

**YALA CONSTRUCTION COMPANY PRIVATE  
LIMITED**

**ANNUAL REPORT**

**2009 - 10**

## Directors' Report

### The Shareholders Yala Construction Co. Private Limited

Your Directors are pleased to present the Tenth 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 follows:

Particulars	(In Rs.)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Total Income	107,870,859	41,594,956
Total Expenses	106,682,348	45,833,477
Profit/(Loss) before taxation and prior period expenses	1,188,511	(4,238,521)
Prior period expenses	121,246	106,110
Profit/ (Loss) before tax	1,067,265	(4,344,631)
Less : Provision for tax	(553,642)	(174,377)
Profit/ (Loss) after tax	513,623	(4,170,254)
Add : Profit Brought forward	499,491	4,669,745
Balance carried forward	1,013,114	499,491

### Operations

Your Company has been awarded contracts worth Rs 18.22 crores by the Public Works Department (PWD), Delhi for Micro surfacing of Roads in Delhi, which is currently in progress. The work completed till March 2010 is Rs 12.15 crores out of Rs 18.22 crores. The remaining work will be completed by September 2010

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

### Dividend

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

## **Directors**

The Board of Directors of the Company consists of four Directors

During the period under review, Mr M B Bajulge was appointed as an Additional Director on 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. A 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

Mr Naresh Sasanwar, Director resigned with effect from March 29, 2010. The Board wishes to place on record its appreciation for the valuable contribution made by Mr Naresh Sasanwar during his association with 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 employees in respect of whom statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is required to be given

## **Secretarial Compliance Report**

The Company has maintained proper secretarial records as required by Companies Act, 1956. In accordance with the requirements of Section 383A of the Companies Act, 1956, Secretarial Compliance Certificate obtained from the Practicing Company Secretary is 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. 13,999,990 (Previous Year: Rs. Nil) and outflows were Rs. Nil (Previous Year Nil)

## **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 year
- 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 record their thanks to the Company's employees for their dedication and commitment throughout the year. The Directors would also like to record their thanks to the Shareholders, Bankers, Financial Institutions, Central and State Governments including Regulatory Authorities for the support extended by them during the year under review and look forward to receiving their continued support and encouragement in the future

For and on behalf of the Board

Director

Director

Mumbai,  
June 11, 2010



## S. P. NAGRATH & Co.

Bangalore • New Delhi

Auditors' Report

To the members of

Yala Construction Co. Private Limited

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

1. We have audited the attached Balance Sheet of Yala Construction Co. 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 in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the Act) we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. 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 Act;
  - (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.



(f) 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 Act, 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.
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Mumbai  
Date: 11/06/2010



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

(Prashant Kapoor)  
Partner  
Membership No.091554  
Firm Registration No. 000541N

Annexure referred to in paragraph (3) of the Auditors' Report of even date to the members of Yala Construction Co. 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 substantial part of 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 inventories/work in progress and the books records.
- iii) a) The Company has granted loan to three "3" parties covered in the register required to be maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 16,484,599 (Previous year 22,847,748) and the year end balance was Rs. 5,251,789 (Previous year 17,606,516).
- 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 specified in the loan agreements therefore no steps are required for recovery/payment of the principal amount and the interest.



- e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act.
  - 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 amount and interest 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, fixed assets and for 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 its size 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 with the appropriate authorities the undisputed statutory dues including Income Tax, Sales Tax and any other statutory dues except Employee 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, 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 does not have accumulated losses as at the end of the year. The Company has not incurred cash loss during the current financial year. The Company has not incurred cash loss during 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 and on the overall examination of the Balance Sheet, the Company has applied term loans for the purpose they were obtained.
- 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 utilized 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.
- 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.

