u>
60,000 (previous year 60,000) equity shares of Rs 10 each fully paid of the above:	600,000	600,000
(i) 42,000 (Previous Year 42,000) equity shares of Rs. 10 each, held by Elsamex,S.A. Spain		
(ii) 16,900 (Previous Year 16,900) equity shares of Rs. 10 each, held by Himanshu Vashist		
(iii) 1,100 (Previous Year 1,100) equity shares of Rs. 10 each, held by Gauri Vashist		
	<u>600,000</u>	<u>600,000</u>
<b>Schedule 2</b>		
<b>Share Application Money</b>		
Elsamex,SA ,Spain	21,446,100	866,100
Kanta Vashist	141,069	141,069
	<u>21,587,169</u>	<u>1,007,169</u>
<b>Schedule 3</b>		
<b>Reserve and Surplus</b>		
<b>Profit and Loss Account</b>		
Balance as per last Balance Sheet	(37,577,751)	(31,999,050)
Less: Profit/(Loss) as per Profit and Loss Account	<u>11,304,281</u>	<u>(5,578,701)</u>
	<u>(26,273,470)</u>	<u>(37,577,751)</u>

Elsamex India Private Limited

Schedules annexed to and forming part of the Accounts

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Schedule 4</b>		
<b>Secured Loans</b>		
ICICI Bank Limited *	777,908	1,281,672
TATA Capital Limited*	611,513	1,035,244
Installment payable including interest within next twelve months Rs. 11,78,976 (Previous Year Rs.11,78,976)	<u>1,389,421</u>	<u>2,316,916</u>

(\*Secured against hypothecation of Vehicles)

**Elsamex India Private Limited**

**Schedules annexed to and forming part of the Accounts**

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Schedule 5</b>		
<b>Unsecured Loans</b>		
<b>From Associate/Group Concerns</b>		
IL&FS Transportation Network Limited	30,085,000	24,085,000
Ecoasfalt Construction Co. Pvt. Ltd.	412,400	537,400
Elsamex International,SL	-	1,060,000
Yala Construction Co. Pvt. Limited	-	13,715,750
	<u>30,497,400</u>	<u>39,398,150</u>

## Schedule annexed to and forming part of the Accounts

## Schedule 6

Particular	Rate of Depreciation	Gross Block				Depreciation				Net Block			
		Opening as at 1st April 2009	Additions	Deductions	Closing as at 31st March 2010	Accumulated upto 1st April 2009	Dep on Opening Balance	For the period	for the year	Deductions	Accumulated upto 31st March 2010	As at 31st March 2010	As at 31st March 2009
Plant and Machinery	13.91%	217,890	1,218,385	1,208,698	227,577	22,170	27,225	65,965	93,190	61,034	54,326	173,251	195,720
Air Conditioner	13.91%	43,800	23,000	21,900	44,900	25,394	1,306	938	2,244	12,883	14,755	30,145	18,406
Mobiles phones	13.91%	97,535	18,324	64,972	50,887	47,298	2,740	18,324	21,064	34,436	33,926	16,961	50,237
Office equipments	13.91%	313,983	8,800	183,685	139,098	158,263	12,411	1,127	13,538	117,187	54,614	84,484	155,720
Furniture and Fixture	18.10%	1,182,265	18,090	1,048,434	151,921	856,136	9,341	1,738	11,079	773,913	93,302	58,619	326,129
Vehicles	25.89%	5,385,649	28,550	374,133	5,040,066	1,463,758	1,006,428	7,695	1,014,123	315,742	2,162,139	2,877,927	3,921,891
Computers	40.00%	523,630	54,700	244,835	333,495	447,346	18,638	16,782	35,419	215,144	267,621	65,874	76,284
<b>Total</b>		<b>7,764,752</b>	<b>1,369,849</b>	<b>3,146,657</b>	<b>5,987,944</b>	<b>3,020,365</b>	<b>1,078,089</b>	<b>112,569</b>	<b>1,190,657</b>	<b>1,530,339</b>	<b>2,680,683</b>	<b>3,307,261</b>	<b>4,744,387</b>
<b>Previous Year</b>		<b>2,574,019</b>	<b>5,190,733</b>	<b>-</b>	<b>7,764,752</b>	<b>1,805,156</b>	<b>-</b>	<b>1,215,209</b>	<b>-</b>	<b>-</b>	<b>3,020,365</b>	<b>4,744,387</b>	<b>768,863</b>

