

GRUSAMAR INDIA LIMITED

FINANCIAL STATEMENTS

2013-14

Vishal Manish & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
Grusumar India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Grusumar India Limited** which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

1. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Companies internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

3B104, GC Grand, Plot No. 2C Vaibhav Khand, Indirapuram Ghaziabad
Delhi Office: C -20, Second Floor, Gulmohar Park, New Delhi 110049
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Website : www.vmca.net



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Chartered Accountants

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Vishal Manish & Associates
Chartered Accountants
Registration No.



Vishal Gupta
Partner
M. No. 098796

Place : New Delhi
Date :

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Annexure to the auditor's report

(Referred to in paragraph 3 of our report of even date)

- i. (a) The Company has no fixed assets appearing in records as it not acquired any fixed assets as yet.
- ii. As per the information and explanation given to us, the Company has not taken/ granted any loans from/to parties covered in the register maintained under Section 301 of the Act.
- iii. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for provision of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system
- iv. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- v. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, excise duty, customs duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, sales tax, wealth tax, service tax, excise duty, customs duty and cess as at March 31, 2014 which have not been deposited on account of any dispute.
- vi. The Company has no accumulated losses as at 31st March, 2014, it has not incurred any cash losses in the immediately preceding financial year.
- vii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
- viii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- ix. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

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Chartered Accountants

- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xi. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xiii. The Company has not raised any money by public issues during the year.
- xiv. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xv. Other clauses of the order are not applicable to the Company.

For Vishal Manish & Associates
Chartered Accountants
Registration No.


Vishal Gupta
Partner
M. No. 098796

Place : New Delhi
Date :

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Grusamar India Limited
Balance Sheet as at 31st March, 2014

Particulars	Schedule	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	500,000	500,000
(b) Reserve & Surplus	3	6,550,715	(61,096)
(2) Non Current Liability			
(a) Long Term Borrowing	4A	40,000	-
(3) Current Liabilities			
(a) Trade Payables	4B	5,258,393	45,096
(b) Other Current Liabilities		1,232,525	35,000
(c) Short-Term Provisions		2,956,650	-
TOTAL		16,538,283	519,000
ASSETS			
(1) Fixed assets			
		-	-
(2) Current assets, loans & advances			
(a) Sundry Debtors	5	7,353,226	-
(b) Cash and cash Equivalent		6,243,374	519,000
(c) Loans and advances		2,934,234	-
(d) Interest accrued but not due		7,449	-
		16,538,283	519,000

As per our report of even date
For Vishal Manish & Associates
Chartered Accountants


(Vishal Gupta)
Partner





Membership No.098796
Firm registration No. 015546C
Place: New Delhi
Date:

For and on behalf of the Board

 
Director Director



Grusamar India Limited
Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Schedule	Year ended on March 31, 2014	Year ended on March 31, 2013
INCOME			
Income from operations	6	26,969,216	-
Other Income	7	7,449	-
Total Income		26,976,665	-
EXPENSES			
Operating Expenses	8	16,582,213	-
Employee Cost	9	587,691	-
Administrative and general expenses	10	235,438	60,096
Interest and finance charges	11	2,862	1,000
Total Expenses		17,408,204	61,096
PROFIT BEFORE DEPRECIATION AND TAX		9,568,461	(61,096)
Depreciation		-	-
PROFIT BEFORE TAX		9,568,461	(61,096)
Provision for tax	12	2,956,650	-
PROFIT AFTER TAX		6,611,811	(61,096)
Profit available for appropriation		6,611,811	(61,096)
Appropriations:			
Transfer to general reserve		-	-
Balance carried forward		6,611,811	(61,096)
Basic / Diluted earnings per share (Face value per share Rs. 10)		132.24	(1.22)
As per our report of even date			
For Vishal Manish & Associates		For and on behalf of the Board	
Chartered Accountants			
 (Vishal Gupta) Partner Membership No.098796 Firm registration No. 015546C Place: New Delhi Date:		 Director	 Director
			

Grusamar India Limited
Notes Forming Part of Financial Statements

1: Significant Accounting Policies

Background

Grusamar India Limited (GIL) has been incorporated on 16th October 2012 as a limited liability company under the provisions of the Companies Act, 1956. The company is providing services regarding conducting feasibility studies, detailed engineering, pre bid engineering, construction supervision, In dependent Engineer, quality control and technical audits in the field of roads, railway, bridges, water supply, sewerage, tunnel, airport, hydro power, vehicle parking etc. This set of financial statement has been prepared for a period from 1st April, 2013 to 31st March, 2014.

(a) Basis of Preparation

The financial statements of Grusamar India Limited (GIL) have been prepared on accrual basis of accounting and in accordance with the provisions of the Companies Act 1956 and comply with the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India.

These financial statements have been drawn up 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) Significant accounting judgments and 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 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) Revenue Recognition

Revenue from rendering of services is recognized when there is no uncertainty as to the measurement or collectability of the revenue.

- i. Revenue from advisory services is recognised using the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. Pending completion of any milestone, revenue recognition is restricted to the extent of cost incurred and



the amount is presented under 'Older Current Assets' as 'Unbilled Revenue'. Any expected loss on a contract is recognised immediately in the profit and loss account.