Place: Mumbai  
Date: 11/06/2010

 For S.P. Nagrath & Co.,  
Chartered Accountants  
(Prashant Kapoor)  
Partner  
Membership No. 091554  
Firm Registration No.000541N

**Yala Construction Co. Private Limited**

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

	Schedule	Rupees	As at 31st March, 2010 Rupees	Rupees	As at 31st March, 2009 Rupees
<b>Source of Funds</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	8,365,260		8,365,260	
Share Application	2	13,999,990			
Reserve and Surplus	3	<u>1,729,434</u>	24,094,684	<u>1,215,811</u>	9,581,071
<b>Loan Funds</b>					
Secured Loans	4	1,430,105		15,368,882	
Unsecured Loans		<u>-</u>	1,430,105	<u>-</u>	15,368,882
Deferred Tax Liability			<u>714,023</u>		<u>610,381</u>
			<u>26,238,812</u>		<u>25,560,334</u>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Gross Block	5	35,801,962		33,105,190	
Less : Depreciation		<u>19,341,955</u>		<u>18,613,459</u>	
Net Block			16,460,007		14,491,731
<b>Current Assets, Loans and Advances</b>					
Inventories	6	3,053,010		1,406,197	
Cash and Bank Balances	7	36,046,468		11,108,166	
Sundry Debtors	8	6,166,538		6,917,307	
Loans and Advances	9	22,022,163		30,867,094	
		<u>67,288,179</u>		<u>50,298,764</u>	
<b>Less:Current Liabilities and Provisions</b>					
Current Liabilities	10	57,059,374		38,726,205	
Provisions	11	<u>450,000</u>		<u>503,956</u>	
		<u>57,509,374</u>		<u>39,230,161</u>	
<b>Net Current Assets</b>			9,778,805		11,068,603
			<u>26,238,812</u>		<u>25,560,334</u>

**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:  
Date :

**Yala Construction Co. Private Limited**

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

	Schedule	Current Year Rupees	Previous Year Rupees
<b>Income</b>			
Project Revenues	12	104,799,720	40,595,064
Other Income	13	3,071,139	999,892
		<u>107,870,859</u>	<u>41,594,956</u>
<b>Expenditure</b>			
Operating	14	81,335,382	31,651,230
Administration, Selling and Distribution	15	20,750,208	5,231,019
Interest and Financial	16	2,385,551	2,952,751
Depreciation		2,211,207	2,721,205
Exchange Variation		-	3,277,272
		<u>106,682,348</u>	<u>45,833,477</u>
<b>Profit/(Loss) before Tax, extraordinary items and prior period items</b>		<u>1,188,511</u>	<u>(4,238,521)</u>
Provision for Income Tax		450,000	-
Provision for Fringe Benefit Tax		-	126,328
Provision for Deferred Tax (Asset)/Liability		103,642	(300,705)
<b>Profit/(Loss) after Tax but before extraordinary items and prior period items</b>		<u>634,869</u>	<u>(4,064,144)</u>
Prior period Expenses		121,246	106,110
<b>Profit/(Loss) after Tax</b>		<u>513,623</u>	<u>(4,170,254)</u>
Add: Brought forward Profit		499,491	4,669,745
<b>Profit carried to Balance Sheet</b>		<u>1,013,114</u>	<u>499,491</u>
<b>Basic and Diluted earnings per Equity Share</b> (Nominal value Rs. 10 per share)		0.61	(5)

**Notes on Accounts** 17

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

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 :  
Date :

Yala Construction Co. 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
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit after tax		513,623	(4,170,254)
<b>Adjustment for :</b>			
Depreciation	728,496		2,721,205
Interest received	(596,090)		(999,892)
Interest paid	2,385,551		2,952,751
Foreign Exchange Loss/(Gain)	(2,022,061)		3,277,272
Loss/(Profit) on sale of assets (net)	(4,196)	491,700	91,441
		<u>1,005,323</u>	<u>3,872,523</u>
Operating profit before changes in Working Capital		1,005,323	3,872,523
Adjustments for changes in Working Capital and provisions:			
Inventories	(1,646,813)		7,612,346
Trade receivables	750,769		457,985
Loans and advances	8,844,931		2,893,078
Current Liabilities	18,333,169		(13,002,888)
Deferred tax Liability	103,642		(300,705)
Provisions	(53,956)	26,331,742	68,727
		<u>26,331,742</u>	<u>(2,271,457)</u>
			-
Cash generated from operations		27,337,065	1,601,066
Foreign Exchange Fluctuation		2,022,061	(3,277,272)
<b>Net Cash from Operating activities</b>		<u>29,359,126</u>	<u>(1,676,206)</u>
<b>B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>			
Fixed Assets :			
Purchase	(2,696,772)		140,740
Loss/(Profit) on Sales of Assets	4,196		(90,000)
Interest received	596,090	(2,096,486)	999,892
<b>Net Cash (used in) investing activities</b>		<u>(2,096,486)</u>	<u>1,050,632</u>
<b>C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Unsecured Loan	-		3,277,272
Interest paid	(2,385,551)		(2,952,751)
Increase/(Decrease) in Secured Loan	(13,938,777)		4,273,340
Share application money	13,999,990		-
<b>Net Cash from financing activities</b>		<u>(2,324,338)</u>	<u>4,597,861</u>
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>24,938,302</b>	<b>3,972,287</b>
Cash and Cash Equivalents (Opening balance)		11,108,166	7,135,879
Cash and Cash Equivalents (Closing balance)		<u>36,046,468</u>	<u>11,108,166</u>