**Elsamex India Private Limited**

**Schedules annexed to and forming part of the Accounts**

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Current Assets, Loans and Advances</b>		
<b>Schedule 7</b>		
<b>Inventories</b>	-	2,335,511
(As taken, valued and certified by the management)	<u>-</u>	<u>2,335,511</u>
<b>Schedule 8</b>		
<b>Cash and Bank Balances</b>		
Cash in Hand	3,951	6,495
Balances with Scheduled Banks on Current Account	22,276,258	776,875
on Deposit Account	90,990	90,990
	<u>22,371,199</u>	<u>874,360</u>
<b>Schedule 9</b>		
<b>Sundry Debtors</b>		
<b>(Unsecured and considered good)</b>		
Debts outstanding for a period exceeding six months	-	1,665,910
Other Debts	31,587,563	6,854,771
	<u>31,587,563</u>	<u>8,520,681</u>
<b>Schedule 10</b>		
<b>Loans and Advances</b>		
Advances recoverable in cash or in kind or for value to be received		
Advance to Group entities	3,592,398	2,000,000
Advance to Others	96,826	139,615
Duties and Taxes	4,491,261	878,059
Security Deposit	9,334,635	5,930,478
Prepaid Expenses	2,174,391	2,239,608
	<u>19,689,511</u>	<u>11,187,760</u>

**Elsamex India Private Limited**

**Schedules annexed to and forming part of the Accounts**

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Current liabilities and provisions</b>		
<b>Schedule 11</b>		
<b>Current Liabilities</b>		
Sundry creditors		
a) Total outstanding dues of Micro and Small enterprises*	-	-
b) Total outstanding dues of creditors other than Micro and Small enterprises	28,229,467	8,999,730
Security Deposits and Advances	14,764,046	11,772,766
Expenses payable	454,710	472,178
Duties and Taxes Payable	2,671,520	591,727
	46,119,743	21,836,401
<b>Schedule 12</b>		
<b>Provisions for:</b>		
Income Tax	2,200,000	-
Gratuity	83,071	28,634
Fringe Benefit Tax	-	53,180
Tax Demand	752,200	-
	3,035,271	81,814

Elsamex India Private Limited

Schedules annexed to and forming part of the Accounts

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Schedule 13</b>		
<b>Projects Income</b>		
Project	115,622,786	49,223,815
Consultancy	-	2,898,508
	<u>115,622,786</u>	<u>52,122,323</u>
 <b>Schedule 14</b>		
<b>Trading Products</b>		
Chemical	11,469,504	-
Machine Spares	1,107,662	-
	<u>12,577,166</u>	<u>-</u>
 <b>Schedule 15</b>		
<b>Other Income</b>		
Exchange Variation	2,049,273	-
Profit on Sale of Fixed Assets	207,725	-
Miscellaneous Income	28,146	-
Interest Received	6,423	5,990
Excess Provision written Back	-	12,659
Short & Excess	-	433
	<u>2,291,566</u>	<u>19,082</u>

Elsamex India Private Limited

Schedules annexed to and forming part of the Accounts

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Schedule 16</b>		
<b>Project Operating Expenses</b>		
<b>(Increase)/Decrease in Finished Goods and WIP</b>		
<b>Closing Stock</b>		
Finished Goods	-	-
Work in Progress	-	2,335,511
<b>Less: Opening Stock</b>		
Finished Goods	-	-
Work-in-Progress	2,335,511	-
	<u>2,335,511</u>	<u>(2,335,511)</u>
Sub-contract	58,337,596	17,294,900
Consumption-Bitumen	10,116,679	13,873,755
Consultancy and Professional	3,516,987	701,468
Site-Personnel	3,998,359	1,935,391
Hot Mix	3,556,803	10,068,230
Site Operating	3,000,064	5,220,281
Duties & Taxes	2,638,998	795,704
Maintenance	2,470,007	1,683,564
Tour & Travelling	1,281,991	952,808
Purchase- other material	621,421	294,343
Freight and Cartage	420,835	121,256
Rent	561,200	100,000
Electricity and Water	95,896	24,567
Clearing and Forwarding	41,154	340,500
	<u>92,993,501</u>	<u>51,071,256</u>

