

YALA CONSTRUCTION CO PRIVATE LIMITED

FINANCIAL STATEMENT

2014-15



INDEPENDENT AUDITOR'S REPORT

To
The Members
Yala Construction Co. Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Yala Construction Co. Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section



143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi
Date: 11.05.2015

For Gupta Mahesh & Co.
Chartered Accountant
Reg. No. 005427C



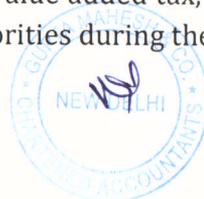
The stamp is circular with the text "GUPTA MAHESH & CO." at the top, "NEW DELHI" in the center, and "CHARTERED ACCOUNTANTS" at the bottom.

Mahesh Gupta
Proprietor
Meb. No. 074202

ANNEXURE TO THE AUDITORS' REPORT

(Statement on the matters specified in Companies (Auditor's Report) Order, 2015)

1. a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
2. a. As per the information and explanations given to us, inventories have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
 - b. In our opinion and according to the information and explanation given to us. There is adequate and reasonable procedure of physical verification of inventory followed by the management in relation to the size of the company and nature of its business.
 - c. As per the information and explanations given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Consequently, requirement of clauses (iiia) and (iiib) of the paragraph 3 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets & inventory and the sale of services. We have not observed any continuing failure on the part of the company to correct major weakness in internal control system.
5. According to the information and explanations given to us the company has not accepted deposits.
6. According to the information and explanation given to us, the Company is not required to maintain cost records u/s 148(1) of the Companies Act, 2013.
7. a. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and other statutory dues applicable to it with the appropriate authorities during the year.



- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, wealth tax, service tax, value added tax or cess which have not been deposited on account of dispute.
- c. According to the information and explanation given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
8. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
9. In our opinion and as per the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
10. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. In our opinion and according to the information and explanation given to us, the Company has applied the term loan for the purpose for which the loan was obtained.
12. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

Place: New Delhi
Date: 11.05.2015

For Gupta Mahesh & Co.
Chartered Accountants
Reg. No. 005427C



Mahesh Gupta
Proprietor
Meb. No. 074202

Yala Construction Co. Private Limited

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

Balance Sheet as on 31st March, 2015

Particulars	Notes	As on 31st March, 2015 Rs.	As on 31st March, 2014 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	63,187,200	63,187,200
Reserve and Surplus	3	54,921,146	47,415,728
		118,108,346	110,602,928
Non Current Liabilities			
Long term Borrowings	4	23,326,904	29,632,424
Deferred Tax Liability	5	485,635	809,718
Long Term Provisions	6	332,437	1,667,792
		24,144,976	32,109,934
Current Liabilities			
Trade Payables	7	8,311,456	41,553,965
Other Current Liabilities	8	14,401,981	20,663,321
Short Term Provisions	6	4,416,967	12,127,546
		27,130,404	74,344,832
TOTAL		169,383,726	217,057,695
II. ASSETS			
Non Current Assets			
Fixed Assets(Net)			
Tangible Assets	9	50,053,651	37,104,418
Long Term Loans & Advances	10	38,419,251	37,616,461
		88,472,902	74,720,879
Current Assets			
Inventories	11	150,730	4,460,738
Trade Receivables	12	7,760,562	40,735,864
Cash and Cash Equivalents	13	52,148,500	64,494,249
Short Term Loans & Advances	10	6,938,512	15,038,199
Other Current Assets	14	13,912,520	17,607,766
		80,910,824	142,336,816
TOTAL		169,383,726	217,057,695

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

(Mahesh Gupta)

