

GAMMON ROAD INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

To
The Members,
Gammon Road Infrastructure Limited

Your Directors have pleasure in presenting their Eighth Annual Report together with the Audited Financial Statements and the Auditors Report for the financial year from 1st April 2016 to 31st March 2017 (hereinafter referred to as "Financial Year").

Pursuant to the notification dated 16th February, 2015 of the Ministry of Corporate Affairs, your Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 in preparing and presenting the Financial statements beginning the Financial Year under report, the figures for the previous financial year ended on 31st March, 2016 and the balances as on 1st October, 2014 have been restated accordingly in order to make them comparable.

| 1. FINANCIAL RESULTS | | |
|----------------------------------|--|--|
| Particulars | (Rs. in Thousands) | |
| | FYE 31 st March 2017 (12 months) | FYE 31 st March 2016 (18 months) |
| Total Income | Nil | 234.12 |
| Profit / (Loss) before Tax | (3,548.86) | (3,103.33) |
| Tax Expenses | Nil | Nil |
| Profit / (Loss) after Tax | (3,548.86) | (3,103.33) |

2. **DIVIDEND / TRANSFER TO RESERVE(S)**
On account of the losses incurred during the Financial Year, no dividend has been recommended for the Financial Year. The Directors have not transferred any amount to general or other reserves.

3. **SHARE CAPITAL**
The Authorised and paid up share capital as at 31st March, 2017 was Rs. 5,00,000/-. During the Financial Year, the Company has not issued shares nor has granted any stock option or sweat equity.

4. **NUMBER OF MEETINGS OF THE BOARD**
During the Financial Year, 4 (Four) Board Meetings were duly held on 27th May 2016, 31st August 2016, 23rd November 2016 and 4th March 2017. The intervening gap between the meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:

| Name of Director(s) | Board Meetings attended during Financial year |
|---|---|
| Mr. Kishor Kumar Mohanty | 4 |
| Mr. Raja Mukherjee (resigned w. e. f. 25-08-2016) | 1 |
| Mr. MSSV Ramana Murthy | 3 |
| Mr. Kaushal Shah (appointed w. e. f. 31-08-2016) | 3 |

5. **CHANGE IN THE NATURE OF BUSINESS**
There has been no change in the nature of business during the Financial Year.

GAMMON ROAD INFRASTRUCTURE LIMITED

| | |
|------------|--|
| 6. | SUBSIDIARIES / ASSOCIATES / JOINT VENTURES |
| | The Company does not have any subsidiary / associate or Joint Venture. |
| 7. | EXTRACT OF ANNUAL RETURN |
| | The details forming part of the extracts of Annual Return in Form MGT-9 as per Section 92 of the Companies Act, 2013 is annexed herewith as Annexure 'A' . |
| 8. | BOARD OF DIRECTORS |
| | In accordance with the provisions of the Companies Act, 2013, Mr. Kishor Kumar Mohanty retires by rotation at the next Annual General Meeting and has offered for re-appointment. Mr. Kaushal Shah and Mr. Sanjay Chaudhary were appointed as additional directors w. e. f. 31 st August 2016 and 20 th April 2017 respectively. They hold office as such up to the date of ensuing Annual General Meeting (AGM). The Company has received notice from a member of the Company with the requisite deposit proposing to appoint them as Directors at the forthcoming AGM of the Company. Mr. Raja Mukherjee and Mr. MSSV Ramana Murthy resigned as Directors of the Company w. e. f. 25 th August 2016 and 10 th April 2017 respectively. Presently, the Board of Directors comprises of Mr. Kishor Kumar Mohanty, Mr. Kaushal Shah and Mr. Sanjay Chaudhary. |
| 9. | KEY MANAGERIAL PERSONNEL |
| | Provisions of Section 203 are not applicable to the Company; hence there is no mandatory requirement to appoint key managerial personnel. |
| 10 | DEPOSITS |
| | The Company has not accepted any deposits covered under Chapter V of the Act. |
| 11. | PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY |
| | During the Financial Year, the Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies Act, 2013. |
| 12. | RELATED PARTY TRANSACTIONS |
| | The Company has not made any related party transactions covered under the provisions of section 188 of the Companies Act, 2013 hence prescribed Form AOC-2 is not applicable. |
| 13. | SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS |
| | There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. |
| 14. | DIRECTORS' RESPONSIBILITY STATEMENT |
| | Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that: |
| | a. in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any; |
| | b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the loss of the Company for that period; |