**Elsamex India Private Limited**

**Schedules annexed to and forming part of the Accounts**

	As at March 31st, 2010 Rupees	As at March 31st, 2009 Rupees
<b>Schedule 17</b>		
<b>Purchase Trading</b>		
Purchase- Chemical	10,583,757	-
Purchase- Machine Spares	865,005	-
	<u>11,448,762</u>	<u>-</u>
<b>Schedule 18</b>		
<b>Administration, Selling and Distribution</b>		
Rent	871,580	373,750
Legal and Professional	679,048	263,602
Conveyance ,Tour and travelling	561,294	347,117
Insurance	494,319	220,230
Assets written off	410,261	-
Communication	374,732	334,043
Personnel Cost	341,374	561,162
Running , Repair and Maintenance	174,343	514,707
Office	169,989	183,858
Audit Fees	220,600	165,450
Brokerage & Commission	115,622	81,695
Sundry Balances written off	96,926	-
	<u>4,510,088</u>	<u>3,045,614</u>
<b>Schedule 19</b>		
<b>Interest and Financial charges</b>		
Interest on Loans	5,347,457	1,442,726
Bank and Financial Charges	652,953	910,469
	<u>6,000,410</u>	<u>2,353,195</u>

**Elsamex India Private Limited**  
**For the year ended March 31, 2010**

**Schedule 20: Significant accounting policies**

**a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India, the provisions of The Companies Act 1956 (The Act) and the applicable Accounting Standards referred to in Section 211 (3C) of The Companies Act 1956. All Income and Expenditure having a material bearing on the financial statements are recognized on accrual basis.

**b) Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires, the management to make estimates and assumptions, considered in the reported amounts of assets and liabilities (including current liabilities) as on the date of the financial statements, the reported income and expenses during the reporting period and the disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**c) Fixed Assets**

Tangible Fixed Assets acquired by the Company are reported at acquisition cost with deductions for accumulated depreciation and impairment losses if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses such as delivery and handling costs, installation, legal

Services and consultancy services directly attributable to bringing the asset to the site and in working condition for its intended use.

**d) Inventory Valuation**

Inventories are valued at the lower of cost and net realizable value. Raw materials and consumables is valued on a “First in First out” basis.

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. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on current estimates.
Completed works	:	At cost including material cost, services and other overheads related to completed works.

**e) Depreciation**

*Tangible Assets*

Depreciation is provided based on The Written Down Value Method as per rates and in the manner prescribed in Schedule XIV to the Act.

The rates of depreciation prescribed in Schedule XIV to the Act, are considered as the minimum rates. For assets acquired/ disposed during the year, depreciation is provided from/up to the date the assets are acquired/disposed. Assets individually costing Rs. 5,000 or less are depreciated at the rate of 100%.

**f) Provisions and contingent liabilities and Contingent assets**

*Provisions*

The Company recognizes a provision when there is a present obligation as a result of a past event that may probably require an outflow of resources in future. Provisions are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

*Contingent Liability*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**g) Revenue recognition of Construction Projects**

Revenue from construction projects (Maintaining /resurfacing of roads) from Government and other agencies, is recognized following “the percentage of completion method”, in accordance with AS-7 (Accounting for Construction Contracts).

Revenues under percentage of completion method are recognized, on the basis of the percentage that the actual cost incurred on the projects under execution bears to the latest estimated total cost, provided the outcome of

the contracts can be reliably estimated. When the outcome of the contract cannot be reliably estimated but the overall contract is estimated to be profitable, revenue is recognized to the extent of recognizable cost.

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

Revenue from construction contracts is recognized in the Profit & Loss Account on mercantile basis.

Costs incurred on projects undertaken are charged to the Profit & Loss Account as project expenses.

All administrative and other expenses, which cannot be allocated to any specific project, are charged to the Profit & Loss Account.

