

ELSAMEX INDIA PRIVATE LIMITED

FINANCIAL STATEMENTS

2013-14



Gupta Mahesh & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
ELSAMEX INDIA PRIVATE LIMITED

Report on Financial Statement:

We have audited the accompanying financial statements of **ELSAMEX INDIA PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry Of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting policies generally accepted in India. This responsibility includes the design, implementation and the 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:

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 a 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 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 statement, 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 the purpose of expressing an opinion on the effectiveness of the Company's 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 preparation 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.



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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) 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, and Cash Flow Statement 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, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on March 31, 2014, 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 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;*

Place: NEW DELHI
Date:

For GUPTA MAHESH & CO.
Chartered Accountants
Firm's Registration No. 005427C



Mahesh Gupta
Prop.

Membership No.074202

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and other regulatory requirements" of our report of even date.

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b) According to the information and explanations given to us, all the fixed assets have been physically verified by the Management during the year and no material discrepancies noticed. In our opinion the frequency of such verification is reasonable having regards to the size of the company and the nature of its assets.
 - 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.
2.
 - a) As explained to us, the inventories have been physically verified by the management during the year by the management and in our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
 - c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory/work in progress as compared to book records.
3.
 - a) The company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b) The company has granted loan to one "1" parties covered in the register required to be maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs 35,92,398 (Previous year 35,92,398) and the year end balance was Rs. 35,92,398 (Previous year 35,92,398).
 - c) 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.
 - d) 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.
4. In our opinion and according to information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the



company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.

5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to Section 301 of the Act have been entered into the Register maintained under section 301 of the Act.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
6. 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 Sections 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.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. 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.
9. a) According to the information and explanations given to us by the management, the Company during the year is regular in depositing with the appropriate authorities the undisputed statutory dues including Income Tax, Sales Tax and any other statutory dues.
b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sale Tax, Customs Duty and excise duty were outstanding as on 31st March, 2014 for a period of more then six month from date of becoming payable.
10. The company does not have accumulated losses as at the end of the year. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the company.



14. The company is not dealing a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
16. According to the information and explanation given to us and on the overall examination of the Balance Sheet, the Company has applied term loans for the purpose they were obtained.
17. 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.
18. 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.
19. The company has not created security or charge in respect of debentures issued and outstanding at the year-end.
20. The company has not raised any money by public issue during the year.
21. 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 nor have been informed of any instance of fraud by/on the company.

Place –NEW DELHI

Date –



**For Gupta Mahesh & Co.
Chartered Accountants**

Mahesh Gupta

Prop.

Membership No.074202

Registration No.005427C

Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

BALANCE SHEET As at 31st March, 2014

Particulars	Notes	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	21,180,000	21,180,000
Reserve and Surplus	3	107,041,701	32,219,542
		128,221,701	53,399,542
Non Current Liabilities			
Long Term Borrowings	4	2,292,330	170,206
Other Long Term Liability	5	12,596,173	8,382,448
Long Term Provisions	6	248,600	315,029
		15,137,103	8,867,683
Current Liabilities			
Trade Payables	7	158,882,783	43,565,433
Other Current Liabilities	8	11,727,985	5,232,024
Short Term Provisions	6	36,125,475	11,382,891
		206,736,243	60,180,348
TOTAL		350,095,046	122,447,573
II. ASSETS			
Non Current assets			
Fixed Assets (Net Block)			
Tangible Assets	9	9,421,579	5,106,476
Long Term Loans and Advances	10	23,450,387	25,835,695
		32,871,966	30,942,171
Current Assets			
Inventories	11	7,956,223	9,736,496
Trade Receivables	12	198,621,799	60,895,669
Cash and Cash Equivalent	13	7,434,962	893,943
Short Term Loan & Advances	10	41,978,255	18,304,005
Other Current Assets	14	61,231,841	1,675,289
		317,223,080	91,505,402
TOTAL		350,095,046	122,447,573

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statements

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants

 NEW DELHI

(Mahesh Gupta)