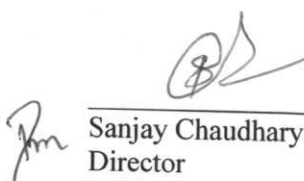
GAMMON ROAD INFRASTRUCTURE LIMITED

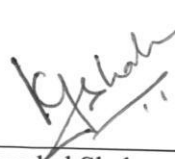
| | |
|--|---|
| c. | The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities; |
| d. | the Directors had prepared the annual accounts on a going concern basis; and |
| e. | the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. |
| 15. PARTICULARS OF EMPLOYEES | |
| | There are no particulars to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. |
| 16. STATUTORY AUDITOR & AUDITOR'S REPORT | |
| | M/s. Venkatesh Rakesh & Co. were appointed at the Extraordinary General Meeting of the Company held on 27 th March 2017 in casual vacancy caused due to resignation of M/s. Natvarlal Vepari & Co. M/s. Venkatesh Rakesh & Co. have provided certificate under section 139 and expressed their willingness to be appointed as the statutory auditors at the upcoming 8 th AGM of the Company. The Directors of the Company recommend their appointment as the statutory auditors and to fix their remuneration at the forthcoming AGM of the Company. There is no audit qualification, reservation, or adverse remark or disclaimer in the Auditor's Report for the Financial Year. |
| 17. CORPORATE SOCIAL RESPONSIBILITY (CSR) | |
| | CSR related provisions of the Companies Act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard. |
| 18. DISCLOSURE ON WOMEN AT WORKPLACE | |
| | As the Company does not have any women employees on its payrolls, the Company was not required to formulate any policy on prevention of sexual harassment at workplace. |
| 19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO | |
| | <p>(A) Conservation of energy-</p> <p>(i) the steps taken or impact on conservation of energy: NIL (ii) the steps taken by the Company for utilising alternate sources of energy: NIL (iii) the capital investment on energy conservation equipments: NIL</p> <p>(B) Technology absorption-</p> <p>(i) the efforts made towards technology absorption: NIL (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported: Not Applicable (b) the year of import: Not Applicable (c) whether the technology been fully absorbed: Not Applicable (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable</p> |

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| | |
|------------|---|
| | (iv) the expenditure incurred on Research and Development: Not Applicable Foreign Exchange earned in terms of actual inflows during the year: NIL Foreign Exchange outgo during the year in terms of actual outflows: NIL |
| 20. | MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT |
| | No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report. |
| 21. | RISK MANAGEMENT POLICY |
| | The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like market related, Government policy related matters that may threaten the existence of the Company. |
| 22. | INTERNAL CONTROLS & THEIR ADEQUACY |
| | Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements. |
| 23. | ACKNOWLEDGEMENT |
| | The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers and Customers for their continuous support to the Company. |

For and on behalf of the Board of
Gammon Road Infrastructure Limited


Sanjay Chaudhary
Director
DIN: 05157682


Kaushal Shah
Director
DIN: 07561258

Place: Mumbai
Date: 17th August 2017

| |
|---|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31-03-2017 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014 |

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|--|--|
| i | CIN | U74990MH2009PLC194822 |
| ii | Registration Date | August 10, 2009 |
| iii | Name of the Company | Gammon Road Infrastructure Limited |
| iv | Category / Sub-category of the Company | Company Limited by Shares |
| v | Address of the Registered office & contact details | Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 Tel. no.: 022 - 6748 7200 |
| vi | Whether listed company | No |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NIL |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products / services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1 | Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways | 42101 | 0 |
| | | | |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|-------|--|---------------------------|----------------------------------|------------------|--------------------|
| 1 | Gammon Infrastructure Projects Limited Reg. Office: Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 | L45203MH2001 PLC131728 | Holding Company | 100.00% | 2 (46) |
| | | | | | |

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (01-Apr-2016) | | | | No. of Shares held at the end of the year (31-Mar-2017) | | | | % change during the year |
|--|---|--------------|--------------|-------------------|---|--------------|--------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporates | 0 | 50000 | 50000 | 100.00 | 0 | 50000 | 50000 | 100.00 | 0.00 |
| d) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL:(A) (1) | 0 | 50000 | 50000 | 100.00 | 0 | 50000 | 50000 | 100.00 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 0 | 50000 | 50000 | 100.00 | 0 | 50000 | 50000 | 100.00 | 0.00 |

| | | | | | | | | | |
|--|----------|--------------|--------------|---------------|----------|--------------|--------------|---------------|-------------|
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| C) Central govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIIS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (B)(2): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 0 | 50000 | 50000 | 100.00 | 0 | 50000 | 50000 | 100.00 | 0.00 |