**Notes for Cash Flow Statement:**

1 Detail of Opening and Closing Cash & Cash Equivalent

	Closing	Opening
Cash in Hand	75,937	107
Balance with Scheduled Bank		
In Current Account	35,340,789	387,101
In Fixed Deposit Account	629,742	10,720,958
	<u>36,046,468</u>	<u>11,108,166</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 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  
Date : 11-6-2010  
Place : Mumbai

# Yala Construction Co. Private Limited

## Schedules annexed to and forming part of the Accounts

	As at 31st March, 2010	As at 31st March, 2009
	Rupees	Rupees
<b>Schedule 1</b>		
<b>Share Capital</b>		
Authorised		
3,000,000 Equity shares of Rs.10 each	<u>30,000,000</u>	<u>10,000,000</u>
(Previous Year 1,000,000 Equity shares of Rs.10 each)		
Issued, Subscribed and Paid up	8,365,260	8,365,260
836,526 (Previous year-836,526)Equity Shares of Rs.10 each fully paid		
Of the above:		
(i) 359,878 (Previous year-359,878) Equity shares are held by Elsamex, S.A, Spain		
(ii) 225690 (Previous year 225,690) Equity Shares are held by Elsamex Internacional S.L.		
(iii) 21,300 (Previous year 21,300) Equity Shares are held by Himanshu Vashist		
(iv) 229,658 (Previous year 229,658) Equity Shares are held by Kanta Vashist		
	<u>8,365,260</u>	<u>8,365,260</u>

## Schedule 2

### Share Application Money

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

Initials	
SPN	YALA

# Yala Construction Co. Private Limited

Schedules annexed to and forming part of the Accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>Schedule 3</b>		
<b>Reserve and Surplus</b>		
Share Premium Account		
Elsamex, S.A, Spain	501,424	501,424
Kanta Vashist	214,896	214,896
<b>(A)</b>	<u>716,320</u>	<u>716,320</u>
Profit and Loss Account		
Balance as per last Balance Sheet	499,491	4,669,745
Less: Profit/(Loss) as per Profit and Loss Account	513,623	(4,170,254)
<b>(B)</b>	<u>1,013,114</u>	<u>499,491</u>
<b>(A+B)</b>	<u><u>1,729,434</u></u>	<u><u>1,215,811</u></u>

Initials	
SPN	YALA

## Yala Construction Co. Private Limited

Schedules annexed to and forming part of the Accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>Schedule 4</b>		
<b>Secured Loan</b>		
<b>From Banks</b>		
State Bank of India , Cash Credit Limit	-	14,851,007
Vehicle Loans *	1,430,105	517,875
	<b>1,430,105</b>	<b>15,368,882</b>

\* Secured against the hypothecation of vehicles  
Installment payable including interest within next  
twelve months Rs.6,23,836(Previous Year Rs.466,984)

Initials	
SPN	YALA

**Yala Construction Co. Private Limited**  
Schedules annexed to and forming the part of Accounts

Schedule 5  
Fixed Assets

(Amount in Rs.)