Proprietor

Membership No. 074202

Firm Registration No. 005427C

Place : New Delhi

Date : 11-05-2015

For and on behalf of the Board of Directors


Director


Director

Yala Construction Co. Private Limited

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

Statement of Profit and Loss Account for the period ended 31st March, 2015

Particulars	Notes	Year ended on 31st March, 2015 Rs.	Year ended on 31st March, 2014 Rs.
Income			
Revenue From Operation	15	139,598,144	228,770,923
Other Income	16	6,495,618	5,896,867
TOTAL INCOME		146,093,762	234,667,790
Expenses			
Cost of material Consumed	17	64,702,979	116,378,043
Employee benefits expenses	18	11,512,990	22,624,230
Finance Costs	19	4,579,608	1,582,253
Depreciation & Amortization	9	5,932,913	2,218,804
Other Expenses	20	47,723,290	54,144,204
TOTAL EXPENSE		134,451,780	196,947,534
Profit/(Loss) before exceptional & extraordinary items		11,641,982	37,720,256
Exceptional & extraordinary items		-	-
Prior Period Items		-	-
Profit/(Loss) before tax		11,641,982	37,720,256
Tax Expenses			
Current Tax		4,406,140	12,050,180
Deffered Tax		(324,084)	518,769
Provision for Income Tax (Prior Period)		54,508	(25,840)
Profit/(Loss) for the year		7,505,418	25,177,147
Basic and Diluted earnings per Equity Share (Refer note 21) (Nominal value Rs. 10 per share)		1.19	3.98

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants

(Mahesh Gupta)

Proprietor

Membership No. 074202

Firm Registration No. 005427C

Place : New Delhi

Date : 11-05-2015

For and on behalf of the Board of Directors


Director


Director

Yala Construction Co. Private Limited

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

	For the year ended 31st March, 2015 Rupees	For the year ended 31 March 2014 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax	7,505,418	25,177,147
Adjustment for :		
Depreciation	5,932,913	2,218,804
Interest received	(2,720,329)	(3,374,610)
Interest paid	4,579,608	1,582,253
Foreign Exchange Loss/(Gain)	-	-
Loss/(Profit) on sale of assets (net)	(1,679,238)	-
	6,112,955	426,447
Operating profit before changes in Working Capital	13,618,373	25,603,594
Adjustments for changes in Working Capital and provisions:		
Inventories	4,310,008	(21,731)
Trade receivables	32,975,302	(38,630,718)
Loans and advances	7,296,897	(18,583,560)
Other current assets	3,695,246	(13,734,878)
Current Liabilities	(39,503,849)	50,301,545
Deferred tax Liability	(324,084)	518,769
Provisions	(9,045,934)	10,957,898
	(596,414)	(9,192,676)
Cash generated from operations	13,021,959	16,410,919
Net Cash from Operating activities	13,021,959	16,410,919
B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Fixed Assets :		
Purchase	(25,981,928)	(26,590,535)
Sale of fixed assets	8,779,020	415,795
Interest received	2,720,329	3,374,610
Net Cash (used in) investing activities	(14,482,579)	(22,800,130)
C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Interest paid	(4,579,608)	(1,582,253)
Increase/(Decrease) in Secured Loan	(6,305,520)	29,269,117
Share Capital	-	-
Net Cash from financing activities	(10,885,128)	27,686,864
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,345,749)	21,297,653
Cash and Cash Equivalents (Opening balance)	64,494,249	43,196,596
Cash and Cash Equivalents (Closing balance)	52,148,500	64,494,249



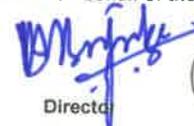
Notes for Cash Flow Statement:

Detail of Opening and Closing Cash & Cash Equivalent

	At 31/12/2014	At 31/03/2014
Cash in Hand	61,710	67,066
Balance with Scheduled Bank		
In Current Account	19,508,981	13,399,902
On Deposit Account	5,000	678,079
In Fixed Deposit Account	<u>32,572,809</u>	<u>50,349,202</u>
	<u>52,148,500</u>	<u>64,494,249</u>

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

For and on behalf of the Board of Directors


Director


Director

Date :
Place : New Delhi

Auditor's Certificate

We, have verified the above Cash Flow Statement of Yala Construction Co. Private Limited for the year ended March 31, 2015. The statement has been prepared in accordance with the requirement of AS 3 (revised) notified by Companies Accounting Standard Rules, 2006 and is in agreement with the Profit and Loss account and the Balance Sheet of the Company, covered by the our report of even date to the members of the Company.