Proprietor

Membership No. 074202

Firm Registration No. 005427C

Place : New Delhi

Date:

For and on behalf of the Board of Directors

Director

Director



Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Profit & Loss Account

For the year ended 31st March, 2014

Particulars	Notes	As at 31st March 2014	As at 31st March 2013
Income			
Revenue From Operation	15	915,443,522	285,053,413
Other Income	16	1,858,313	10,250
Total Revenue		917,301,835	285,063,663
Expenditure			
Cost of Material Consumed	17	126,987,548	73,281,423
Employee benefit expenses	18	228,684,163	55,085,621
Finance Cost	19	311,451	640,881
Depreciation and Amortisation	9	2,001,507	1,515,188
Other Expenses	20	448,566,353	120,089,876
Total Expenses		806,551,022	250,612,989
Profit/(Loss) before exceptional & extraordinary items		110,750,813	34,450,674
Exceptional & extraordinary items		-	-
Profit/(Loss) before tax		110,750,813	34,450,674
Tax Expenses			
Current Tax		35,992,620	11,250,000
Deffered Tax		-	-
Provision Income Tax (Prior Period)		(63,966)	(4,344,871)
Total Tax Expenses		35,928,654	6,905,129
Profit /(Loss) For the year		74,822,159	27,545,545
Earnings per Share (Basic and Diluted)	Note 21	35.33	13.01
(Nominal value Rs. 10 per share)			

Significant Accounting Policies

1

The notes referred to above form an integral part of the financial statements

As per our report of even date

For Gupta Mahesh & Co.

Chartered Accountants

(Mahesh Gupta)

Proprietor

Membership No. 074202

Firm Registration No. 005427C

For and on behalf of the Board of Director

Director



Director

Place : New Delhi

Date :

Elsamex India Private Limited

Cash Flow Statement for the year ended 31st March, 2014

	Rupees	For the year ended 31st March, 2014 Rupees	Rupees	For the year ended 31 March 2013 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax		74,822,159		27,545,545
Adjustment for :				
Depreciation	2,001,507		1,515,188	
Interest received	(160,489)		(10,250)	
Interest paid	311,451		640,881	
loss/(Profit) on sale of Assets	(440,880)			
Foreign Exchange Loss/(Gain)			24,986	
		1,711,589		2,170,805
Operating profit before changes in Working Capital		76,533,748		29,716,350
Adjustments for changes in Working Capital and provisions:				
Inventories	1,780,273		(2,340,640)	
Trade receivables	(137,726,130)		(23,001,514)	
Loans and advances	(21,288,942)		(15,542,791)	
Other Current Assets	(59,556,552)		-	
Current Liabilities	126,027,036		11,462,897	
Provisions	24,676,155	(66,088,161)	947,569	(28,474,479)
Cash generated from operations		10,445,587		1,241,871
Foreign Exchange Fluctuation		-		(24,986)
Net Cash from Operating activities		10,445,587		1,216,885
B CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES				
Fixed Assets :				
Purchase	(6,655,730)		(2,053,023)	
Interest received	160,489		10,250	
Sale of Fixed Assets	780,000			
Net Cash (used in) investing activities		(5,715,241)		(2,042,773)
C CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES				
Increase/(Decrease) in Unsecured Loan	-		-	
Share Application money	-		-	
Interest paid	(311,451)		(640,881)	
Increase/(Decrease) in Secured Loan	2,122,124		(374,751)	
Net Cash from financing activities		1,810,673		(1,015,632)
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		6,541,019		(1,841,520)
Cash and Cash Equivalents (Opening balance)		893,943		2,735,463
Cash and Cash Equivalents (Closing balance)		7,434,962		893,943



Notes for Cash Flow Statement:

1 Detail of Opening and Closing Cash & Cash Equivalent

	Closing	Opening
Cash in Hand	37,939	177,880
Balance with Scheduled Bank		
In Current Account	5,471,033	625,073
In Fixed Deposit Account	1,925,990	90,990
	<u>7,434,962</u>	<u>893,943</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, 2014. 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 of even date