- ii. Revenue from advisory services where services are provided by an indeterminate number of acts over a contract period, revenue is recognised on a straight line basis and profit and loss account.
- iii. Interest on deployment of surplus funds has been recognised using the time proportion method, based on the interest rate implicit in the transaction.
- iv. Dividend income is recognised once the unconditional right to receive dividend is established.

(d) **Employee Cost and other post employee benefits**

1. **Long Term**

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

A. Defined Contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund, Family Pension Fund and Superannuation Fund. The Company's payments to the defined Contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers

B. Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Incremental Liability based on the projected unit credit method as at the reporting date, is charged to the Profit and Loss Account. The resulting actuarial gains / losses are accounted in the Profit and Loss Account.



2: Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the period end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. As there is no restriction on the availment of the accumulated leaves within subsequent 12 month period therefore compensated absence has been considered short term benefit. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method. The resulting actuarial gains / losses are accounted in the Profit and Loss Account

(e) Provisions

Provisions are recognised when GIL has a present obligation (legal or constructive) 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 GIL 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.

(j) Taxes

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws. Current tax includes taxes on income and fringe benefit tax.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses (where such right has not been forgone), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax



asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

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.

2. **Share Capital**

Particulars	As at 31 st March, 2014
<u>AUTHORIZED CAPITAL</u> 50,000 Equity Shares of Rs. 10/- each.	5,00,000
	5,00,000
<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u> 50,000 Equity Shares of Rs. 10/- each, Fully paid up	5,00,000
Total	5,00,000



Name of Shareholder	As at 31 st March 2014	
	No. of Share Holding	Percentage of Holding
Grusamar Ingenieria Y Consulting SL	49,940	98.80%

3. Reserves & Surplus:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Profit & Loss Account		
Opening Balance	(61,096)	-
Net profit for the Current Period	6,611,811	(61,096)
Closing Balance	6,550,715	(61,096)

4A. Non Current Liabilities:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Long Term Borrowings	40,000	-
Total	40,000	-

4B. Current Liabilities & Provisions:

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Trade Payable	5,258,393	45,096
(b) Other current liability		
Statutory dues	596,305	-
Employees Dues	542,360	-
Other current liabilities		
From related parties	600	-
From others	93,260	35,000
	1,232,525	35,000
(c) Short term Provisions		
Provision for Tax	2,956,650	-



5. Current Assets and Loan & Advances:

Particulars	As at 31 st March 2014	As at 31 st March 2013
i) Current Assets		
Sundry Debtors (Unsecured, considered good unless otherwise stated)		
Considered good	7,353,226	-
Considered doubtful	-	-
	7,353,226	-
Less: Provision for doubtful debts	-	-
Total sundry debtors	7,353,226	-
ii) Cash and Cash Equivalent		
Cash in hand	129	-
Balance with scheduled banks		
In current accounts	5,945,645	-
In fixed deposits	297,600	519,000
Total Cash and Cash Equivalent	6,243,374	519,000
iii) Other Current Assets		
Interest accrued	7,449	-
Total Other Current Assets	7,449	-
iv) Loan and Advances		
Advances recoverable in cash or in kind	311	-
Advance tax	213,000	-
Tax Deducted at Source A.Y.-2014-15	2,720,923	-
Total Loan and Advances	2,934,234	-
Total Current Assets and Loan & Advances	16,538,283	519,000

6. Income from operation

Particulars	As at 31 st March 2014	As at 31 st March 2013
Project Revenue (Consultancy Charges)	26,969,216	-
Total	26,969,216	-



7. Other Income

Particulars	As at 31 st March 2014	As at 31 st March 2013
Interest Income	7,449	-
Total	7,449	-

8. Operating Expenses:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Consultancy Charges	16,582,213	-
Total	16,582,213	-

9. Employee Cost:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Salaries and allowances	587,691	-
Contribution of provident and other funds	-	-
Staff welfare expenses	-	-
Total	587,691	-

10. Administrative and general expenses:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Audit Fee	89,888	-
Repair & Maintenance	5,276	-
Filing Fees	2,187	-
Legal & Professional Charges	69,075	-
Conveyance Exp	4,500	-
Tender & Bid Expenses	62,302	60,096
Printing and Stationery	2,210	-
Total	235,438	60,096



11. Interest and finance charges:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Interest & Bank Charges	2,862	1,000
Total	2,862	1,000

12. Provision for tax:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Current Tax	2,956,650	-
Deferred tax charge (net)	-	-
Total	2,956,650	-

13. Earnings Per Share:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Profit after Tax attributable to Equity Shareholders (Rupees)	6,611,811	(61,096)
Weighted average number of equity shares used in calculating basic and diluted EPS	50,000	50,000
Nominal Value per share (Rupees)	10	10
Basic and diluted value per share (Rupees)	132.24	(1.22)

14. The company does not have any contingent liability as on the date of financial statement.

15. Considering prudence Deferred Tax Assets have not been recognised.

16. Related Party Transactions

Companies having Control over GIL



Grusamar Ingenieria Y Consulting SL

Transactions & Outstanding Balances

Particulars	As at 31 st March 2014
Capital Contribution	4,99,400
Loan	40,000

17. As per the information available there is no outstanding balance payable to small and micro industries as on the date of Balance Sheet.
18. Figures have been rounded off to the nearest rupee.