(ii) SHARE HOLDING OF PROMOTERS

| SI No. | Shareholders Name | Shareholding at the beginning of the year (01-Apr-2016) | | | Shareholding at the end of the year (31-Mar-2017) | | | % change in share holding during the year |
|--------|--|---|----------------------------------|--|---|----------------------------------|--|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Gammon Infrastructure Projects Limited | 50,000 | 100.00 | 0.00 | 50,000 | 100.00 | 0.00 | 0.00 |
| | | | | | | | | |
| | | | | | | | | |
| | Total | 50,000 | 100.00 | | 50,000 | 100.00 | | |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| Sl. No. | | Shareholding at the beginning of the Year (01-Apr-2016) | | Cumulative Shareholding during the year (31-Mar-2017) | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year | NO CHANGE | | | |
| | Date wise increase / decrease in Promoters Share holding during the year | | | | |
| | At the end of the year | | | | |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No | | Shareholding at the beginning of the Year (01-Apr-2016) | | Cumulative Shareholding during the year (31-Mar-2017) | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | For Each of the Top 10 Shareholders | | | | |
| | At the beginning of the year | 0 | | 0 | |
| | Date wise increase / decrease in shareholding during the year | 0 | | 0 | |
| | At the end of the year | 0 | | 0 | |

Shareholding of Directors & KMP

| Sl. No | | Shareholding at the beginning of the Year (01-Apr-2016) | | Cumulative Shareholding during the year (31-Mar-2017) | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | For Each of the Directors & KMP | | | | |
| | At the beginning of the year | 0 | | 0 | |
| | Date wise increase / decrease in shareholding during the year | 0 | | 0 | |
| | At the end of the year | 0 | | 0 | |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding / accrued but not due for payment | | | | |
|--|----------------------------------|------------------|-------------|--------------------|
| (Rs. in Thousands) | | | | |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year (01-Oct-2014) | | | | |
| i) Principal Amount | 0.00 | 17,497.54 | 0.00 | 17,497.54 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (i+ii+iii) | 0.00 | 17,497.54 | 0.00 | 17,497.54 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 0.00 | 0.00 | 0.00 | 0.00 |
| Reduction | 0.00 | 3,970.26 | 0.00 | 3,970.26 |
| Net Change | 0.00 | 0.00 | 0.00 | 0.00 |
| Indebtedness at the end of the financial year (31-Mar-2016) | | | | |
| i) Principal Amount | 0.00 | 13,527.28 | 0.00 | 13,527.28 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (i+ii+iii) | 0.00 | 13,527.28 | 0.00 | 13,527.28 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sl.No | Particulars of Remuneration | Name of the MD / WTD / Manager | Total Amount |
|-------|--|--------------------------------|--------------|
| | | Not Applicable | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | |
| 2 | Stock option | | |
| 3 | Sweat Equity | | |
| 4 | Commission as % of profit | | |
| 5 | Others, please specify | | |
| | Total (A) | | |
| | Ceiling as per the Act | | |

B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration | Name of the Directors | | | Total Amount |
|-------|--|-----------------------|--|--|--------------|
| 1 | Independent Directors | Not Applicable | | | |
| | (a) Fee for attending board / committee meetings | | | | |
| | (b) Commission | | | | |
| | (c) Others, pls. specify | | | | |
| | Total (1) | | | | |
| 2 | Other Non Executive Directors | Not Applicable | | | |
| | (a) Fee for attending board committee meetings | | | | |
| | (b) Commission | | | | |
| | (c) Others, please specify. | | | | |
| | Total (2) | | | | |
| | Total (B)=(1+2) | | | | |
| | Total Managerial Remuneration | | | | |
| | Overall Ceiling as per the Act | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|--|--------------------------|--|--|-------|
| | | Not Applicable | | | |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | | | | |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| 5 | Others, please specify | | | | |
| | | | | | |
| | Total | | | | |

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT / Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

nd For and on behalf of the Board of Directors of
Gammon Road Infrastructure Limited



Jm Name: Sanjay Chaudhary
Designation: Director
DIN: 05157682



Name: Kaushal Shah
Designation: Director
DIN: 07561258

Place: Mumbai

Date: August 17, 2017



VENKATESH RAKESH & CO.