As per our report attached

For Gupta Mahesh & Co.
Chartered Accountants

(Mahesh Gupta)

Proprietor

Membership No. 074202

Firm registration No. 005427C

Date : 11.05.2015

Place : New Delhi



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

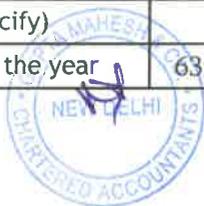
	As on 31st March, 2015	As on 31st March, 2014
	Rs.	Rs.
Note 2		
Share Capital		
Authorised Capital		
12,000,000 Equity shares of Rs.10 each	120,000,000	120,000,000
Issued, Subscribed and Paid up	63,187,200	63,187,200
63,18,720 Equity Shares of Rs.10 each fully paid	63,187,200	63,187,200

(a) Share holders holding more than 5% shares

Name of Shareholder	As on 31st March, 2015		As at March 31,2014	
	No. of Share Holding	Percentage of Holding	No. of Share Holding	Percentage of Holding
ELSAMEX INTERNACIONAL SPAIN	2338433	37.00%	2338433	37.00%
ELSAMEX,SA SPAIN	3729329	59.00%	3729329	59.00%

(b) Movement of Equity Shares

Particulars	Equity Shares			
	As on 31st March, 2015		As at 31 March 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	6318720	63187200	6318720	63187200
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	6318720	63187200	6318720	63,187,200



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	As on 31st March, 2015	As on 31st March, 2014
	Rs.	Rs.
Note 3		
Reserve and Surplus		
Share Premium Account	716320	716320
	(A) <u>716,320</u>	<u>716,320</u>
Profit and Loss Account		
Opening Balance	46,699,408	21,522,261.00
Add/Less: Profit/(Loss) as per Profit and Loss Account	7,505,418	25,177,147.27
	(B) <u>54,204,826</u>	<u>46,699,408</u>
TOTAL (A+B)	<u>54,921,146</u>	<u>47,415,728</u>



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	Non- Current		Current maturities	
	As on 31st March, 2015	As on 31st March, 2014	As on 31st March, 2015	As on 31st March, 2014
Note 4				
Long Term Borrowings				
a. Term Loans				
- From Bank (Secured)	32,854,532	42,673,400	9,527,628	13,040,976
- From other Parties				
Amount disclosed under the head "Other current Liabilities" note no. 8	(9,527,628)	(13,040,976)	-	-
	<u>23,326,904</u>	<u>29,632,424</u>	<u>9,527,628</u>	<u>13,040,976</u>

Note 5

Calculation of DTL / DTA

	As on 31st March, 2015	As on 31st March, 2014
WDV as per Companies Act 2013 as on 31.03.2015	50,053,651	37,104,418
WDV as per Income tax Act 1961 as on 31.03.2015	48,482,017	34,483,970
Depreciation Differential under both Acts	(1,571,634)	(2,620,448)
Deferred Tax Asset/(Liability) on account of depreciation	<u>(485,635)</u>	<u>(809,718)</u>
Deferred Tax Liability as on 31.3.2014	809,718	290,950
Deffered Tax Asset / (Liability) during the year	324,084	(518,768)



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	Long Term		Short Term	
	As on 31st March, 2015	As on 31st March, 2014	As on 31st March, 2015	As on 31st March, 2014
Note 6				
Provisions				
a. Provision for employee benefits				
Provision for gratuity	332,437	1,667,792	10,827	77,366
Provision for Leave encashment	-	-	-	-
b. Others Provisions				
Provision for Tax	-	-	4,406,140	12,050,180
TOTAL	332,437	1,667,792	4,416,967	12,127,546

Note 7

	As on 31st March, 2015	As on 31st March, 2014
Trade Payables		
- Unsecured Payables	8,311,456	41,553,965
	8,311,456	41,553,965

Note 8

Other Current Liability

A) Current Maturity of long term Debts	9527628	13040976
B) others		
Security Deposits and Advances	39,035	358,341
Expenses payable	1,624,940	3,241,383
Duties and Taxes	3,102,593	3,975,765
Advance from Customers	-	-
Other Payable	107,785	46,856
	14,401,981	20,663,321



Yala Construction Co. Private Limited

Notes annexed to and forming part of the Accounts

Note 9

Fixed Assets

(Amount in Rs.)