2.633940433

Particulars	Gross Block			Depreciation			Net Block			
	Opening as at 1st April 2009	Additions	Deduction	Closing as at 31st March 2010	Accumulated upto 1st April 2009	For the year	Deductions	Accumulated upto 31st March 2010	As at 31st March 2010	As at 31st March 2009
Building	997,365	-	971,095	26,270	238,063	1,000	231,793	7,270	19,000	759,302
Plant & Machinery	26,550,834	5,412,211	1,554,709	30,408,336	14,843,160	1,717,892	952,191	15,608,861	14,799,475	11,707,674
Furniture & Fixture	120,575	-	120,575	-	52,276	-	52,276	-	-	68,299
Vehicles	3,993,166	357,611	117,629	4,233,148	2,526,829	399,458	95,128	2,831,159	1,401,989	1,466,337
Commercial Vehicle	649,916	-	60,000	589,916	566,674	16,132	30,531	552,275	37,641	83,242
Office Equipments	559,816	65,435	315,001	310,250	251,392	35,799	86,952	200,239	110,011	308,424
Computers	233,518	52,762	52,238	234,042	135,065	40,927	33,841	142,151	91,891	98,453
<b>TOTAL</b>	<b>33,105,190</b>	<b>5,888,019</b>	<b>3,191,247</b>	<b>35,801,962</b>	<b>18,613,459</b>	<b>2,211,207</b>	<b>1,482,712</b>	<b>19,341,955</b>	<b>16,460,007</b>	<b>14,491,731</b>
Previous Year	34,469,895	79,260	1,443,965	33,105,190	16,575,009		682,755	18,613,459	14,491,731	17,894,886

Initials	
SPN	YALA

# Yala Construction Co. Private Limited

Schedules annexed to and forming part of the Accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>Schedule 6</b>		
<b>Current Assets, Loans and Advances</b>		
<b>Inventories</b>		
(As taken, valued and certified by the management)		
Project Work in Progress	-	1,406,197
Raw material	3,053,010	-
	<u>3,053,010</u>	<u>1,406,197</u>
<b>Schedule 7</b>		
<b>Cash and Bank Balances</b>		
Cash in hand	75,937	107
<b>Balances With Scheduled Banks</b>		
On current account	35,340,789	387,101
On deposit account (Tax deducted Rs. 47,832 (Previous Year Rs 187,077)).	629,742	10,720,958
	<u>36,046,468</u>	<u>11,108,166</u>
<b>Schedule 8</b>		
<b>Sundry Debtors</b>		
Debts outstanding for a period exceeding six months		
-Considered good	-	6,917,307
Other debts		
-Considered good	6,166,538	-
	<u>6,166,538</u>	<u>6,917,307</u>
<b>Schedule 9</b>		
<b>Loans and Advances</b>		
<b>Advances recoverable in cash or in kind or for value to be received</b>		
Advance to Group entities	5,251,789	19,887,792
Advance to Others	402,735	2,938,303
Duties and Taxes	5,600,633	2,381,912
Security Deposit	10,657,992	5,571,789
Prepaid Expenses	109,014	87,298
	<u>22,022,163</u>	<u>30,867,094</u>

Initials	
SPN	YALA

Yala Construction Co. Private Limited

Schedules annexed to and forming part of the Accounts

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>Schedule 10</b>		
<b>Current Liabilities &amp; Provision</b>		
Acceptances		
Sundry Creditors		
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues of creditors other than micro and small enterprises	49,401,502	33,621,266
	<u>49,401,502</u>	<u>33,621,266</u>
Security Deposits and Advances	1,819,053	4,059,153
Expenses payable	995,073	844,099
Duties and Taxes	4,843,746	201,687
	<u><u>57,059,374</u></u>	<u><u>38,726,205</u></u>
<b>Schedule 11</b>		
<b>Provisions</b>		
Income Tax	450,000	-
Gratuity	-	377,628
Fringe Benefit Tax	-	126,328
	<u><u>450,000</u></u>	<u><u>503,956</u></u>

Initials	
SPN	YALA

## Yala Construction Co. Private Limited

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

	Current Year Rupees	Previous Year Rupees
<b>Schedule 12</b>		
<b>Project Revenue</b>		
Project	104,799,720	40,595,064
	<u>104,799,720</u>	<u>40,595,064</u>
<b>Schedule 13</b>		
<b>Other Income</b>		
Exchange Variation	2,022,061	-
Interest	596,090	999,892
Excess provision written back	48,792	-
Profit on sale of Assets	4,196	-
Machine Rent	400,000	-
	<u>3,071,139</u>	<u>999,892</u>