CHARTERED ACCOUNTANTS

C-202, Chitrakut CHS, Janta Nagar, 90 Feet Road, Sion, Mumbai -400017.
Tel.: 022 2408 0341 • Mobile : 98925 80341 / 98208 01189 • Email : venkyadav67@gmail.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **Gammon Road Infrastructure Limited**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Gammon Road Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' judgment, including the assessment of the risks of material



INDEPENDENT AUDITORS' REPORT

To the Members of Gammon Road Infrastructure Limited

Report on the Financial Statements

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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. 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.

7. 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

8. 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2017', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 account.
 - (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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



INDEPENDENT AUDITORS' REPORT

To the Members of Gammon Road Infrastructure Limited

Report on the Financial Statements

Page 3 of 3

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company does not have any pending litigations as at March 31, 2017 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 during the year ended March 31, 2017.

For Venkatesh Rakesh And Co.

Chartered Accountants

Firm Registration Number :- 137258W (ICAI)



Venkatesh S. Yadav

(Partner)

Membership No.: 156541



Place : Mumbai

Date : 17th June, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gammon Road Infrastructure Limited on the financial statements as of and for the year ended March 31, 2017

- i. The Company does not have any fixed assets and hence the clause (i) (a) & (b) & (c) are not applicable.
- ii. As the company does not have inventory, the Clause 3(ii) of the said Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause 3(vi) of the said order is not applicable to the Company.
- vii. (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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax 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, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. The Company has not raised any money by way of any loans, borrowings and debentures. Accordingly, the provisions of clause 3(viii) of the said order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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



Annexure A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gammon Road Infrastructure Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The provisions of Section 197 read with Schedule V to the Act is not applicable to the company. Accordingly, the provisions of Clause 3(xi) of the said order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Venkatesh Rakesh And Co.

Chartered Accountants

Firm Registration Number :- 137258W (ICAI)



Venkatesh S. Yadav

(Partner)

Membership No.: 156541

Place : Mumbai

Date : 17th June, 2017



Annexure B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Gammon Road Infrastructure Limited on the financial statements for the year ended March 31, 2017

Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Gammon Road Infrastructure Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable



Annexure B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Gammon Road Infrastructure Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Venkatesh Rakesh And Co.

Chartered Accountants

Firm Registration Number :- 137258W (ICAI)



Venkatesh S. Yadav

(Partner)

Membership No.: 156541



Place : Mumbai

Date : 17th June, 2017

GAMMON ROAD INFRASTRUCTURE LIMITED
CIN: U74990MH2009PLC194822
BALANCE SHEET AS AT MARCH 31, 2017
(All amounts are Rs in thousands unless otherwise stated)

| Particulars | Notes | As at March 2017 | As at March 2016 | As at September 2014 |
|--|-------|-------------------------|-------------------------|-------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | | | | |
| Intangible assets under development | | | | |
| Financial assets | 3 | | | |
| Investments | 3A | 50.00 | 50.00 | 50.00 |
| Loans | | | | |
| Others | | | | |
| Deferred Tax Asset, Net | | | | |
| Advance tax (net) | 4 | 1,610.49 | 1,608.85 | 1,603.92 |
| | | <u>1,660.49</u> | <u>1,658.85</u> | <u>1,653.92</u> |
| Current assets | | | | |
| Financials assets | | | | |
| Loans | 3B | 4,661.27 | 4,661.27 | 4,661.27 |
| Trade receivables | | | | |
| Cash and cash equivalents | 5 | 370.43 | 7,872.39 | 8,276.14 |
| Prepaid | | | | |
| Others | 6 | 448.28 | 448.28 | 238.34 |
| | | <u>5,479.98</u> | <u>12,981.94</u> | <u>13,175.75</u> |
| Total assets | | <u>7,140.46</u> | <u>14,640.79</u> | <u>14,829.67</u> |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | 7 | 500.00 | 500.00 | 500.00 |
| Other equity | | | | |
| Retained Earning | 7a | (7,002.84) | (3,453.97) | (350.64) |
| Non current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 8 | 13,527.28 | 17,497.54 | 14,246.88 |
| Long term provisions | | | | |
| net employee defined benefit liabilities | | | | |
| Deferred tax liabilities (net) | | | | |
| Other non current liabilities | | | | |
| | | <u>13,527.28</u> | <u>17,497.54</u> | <u>14,246.88</u> |
| Current liabilities | | | | |
| Borrowings | | | | |
| Trade payables | 9 | 17.50 | 20.00 | 16.85 |
| Other current financial liabilities | 10 | 98.51 | 77.22 | 416.57 |
| net employee defined benefit liabilities | | | | |
| Liabilities for current tax (net) | | | | |
| Provisions | | | | |
| | | <u>116.01</u> | <u>97.22</u> | <u>433.43</u> |
| Total liabilities | | <u>13,643.30</u> | <u>17,594.76</u> | <u>14,680.31</u> |
| Total equity & liabilities | | <u>7,140.46</u> | <u>14,640.79</u> | <u>14,829.67</u> |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Venkatesh Rakesh And Co.
Chartered Accountants.
Firm Registration No. 137258W (ICAI)