Particulars	Useful Life (Years)	Gross Block				Depreciation				Net Block			
		Opening as at 1st April 2014	Additions	Deduction	Closing as at 31st March, 2015	Accumulated upto 1st April 2014	On opening balances	On Additions	For the year	Deduction	Accumulated upto 31st March, 2015	Closing as at 31st March, 2015	As at 31st March 2014
Building		-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	12	56,431,623	25,845,854	27,634,992	54,642,485	21,123,584	3,735,729	1,631,039	5,366,768	21,167,902	5,322,450	49,320,035	35,308,039
Vehicles	8	2,537,296	-	2,382,059	155,237	1,798,561	95,525	-	95,525	1,764,967	129,119	26,118	738,735
Commercial Vehicles	8	2,189,597	-	-	2,189,597	1,627,359	119,255	-	119,255	-	1,746,614	442,983	562,238
Furniture & Fixture	10	46,808	7,800	9,650	44,958	13,358	4,037	539	4,576	-	17,934	27,024	33,450
Office Equipments	5	766,711	118,970	5,950	879,731	418,264	219,816	20,574	240,390	-	658,654	221,077	348,447
FA Less Than 5,000	1	18,024	9,304	-	27,328	18,024	-	9,304	9,304	-	27,328	-	-
Computers	3	537,690	-	-	537,690	424,181	97,095	-	97,095	-	521,276	16,414	113,509
TOTAL		62,527,749	25,981,928	30,032,651	58,477,026	25,423,331	4,271,457	1,661,456	5,932,913	22,932,869	8,423,375	50,053,651	37,104,418
Previous Year		38,384,258	26,590,535	2,447,044	38,410,528	25,262,046	2,578,021	90,164	2,666,009	291,050	25,262,046	13,148,482	15,393,656



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

Note 10

Loans & Advances:

	Long Term		Short Term	
	As on 31st March, 2015	31st March, 2014	As on 31st March, 2015	31st March, 2014
a. Security Deposit	34,290,640	24,483,431	-	-
b. Loans & Advances to related Parties	4,128,611	13,133,030	-	-
c. Advance Tax/TDS	-	-	6,445,394	13,755,577
d. Advance to staff	-	-	26,453	627,718
e. Prepaid Expenses	-	-	347,398	375,489
f. Other Advances	-	-	119,267	279,415
TOTAL	38,419,251	37,616,461	6,938,512	15,038,199



Yala Construction Co. Private Limited

Notes forming part of the Balance Sheet

	As on 31st March, 2015 Rs.	As on 31st March, 2014 Rs.
Note 11		
Inventories		
(As taken, valued and certified by the management)		
Project Work in Progress	-	1,600,000
Raw material	150,730	2,860,738
	150,730	4,460,738
Note 12		
Trade Receivables		
Debts outstanding for a period exceeding six months		
- Unsecured, Considered good	-	-
Debts outstanding for a period Less Than six months	7,760,562	40,735,864
	7,760,562	40,735,864
Note 13		
Cash and Cash Equivalents		
Balances with Banks		
On Current Account	19,508,981	13,399,902
On Fixed Deposit Account	32,572,809	50,349,202
On Deposit Account held as, Security, BG, EMD with various	5,000	678,079
Cash in hand	61,710	67,066
	52,148,500	64,494,249
Note 14		
Other Current Assets		
Interest Accrued	4,896,015	4,246,584
Income Tax refund	2,134,575	1,380,477
WCT/VAT	-	524,865
Unbilled revenue	6,881,930	11,455,840
	13,912,520	17,607,766