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 reflected as work-in-progress in the Balance Sheet.

#### **h) Foreign Currency Transactions**

##### Initial Recognition

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.

##### Conversion

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.

## Exchange Difference

Exchange differences arise on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements. These are recognized as income or as expenses in the Profit and Loss Account of the year in which they arise.

### **i) Retirement and other employee benefits**

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit & Loss Account as and when they are made.

Gratuity, which is defined benefit scheme, is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

### **j) Taxation**

The provision for Income Tax is recognized based on the assessable profits determined under the provisions of the Income Tax Act, 1961.

Deferred tax asset/liability is recognized based on the tax rates and the tax laws enacted or substantially enacted at the Balance Sheet date.

Deferred tax assets arising from timing differences are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each Balance Sheet date, the company re-assesses unrecognized deferred tax assets.

Deferred tax liability on account of timing differences between the accounting and taxable income for the period is recognized.

**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.

**l) Impairment of assets**

The carrying amount of assets of the company are reviewed for impairment at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**n) Leases**

**i) Operating Lease**

Leases of assets where the lessor substantially retains all the risks and benefits of ownership of the leased assets, are classified as operating leases.

Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

## Schedule 21: Notes forming part of the Financial Statements

### 1. Contingent liabilities:

- a) Bank Guarantees of Rs.2,88,21,673 (Previous year: 2,87,36,673) issued by Ramky Infrastructure Limited towards performance of short term improvement and routine maintenance of Ahmedabad Vadodara Express Way NE-1 Project (AVEXL Project) against which the Company has a back-to-back subcontract with Ramky Infrastructure Limited.
- b) In respect of the maintenance /resurfacing of roads for periods specific to each contract undertaken involving expenditure that the company may have to incur on defects liability and in respect of which retention monies have been withheld by the parties awarding contracts and where the amount of liability that may arise because of such defects cannot be ascertained with reasonable certainty.
- c) Tax demand of Rs. 1,195,589 for Assessment Year 2009-10 and Rs. 308,744 for Assessment Year 2010-11 on account of short and non deduction of tax at source. The Company has deposited Rs. 752,200 to obtain stay against this demand.

### 2. Segment Reporting

The Company operates in the construction & infrastructure sector. The methods adopted, class of customers and overall business environment is the same for all the products & services dealt with by the company and consequently the risk & returns assumed are the same across all operations. Thus, the company operates primarily in only one segment. The Company operates only in India and therefore has no other geographical segment.

In view of the above, primary and secondary reporting disclosures for business/geographical segment as envisaged in Accounting Standards (AS) 17 "Segment Reporting" are not applicable to the Company.

3. 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.
4. 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:

<b>Asset/Liability</b>	<b>Current Year (Rs)</b>	<b>Previous Year (Rs)</b>
Present Value of Obligation	83,071	28,634
Fair Value of Plan Assets	Nil	Nil
Net Assets/ (Liability) recognized in the Balance Sheet as per provision.	(83,071)	(28,634)

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

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
	(in %)	(in %)
Discount rate	7.00	7.00
Expected rate of return on assets	0.00	0.00
Future Salary Increase	4.50	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

5. The Company has taken premises on leases. The leases have been classified as Operating Lease as per Accounting Standards (AS) 19 “Leases” as notified by CASR, 2006 and the lease payments are recognized as an expense in the Profit & Loss Account with reference to the lease terms and other considerations. The non-cancelable future lease payments outstanding in respect of these assets are as follows:

Description	Current Year (Rs.)	Previous year (Rs.)
Not later than one year	Nil	786,600
Later than one year and not later than five years	Nil	262,200
Later than five years	Nil	Nil

- a) Lease payments debited to the Profit and Loss Account amount to Rs.9,91,580 (Previous Year: Rs. 4,73,750).
- b) General description of the Lease Term:
- Lease Rentals are paid based on agreed terms.
  - The period of lease differs for various premises.