Gupta Mahesh & Co.
Chartered Accountants
Mahesh Gupta
Proprietor
Membership No. 074202
Firm registration No. 005427C
Place :
Date :

Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Balance Sheet

	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Note 2		
Share Capital		
Authorised Capital 4,50,000 equity shares of Rs 10 each	<u>45,000,000</u>	<u>45,000,000</u>
Issued, subscribed and paid up Capital		
2,118,000 (previous year 2,118,000) equity shares of Rs 10 each fully paid	21,180,000	21,180,000
	<u>21,180,000</u>	<u>21,180,000</u>

(a) Share holders holding more than 5% shares

Holding Company:

ELSAMEX SA, Spain

21,000,000 21,000,000

(b) Movement of Equity Shares

Particulars	Equity Shares			
	As at 31st March 2014		As at 31 March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	2118000	21,180,000.00	2118000	21,180,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	2118000	21,180,000.00	2118000	21180000

Note 3

Reserve and Surplus

Opening Balance
Add: Profit/(Loss) as per Profit and Loss Account

	As at 31st March 2014	As at March 31, 2013
Opening Balance	32,219,542	4,673,997
Add: Profit/(Loss) as per Profit and Loss Account	74,822,159	27,545,545
	<u>107,041,701</u>	<u>32,219,542</u>



Elsamex India Private Limited

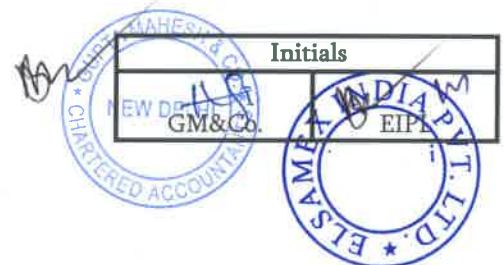
1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Balance Sheet

	Non- Current		Current maturities	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Note 4				
Long Term Borrowings				
a. Term Loans				
- From Bank (Secured)	2,964,180	665,650	671,850	495,444
- From other Parties				
Amount disclosed under the head "Other current Liabilities" note no.8	(671,850)	(495,444)		
TOTAL	2,292,330	170,206	671,850	495,444

	As at 31st March 2014	As at 31st March 2013
Note 5		
Other Long Term Liabilities		
(a) Securities Deposit Received	12,596,173	8,382,448
TOTAL	12,596,173	8,382,448

	Long Term		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Note 6				
Provisions				
a. Provision for employee benefits				
Provision for gratuity	248,600	315,029	1,896	1,932
b. Others Provisions				
Provision for Tax	-	-	35,992,620	11,250,000
Tax Demand	-	-	130,959	130,959
TOTAL	248,600	315,029	36,125,475	11,382,891



Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Balance Sheet

	As at 31st March 2014	As at 31st March 2013
Note 7		
Trade Payables		
Payables outstanding for a period less than six months		
- Unsecured Payables	158,882,783	43,565,433
TOTAL	158,882,783	43,565,433

Note 8

Other Current Liabilities

a) Current Maturity of Long Term Debts	671850	495444
b) Others		
Expenses payable	6,339,288	3,055,226
Duties and Taxes Payable	3,008,965	806,354
Mobilization Advance	1,707,882	875,000
	11,727,985	5,232,024



Elsamex India Private Limited
1304, 43 Chranjiv Tower, Nehru Palace, New Delhi-110019, India
forming part of the Balance Sheet
Note 9