Yala Construction Co. Private Limited

Notes forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Note 15		
Revenue		
Project Revenue	139,598,144	228,770,923
	<u>139,598,144</u>	<u>228,770,923</u>
Note 16		
Other Income		
Interest	2,720,329	3,374,610
Slurry Machine Rent	1,800,000	2,400,000
Profit On Sale Of Assets	1,679,238	8,916
Misc Income	296,051	113,341
	<u>6,495,618</u>	<u>5,896,867</u>



Yala Construction Co. Private Limited

Notes forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Note 17		
Cost of Material Consumed		
Opening Stock	2,860,738	2,039,007
Add: Purchases		
- Bitumen	51,070,231	89,378,486
-Additive	2,953,716	12,684,437
-Aggregate	5,763,579	10,925,806
-Others	2,205,445	4,211,045
Less: Closing Stock		
- Bitumen	48,764	2,167,169
-Additive	84,163	484,822
-Agreegate	16,604	192,555
-Others	1,200	16,192
Raw Material Consumed (A)	64,702,979	116,378,043
(Increase)/Decrease in Work-in-progress		
Closing Work in progress	-	-
Less:		
Opening Work-in-progress	-	-
(B)	-	-
Material Consumed (A+B)	64,702,979	116,378,043



Yala Construction Co. Private Limited

Notes forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Note 18		
Employee benefit costs		
Salaries	6,646,034	17,177,203
Labour Cost	3,663,637	3,253,737
Employers Contribution to PF and ESI	472,981	767,272
Gratuity Expenses	22,412	907,718
Leave encashment Expenses	461,158	
Staff Welfare	246,768	518,300
	11,512,990	22,624,230
Note 19		
Finance Costs		
Bank Charges	151,284	804,862
Bank Interest	4,428,324	777,391
	4,579,608	1,582,253
Note 20		
Other Expenses		
A) Operating Expenses:		
-Site Operations	20,403,102	21,158,803
-Freight and Cartage	5,875,608	6,218,503
	26,278,710	27,377,306
B) Sales & Administration Expenses:		
Advertisement and Business promotion	73,566	1,529,568
Annual maintenance	2,305	27,657
Auditor Remuneration	157,304	112,360
Conveyance ,Tour and Travelling	595,580	770,603
Director Sitting Fee	101,124	84,270
Duties and Taxes	7,658,086	4,828,064
Electricity and Water	156,135	273,904
Exchange Variation	-	-
Insurance	618,119	351,818
Legal and Professional	1,567,375	2,465,294
Office expenses	392,850	508,102
Postage and Courier	21,993	122,328
Printing and Stationery	78,763	167,617
Rent office	1,257,015	1,880,557
Repair, running and maintainence	204,422	184,191
Testing Charges A/c	18,989	-
Reimbrusment of Expenses	607,620	-
Remuneration of Committee Meeting Fees	15,000	-
Royalty a/c	7,842,625	12,802,014
Sundry Balance Written Off	(256,748)	72,730
Telephone & internet charges	167,217	332,681
Tender & Bid Expenses	114,143	79,817
Vehicle Runing Expenses	51,097	173,323
	(B) 21,444,580	26,766,898
	(A+B) 47,723,290	54,144,204



Yala Construction Co. Private Limited

Notes forming part of the Profit & Loss Account

	Current Year Rupees	Previous Year Rupees
Note 21		
Earnings per share		
Profit after Tax attributable to Equity Shareholders (Rupees)	7,505,418	25,177,147
Weighted average number of equity shares used in calculating basic and diluted EPS	6,318,720	6,318,720
Nominal Value per share (Rupees)	10	10
Basic and diluted loss per share (Rupees)	1.19	3.98



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

Note: 1

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. Background

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

1.1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

b) Use of estimates

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

c) Fixed Assets

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

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

An item of Fixed is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.



d) Depreciation

- (i) Depreciation on fixed assets has been provided at the rates provided in Schedule II of the Companies Act, 2013 on prorata basis.
- (ii) All categories of assets costing less than Rs 5,000 each have been written off in the year of capitalization.

e) Inventory Valuation

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

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

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

f) Provisions

Provisions are recognized when the company has a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

g) Revenue

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

i. Project Revenue

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

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

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



ii. Interest Income

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

h) Foreign Currency Transactions

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

i) Employee Benefits

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

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

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

j) Taxes

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

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

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

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

k) Earnings per Share

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



1) **Contingent Liabilities**

Contingent Liability is disclosed in the case of

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

22. **Contingent liabilities –**

Bank Guarantees of Rs 99, 51,144(Previous year: Rs. 1, 06, 59,506) issued towards performance of construction projects.