Initials	
SPN	YALA

# Yala Construction Co. Private Limited

Schedules annexed to and forming part of the Accounts

	Current Year Rupees	Previous Year Rupees
<b>Schedule 14</b>		
<b>Operating Expenses</b>		
<b>Consumption of Raw Materials</b>		
Opening Stock	-	-
Add: Purchases		
- Bitumen	26,673,753	2,512,670
-Additive	969,215	-
-Aggregate	2,121,000	345,000
-Others	998,353	80,211
Less: Closing Stock		
- Bitumen	2,105,251	-
-Additive	548,998	-
-Agreegate	386,021	-
-Others	12,740	-
Raw Material Consumed	(A) <u>27,709,311</u>	<u>2,937,881</u>
<b>(Increase)/Decrease in Work-in-progress</b>		
Closing Work in progress	-	1,406,197
	-	1,406,197
<b>Less:</b>		
Opening Work-in-progress	1,406,197	9,018,543
	<u>1,406,197</u>	<u>9,018,543</u>
	(B) <u>1,406,197</u>	<u>7,612,346</u>
<b>Site Expenses</b>		
Sub Contract Cost	13,383,758	7,341,781
Duties and Taxes	10,327,352	1,875,841
Site Operations	7,255,899	5,344,519
Freight and Cartage	5,240,278	750,828
Personnel	4,668,930	4,123,703
Consultancy	11,343,657	1,664,331
	(C) <u>52,219,874</u>	<u>21,101,003</u>
	(A+B+C) <u>81,335,382</u>	<u>31,651,230</u>

Initials	
SPN	YALA

## Yala Construction Co. Private Limited

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

	Current Year Rupees	Previous Year Rupees
<b>Schedule 15</b>		
<b>Administration and Other Expenses</b>		
Personnel	2,030,523	1,694,117
Conveyance ,Tour and Travelling	1,121,998	849,851
Rent office	894,050	341,100
Car Running and Maintenance	554,327	231,265
Legal and Professional	412,994	164,524
Rent Guest House	250,000	-
Office expenses	180,206	567,277
Auditor Remuneration	231,630	190,384
Communication	150,968	236,847
Repair, running and maintainence	146,309	239,522
Staff Welfare	129,743	227,111
Electricity and Water	77,439	7,428
Brokerage and Commision	77,000	32,775
Advertisement and Business promotion	67,133	80,503
Insurance	56,561	115,024
Printing and Stationery	46,177	46,414
Security Service	17,395	35,412
Annual maintenance	13,604	31,570
Freight and Cartage	4,880	44,430
Postage and Courier	4,054	4,025
Loss on Sale of asset	-	91,441
	<u>(A) 6,466,991</u>	<u>5,231,019</u>
<b>Written off</b>		
Assets	1,677,661	-
Sundry Balances	9,925,365	-
Group Entity	2,680,191	-
	<u>(B) 14,283,217</u>	<u>-</u>
	<u>(A+B) 20,750,208</u>	<u>5,231,019</u>
<b>Schedule 16</b>		
<b>Interest and Financial Charges</b>		
Bank	1,434,571	2,725,467
Others	950,980	227,284
	<u>2,385,551</u>	<u>2,952,751</u>

Initials	
SPN	YALA

**Yala Construction Co. Private Limited**  
**for the year ended March 31, 2010**

**Schedule-17: 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 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 Companies Act 1956 (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 period 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 18: Notes forming part of the Financial Statements

### 1. Contingent liabilities:

- a) Bank Guarantees of Rs 56, 88,655 (Previous year: Rs.1,47,67,762) issued towards performance of construction projects.
- b) In respect of the maintainance /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 where the amount of liability that may arise because of such defects cannot be ascertained with reasonable certainty.

### 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 CASR, 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	1,86,225	3,77,628
Fair Value of Plan Assets	Nil	Nil
Net Assets/ (Liability) recognized in the Balance Sheet as per provision.	(1,86,225)	(3,77,628)

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

<b>Particulars</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</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 as in respect of these assets are as follows:

Description	Current Year (Rs.)	Previous year (Rs.)
Not later than one year	15,73,200	7,86,600
Later than one year and not later than five years	13,11,000	2,62,200
Later than five years	-	-

- a) Lease payments debited to the Profit and Loss Account amount to Rs.1,513,792 (Previous Year: Rs.4,85,220 ).

- b) General description of the Lease Term:

- Lease rentals are paid based on agreed terms.
- The year 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	Nil
Share Application Money	1,39, 99,990	Nil
Others	Nil	Nil

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

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Revenue expenses	Nil	Nil
Imports	Nil	Nil

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 to Directors/Managing Director/Key Managerial Persons

Mrs. Kanta Vashist

Mrs. Gauri Vashist

(3) Enterprises where influence/control/relation exist

IL&FS Transportation Networks Limited

Elsamex India Private Limited.