Fixed Assets

Particular	Rate of Depreciation	Opening as at 1st April 2013	Gross Block			Closing as at 31st March, 2014	Accumulated upto 1st April 2013	Depreciation					Net Block	
			Additions	Deductions				Dep on Opening Balance	Dep. On Addition	for the year	Deductions	Accumulated upto 31st March, 2014	As at 31st March 2014	As at 31st March 2013
Plant and Machinery	13.91%	667,990	2,974,151	-	3,642,142	172,131	68,974	80,790	149,764	-	321,895	3,320,247	495,859	
Office equipments	13.91%	916,852	970,717	-	1,887,569	363,399	76,985	116,379	193,364	-	556,763	1,330,806	553,453	
Furniture and Fixture	18.10%	521,139	463,066	-	984,205	142,761	68,486	51,016	119,502	-	262,263	721,942	378,378	
Vehicles	25.89%	7,730,396	1,422,791	339,120	8,814,067	4,740,935	708,731	261,385	970,116	-	5,710,951	3,103,116	2,989,561	
Computers	40%	846,220	825,005	-	1,671,225	450,973	158,099	190,178	348,277	-	799,250	871,975	395,247	
Site Office(Container)		440,968	-	-	440,968	146,990	220,488	-	220,484	-	367,475	73,493	293,978	
Total		11,123,565	6,655,730	339,120	17,440,176	6,017,089	1,301,763	699,748	2,001,507	-	8,018,597	9,421,579	5,106,476	

(Amount in Rs.)

Initials
GMS
SVERL



Elsamex India Private Limited

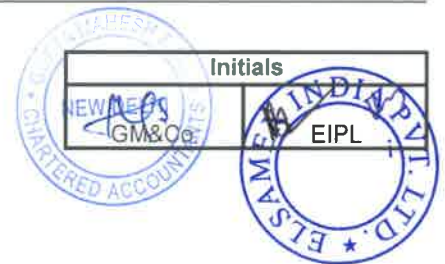
1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Balance Sheet

Note 10

Loans & Advances:

	Long term		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
a. Security Deposit	19,857,989	22,243,297	-	-
b. Loans & Advances to related Parties	3,592,398	3,592,398	-	-
c. Other Loans & Advances				
- Duties & Taxes	-	-	37,821,635	16,652,695
- Advance to staff	-	-	330,340	480,530
- Prepaid Expenses	-	-	3,270,860	907,663
- Advance to Suppliers	-	-	446,445	263,117
- Electricity Receivable	-	-	108,975	-
TOTAL	23,450,387	25,835,695	41,978,255	18,304,005





Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the of the balance sheet

	As at 31st March 2014	As at 31st March 2013
Note 11		
Inventories		
(As taken valued and Certified by the management)		
Closing Stock	4,478,104	904,730
Work in Progress	3,478,119	8831766
	<u>7,956,223</u>	<u>9,736,496</u>
Note 12		
Trade Receivables		
(Unsecured, considered good)		
Debts outstanding for a period Less Than six months	163,121,799	30,771,159
Debts outstanding for a period More Than six months	35,500,000	30,124,510
TOTAL	<u>198,621,799</u>	<u>60,895,669</u>
Note 13		
Cash and Cash Equivalent		
<i>Balances with Banks</i>		
on Current Account	5,471,033	625,073
on Deposit Account	1,925,990	90,990
Cash in Hand	37,939	177,880
	<u>7,434,962</u>	<u>893,943</u>
Note 14		
Other Current Assets		
Interest Accrued	151,767	-
Income Tax refund	1,787,882	575,542
WCT/VAT	6,725,592	1,099,747
Unbilled revenue	52,566,600	-
	<u>61,231,841</u>	<u>1,675,289</u>

Initials	
 GM&Co.	 E.I.P.L.

Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Note forming part of the Profit & Loss Account

	As at 31st March 2014	As at 31st March 2013
Note 15		
Projects Income		
Projects Income	915,443,522	285,053,413
	915,443,522	285,053,413
Note 16		
Other Income		
Profit on sale of Assets	440,880	-
Interest Received	160,489	10,250
Electricity Charges Received From facility Area	150,164	
Rent received (Facality Area)	1,106,749	
Rebate & Discount	31	
TOTAL	1,858,313	10,250



Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Profit & Loss Account

As at 31st March 2014 As at 31st March 2013

Note 17


Cost of Material Consumed

Material Consumed (Operation & Maintenance)	44,175,067	16,311,153
Material Consumed (Microsurfacing)	82,812,482	56,970,270
	<u>126,987,548</u>	<u>73,281,423</u>

Note 18

Employee Benefit Expenses

Salaries and Allowances	44,294,935	15,119,019
Labour Cost	158,754,353	36,180,172
Security Service Charges	19,263,147	1,393,997
Employers Contribution to PF and ESI	1,352,678	786,988
Staff Welfare	4,545,117	1,607,877
Gratuity	473,933	-2,432
	<u>228,684,163</u>	<u>55,085,621</u>

Initials	
 GM & Co.	 EIPL

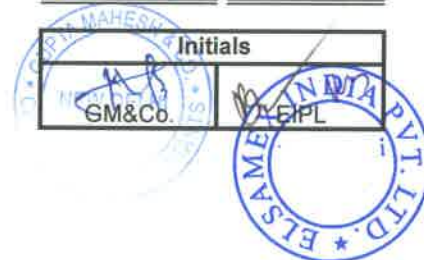
Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Profit & Loss Account

	As at 31st March 2014	As at 31st March 2013
Note 19		
Finance Cost		
Interest on Loans	186,984	264,327
Bank and Financial Charges	124,467	376,554
	311,451	640,881
Note 20		
Other Expenses		
Operating Expenses		
Sub-contract	271,282,176	57,571,767
Consultancy and Professional	-	2,631,610
Other Site Expenses	23,579,508	2,921,500
Hiring ,Running and Maintenance of Vehicle	69,736,130	30,209,387
Tour & Travelling	16,689,959	3,821,178
Testing Charges	4,385,909	1,197,699
Freight and Cartage	5,320,690	3,473,680
Rent	2,287,194	546,308
Electricity and Water	17,037,579	8,769,045
TOTAL (A)	410,319,145	111,142,174
Sales & Administration Expenses		
Rent	1,439,696	253,836
Legal and Professional	726,597	631,319
Conveyance ,Tour and travelling	754,006	280,837
Duties & Taxes	9,832,860	3,821,248
Insurance	4,161,946	1,683,538
Telephone & Courier Charges	1,837,097	793,401
Director's Sitting Fee	95,506	65,562
Office Running , Repair and Maintenance	2,133,405	576,989
Printing , stationery and Advertisement	3,956,428	497,921
Audit Fees	157,304	127,126
Brokerage & Commission	37,500	86,058
Exchange Variation	-	24,986
Tender & Bid Expenses	55,124	50,000
Sundry Balances Written off	13,059,739	54,881
TOTAL (B)	38,247,208	8,947,702
(A+B)	448,566,353	120,089,876

Initials
GM&Co.
EIPL



Elsamex India Private Limited

1304, 43 Chiranjiv Tower, Nehru Palace, New Delhi-110019, India

Notes forming part of the Profit & Loss Account

As at 31st March 2014	As at 31st March 2013
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Note 21

Earnings per share

Profit after Tax attributable to Equity Shareholders (Rupees)	74,822,159	27,545,545
Weighted average number of equity shares used in calculating basic and diluted EPS	2,118,000	2,118,000
Nominal Value per share (Rupees)	10	10
Basic and diluted loss per share (Rupees)	35.33	13.01



Elsamex India Private Limited
Notes forming part of the Financial statement

Note 1: SIGNIFICANT ACCOUNTING POLICIES

Background

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

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

b) Use of estimates

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

c) Fixed Assets

Fixed Assets acquired by the Company are reported at acquisition cost less accumulated depreciation and impairment losses if any. Acquisition cost includes the purchase price (excluding refundable taxes) and expenses such as delivery and handling costs, installation, legal services etc. directly attributable to bringing the asset to the site and in working condition for its intended use.