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

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

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

Asset/Liability	Current Year (Rs.)	Previous Year (Rs.)
Present Value of Obligation	3,43,264	17,45,158
Fair Value of Plan Assets	Nil	Nil
Net Assets/ (Liability) recognized in the Balance Sheet as per provision.	(3,43,264)	(17,45,158)

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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
	(In %)	(In %)
Discount rate	7.77%	9.25%
Expected rate of return on assets	-	-
Future salary increase	10%	10%
Employee turnover:		
Up to 30 years	5	5
Up to 44 years	5	5
Above 44 years	5	5



25. Foreign currency Inflow: Nil

Expenditure in foreign currency: (on payment basis)

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Revenue expenses	1,25,95,126	Nil
Imports	2,13,47,600	2,21,05,950

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

1. Parties Having Control over the Company:

Elsamex International S.L. (Spain) – Major Share Holder
Elsamex S.A. (Spain) – Major Share Holder
IL&FS Transport Networks Limited – Ultimate Holding Company

2) Parties under Common Management

Elsamex India Private limited- (Schedule attached)
Elsamex Maintenance Services Ltd.

27. Deferred Tax Asset/(Liabilities)

The company has net Deferred Tax Liabilities of Rs. 4, 85,635(Previous year Rs. 8, 09,719) the component as are under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Deferred Tax Liability, Only depreciation (DTL)		
Opening Deferred Tax Liability	8,09,719	2,90,950
Reinstated Deferred Tax Liability	4,85,635	8,09,719
Deferred Tax Liability/Deferred Tax(Asset) during the year	3,24,084	5,18,769
Closing Deferred Tax (asset) liability	4,85,635	8,09,719



28. Auditors' remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee(including service tax)	1,01,124	1,01,124
Others	10,112	11,236
Total	1,11,236	1,12,360

29. As per the information available with the company, there are no amounts outstanding as payable to any small-scale industrial units as on March 31, 2015.

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

31. The Company is engaged primarily in maintaining and resurfacing of roads in India. Accordingly, quantitative detail and the information are given to the extent applicable.

32.

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

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

S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Contract Revenue recognized for the year	139,598,144	22,87,70,923
2	Aggregate amount of cost incurred till Balance Sheet date	13,44,51,780	19,69,47,534
3.	Aggregate amount of recognized Net profits or (loss)	1,16,41,982	3,77,20,256
4.	Amount of advances received	Nil	Nil
5.	Amount of retentions	20,05,806	4,60,633



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

S. No.	Particulars	Purchases		Consumption	
		Quantity	Value(Rs.)	Quantity	Value(Rs.)
	Raw Material:				
1	Bitumen	959.78 MT	5,10,70,231	1001.08 MT	5,31,88,637
2	Additive	94.6 MT	29,53,716	99.40 MT	33,54,375
3	Aggregate	2,36,837.07 CFT	57,63,579	2,45,282.10 CFT	59,39,530
4	Cement	2224 Bags	7,04,153	2,266 Bags	7,19,145

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

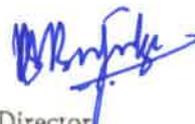
36. Figures have been rounded off to the nearest rupee. Previous year figures are regrouped where required.

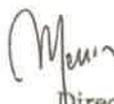
As per our report of even date

For Gupta Mahesh & Co.
Chartered Accountants

For and or behalf of the Board


(Mahesh Gupta)
Proprietor
Membership No.074202
Firm registration No. 005427C
Place : New Delhi
Date : 11-05-2015


Director


Director