Elsamex ,S.A.

Elsamex Internacional

Yala Construction Co. Limited

Ecoasfalt S.A.

Ecoasfalt Construction Co. Private Limited

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 after tax (Rs.)	513,623	(41,70,254)
Weighted Average number of equity share outstanding	8,36,526	8,36,526
Nominal value of equity shares (Rs. per share)	10	10
Weighted average number of equity shares outstanding during the year	8,36,526	8,36,526
EPS-Basic & Diluted (Rs.)	0.61	(4.99)

## 9. Deferred Tax Asset/(Liabilities)

The company has net Deferred Tax Liabilities of Rs. 441,972(Previous year Rs. 610,381) the component as are under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Deferred Tax Liability, Only depreciation (DTL)		
Opening Deferred Tax Liability	610,381	911,086
Reinstated Deferred Tax Liability	714,023	610,381
Deferred Tax Liability/Deferred Tax( Asset) during the year	103,642	(300,705)
Deferred Tax (asset)/liability as on 31.3.2010	714,023	610,381

## 10. Auditors' remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee( including service tax)	176,480	1,21,330
Tax Audit	55,150	55,150
Others	46,670	62,136
<b>Total</b>	<b>278,300</b>	<b>2,38,616</b>

11. 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.

12. **Employees Cost:**

Employee cost is made up of:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salaries	6,367,523	5,641,426
Contribution to Provident Fund and other funds	331,927	176,394
Staff Welfare	129,743	227,111
Total	6,829,193	5,817,820

13. The Company has initiated the process to identify 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 31st March 2010 has been made in the financials 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.

**14. Disclosures pursuant to Accounting Standard -7 Construction Contracts as notified by CASR, 2006:**

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
1	Contract Revenue recognized for the year	104,799,720	39,861,751
2	Aggregate amount of cost incurred till Balance Sheet date	106,682,348	1,406,197
3.	Aggregate amount of recognized Net profits or (loss) considering costs incurred directly on the running projects.	(1,882,628)	38,455,554
4.	Amount of advances received.	Nil	Nil
5.	Amount of retentions	4,368,999	Nil

**15.** In opinion of the management, 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.

**16.** 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:-

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
1.	Amount of Project Work in Progress as valued and certified by the management	Nil	1,406,197

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

S. No.	Particulars	Purchases		Consumption	
		Quantity	Value(Rs.)	Quantity	Value(Rs.)
1	Bitumen	778.27 MT	2,66,73,753	735.27 MT	2,45,68,502
2	Additive	57.30 MT	9,69,215	47.9 MT	4,20,217
3	Aggregate	142700 CFT	21,21,000	133049.48CFT	17,35,000
4	Cement	1612 Bags	4,00,613	1563 Bags	3,87,873

18. Previous year's figures have been regrouped /rearranged wherever considered necessary to conform with the current year's presentation.

19. Figures have been rounded off to the nearest rupee.

20. Schedules 1 to 18 form an integral part of the accounts and have been duly authenticated.

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

For and or behalf of the Board

(Prashant Kapoor)  
Partner  
Membership No.091554  
Firm Registration No. 000541N  
Place:  
Date:

Director                      Director

## Yala Construction Co Private Limited

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

#### I. Registration Details

Registration No.	U4520DL2000PTC103620	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	26 239	Total Assets	26 239
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##### Sources of Funds

Paid Up Capital	8 365	Reserves & Surplus	1 729
Share Application Money	14 000	Secured Loans	1 430
Unsecured Loans	-	Deferred Tax Liabilities (Net)	714

##### Application of Funds

	16 460	Investments	Nil
Net Current Assets	9 779	Deffered Tax Assets (Net)	Nil
Miscellaneous Expenditure	Nil	Accumulated Losses	

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

Turnover	107 871	Total Expenditure	106 682
Profit/Loss before Tax	1 189	Profit/Loss after Tax	514
Earning per share in Rs. (on par value Rs. 10/- each)	0.61	Dividend Rate	Nil

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

(as per monetary terms)

Item Code No. (ITC Code)	Product Description
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NA	NA
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