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



d) Depreciation

- i. Depreciation on fixed assets has been provided for on the Written Down Value Method at the rates provided in Schedule XIV of the Companies Act, 1956 on prorate 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 recognised 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

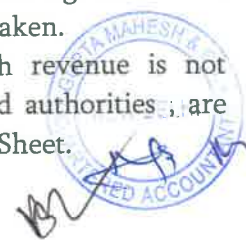
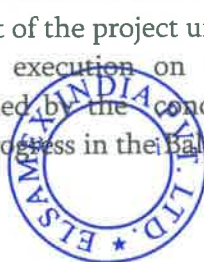
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue comprises:

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

h) Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing between the reporting currency and the foreign currency on the date of transaction. Current liabilities and current assets denominated in foreign currency are translated at the exchange rate prevalent on the Balance Sheet date. The resulting differences are recorded in the Profit and Loss Account.

i) Employee Benefits

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

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 recognised in full in the period in which they occur.

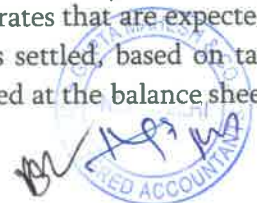
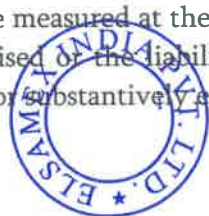
j) Taxes

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

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

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

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



k) Earnings per Share

The basic earnings per share is calculated by dividing the net profits after tax for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

22. Contingent liabilities:

Bank Guarantee issued on behalf of the Company Rs, 88,53861/- (Previous year Rs 1,00,000) (Out of this bank guarantee of Rs 71,26,461/- has been provided by ILFS Transport Networks Ltd, Mumbai) issued towards performance of construction projects.

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

24. 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.

25. 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.

26. 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	250,496	316,961
Fair Value of Plan Assets	Nil	Nil
Net Assets/ (Liability) recognized in the Balance Sheet as per provision.	(250,496)	(316,961)



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

Particulars	Current Year	Previous Year
	(in %)	(in %)
Discount rate	9.27	8.00
Expected rate of return on assets	0.00	0.00
Future Salary Increase	10.0	5.0
Employee turnover:		
Upto 30 years	3.00	3.00
Upto 44 years	2.00	2.00
Above 44 years	1.00	1.00

Expenditure in foreign currency: (on payment basis)

Particulars	Current Year	Previous Year
	(Rs.)	(Rs.)
Revenue expenses	Nil	Nil
Imports	Nil	1,68,722

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

- (a) Parties Having Control over the Company:
 - Elsamex S.A. (Spain) – Major Share Holder
 - IL&FS Transport Networks Limited – Ultimate Holding Company
 - Infrastructure Leasing & Financial Services Limited – Ultimate Holding Company
- (b) Parties under Common Management
 - Yala Construction Company limited
- (c) Details of related party Transaction (schedule attached)

28. Auditors' remuneration:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit	101,124	84,270
Others	11,236	Nil
Total	1,12,360	84,270



29. Small and Micro Enterprises:

Under the Micro, Small and Medium Enterprises Development Act, 2006 that came into force from October 2, 2006, certain disclosures are required to be made relating enterprises covered under the Act. As per the information available with the company, there are no amounts outstanding as payable to any small-scale industrial units as on March 31, 2014.

30. The Company is engaged primarily in maintaining and resurfacing of roads in India. Accordingly, quantitative detail and the information required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 are given to the extent applicable.

S. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1.	Amount of Project Work in Progress as valued and certified by the management	3,478,119	8,831,766

31. 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	915,443,522	285,053,413
2	Aggregate amount of cost incurred till Balance Sheet date	806,551,022	250,558,108
3.	Aggregate amount of recognized Net profits or (loss)	110,750,813	34,450,674
4.	Amount of advances received.	Nil	Nil
5.	Amount of retentions	1,83,27,332	1,80,70,220

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

As per our report of even date

For Gupta Mahesh & Co.
Chartered Accountants


(Mahesh Gupta)

Proprietor
Membership No.074202
Firm registration No. 005427C
Place :
Date :

For and or behalf of the Board


Director

Director