6. **Foreign currency Inflow and Outflow:**

**Earnings in foreign currency: (on payment basis)**

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Consultancy fees	Nil	1,487,404
Share Application Money	2,05,80,000	Nil
Others	Nil	2,529,829

**Expenditure in foreign currency: (on payment basis)**

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Revenue expenses	Nil	1,489
Imports	Nil	1,078,102

**7. Disclosure required as per Accounting Standard - 18 on “Related Party Disclosures” as notified by CASR,2006:**

**(1) Key Managerial Persons**

Mr. Mallikarjun Baswanappa Bajulge

**(2) Relatives of Directors**

Mrs. Kanta Vashist

Mrs. Gauri Vashist

**(3) Enterprises where influence/control/Relation exist( TO BE AS PER ITNL)**

IL&FS Transportation Networks Limited

Yala Construction Co. Private Limited

Ecoasfalt Construction Co. Private Limited

Ecoasfalt,S.A.

Elsamex ,SA,

VCS Enterprises Limited

Udayan Trade Consultants

Kanchi Farms Private Limited

Kanchi Technologies

## 8. Earnings Per Share (EPS)

Description	Current Year (Rs.)	Previous Year (Rs.)
Net Profit/(Loss) after tax (Rs.)	11,304,281	(5,578,701)
Weighted Average number of equity share outstanding	60,000	60,000
Nominal value of equity shares (Rs. Per Share)	10	10
EPS-Basic & Diluted (Rs.)	188.40	(92.98)

## 9. Deferred Tax Asset/(Liabilities)

Deferred Tax Assets / Liabilities have been recognized as under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Deferred Tax Liability(DTL)	Nil	
Opening Deferred Tax Liability	Nil	191,969
Deferred Tax Liability/(Asset) during the year	(448,533)	(191,969)
Closing Deferred Tax Liability	Nil	Nil

Deferred tax asset of Rs.448, 533 has not been recognized.

## 10. Auditors' remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit	1,65,450	110,300
Tax Audit	55,150	55,150
Others	46,670	16,854
Total	2,67,270	182,304

**11. Employees Cost:**

Employee cost is made up of:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salaries	37,24,463	18,08,793
Contribution to Provident Fund and other funds	273,896	64,106
Staff welfare expenses	1,63,677	1,33,611
Total	4,162,036	20,06,510

12. The Company has initiated the process to identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 st March 2010 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Hence disclosures if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the act have not been given.

13. In the opinion of the management, the value of sundry debtors, loans & advances, on realization in the ordinary course of business, shall be at least equal to the amount at which they are stated.
14. 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	Nil	23,35,511

15. 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	115,622,786	48,872,790
2	Aggregate amount of cost incurred till Balance Sheet date	104,694,657	50,158,222
3.	Aggregate amount of recognized Net profits or (loss) considering costs incurred directly on the running projects.	10,928,129	(1,285,432)
4.	Amount of advances received.	Nil	Nil
5.	Amount of retentions	2,381,251	2,443,637

16. Figures have been rounded off to the nearest rupee.
17. Schedule 1 to 21 form an integral part of the accounts and have been duly authenticated.
18. Previous year's figures have been regrouped /rearranged wherever considered necessary to conform with the current year's presentation.

As per our report attached  
For S.P.Nagrath & Co.  
Chartered Accountants

For and on behalf of the Board

(Prashant Kapoor)  
Partner  
Membership No. 091554  
Firm Registration No.  
Place: Mumbai  
Date: 11-6-2010

Director                      Director

## Elsamex India Private limited

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE For the year ending on 31st March 2010

#### I. Registration Details

Registration No.	U74140DL199PTC 097789	State Code	55
Balance-sheet Date	31/Mar/10		

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

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	54 074	Total Assets	54 074
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##### Sources of Funds

Paid Up Capital	600	Reserves & Surplus	-
Share Application Money	21 587	Secured Loans	1 389
Unsecured Loans	30 497	Deferred Tax Liabilities (Net)	-

##### Application of Funds

Net Fixed Assets	3 307	Investments	Nil
Net Current Assets	24 493	Deffered Tax Assets (Net)	Nil
Miscellaneous Expenditure	Nil	Accumulated Losses	26 273

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

Turnover	130 492	Total Expenditure	116 143
Profit/Loss before Tax	14 348	Profit/Loss after Tax	11 304
Earning per share in Rs. (on par value Rs. 10/- each)	188.40	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