For and behalf of the Board of Directors of
Gammon Road Infrastructure Limited

Venkatesh S.Yadav
Partner
Membership No. : 156541

Gishore Kumar Mohanty
Director
DIN: 0080498

Kaushal Shah
Director
DIN: 07561258

Place : Mumbai
Date : June 17, 2017



GAMMON ROAD INFRASTRUCTURE LIMITED
CIN: U74990MH2009PLC194822
STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2017
 (All amounts in Indian rupees unless otherwise stated)

| | Notes | Twelve Months Year Ended March 31, 2017 Rupees | Eighteen Months Period ended March 31, 2016 Rupees |
|--|-------|---|---|
| Income | | | |
| Revenue from operations | | | #REF! |
| Other income | 11 | - | 234.12 |
| Total income (A) | | - | #REF! |
| Expenses | | | |
| Other Expenses | 12 | 19.12 | 86.79 |
| Total Expenses (B) | | 19.12 | 86.79 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) (A - B) | | (19.12) | #REF! |
| Depreciation and amortisation | | | - |
| Finance costs | | 3,529.75 | 3,250.66 |
| Profit/(Loss) before tax | | (3,548.86) | #REF! |
| Tax expenses | | | |
| Current Tax | | - | 28,073.00 |
| MAT credit entitlement | | - | (28,073.00) |
| Excess provision for tax | | - | - |
| Total tax expense | | - | - |
| Profit/(Loss) for the year | | (3,548.86) | #REF! |
| Earnings per equity share ('EPS') | | | |
| Basic | 13 | (70.98) | (62.07) |
| Diluted | | (70.98) | (62.07) |
| (Nominal value of shares Rs. 10 each) | | | |

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Venkatesh Rakesh And Co.
Chartered Accountants.
Firm Registration No. 137258W (ICAI)

For and behalf of the Board of Directors of
Gammon Road Infrastructure Limited



Venkatesh S. Yadav
Partner
Membership No. : 156541



Place: Mumbai
Date : June 17, 2017



Kishore Kumar Mohanty
Director
DIN: 0080498



Kaushal Shah
Director
DIN: 07561258

GAMMON ROAD INFRASTRUCTURE LIMITED
CIN: U74990MH2009PLC194822
CASH FLOW STATEMENT FOR THE TWELVE MONTHS PERIOD ENDED MARCH 31, 2017
 (All amounts in Indian rupees unless otherwise stated)

| | Twelve Months Year Ended March 31, 2017 Rupees | Eighteen Months Period ended March 31, 2016 Rupees |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax | (3,548.86) | #REF! |
| Non cash adjustments for : | | |
| Interest income | - | (233.27) |
| Sundry balances written back | - | (233.27) |
| | <u>(3,548.86)</u> | <u>#REF!</u> |
| Operating profit before working capital changes | | |
| Movements in working capital : | | |
| Increase/(decrease) in trade payables and other liabilities | 18.79 | #REF! |
| Decrease / (increase) in trade and other receivables | - | (209.94) |
| | <u>18.79</u> | <u>(209.94)</u> |
| Cash (used in) / generated from the operations | (3,530.07) | #REF! |
| Direct Taxes paid | (1.64) | (4.93) |
| Net Cash (used in) / generated from the operations | (3,531.71) | #REF! |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES : | | |
| Interest received | - | 233.27 |
| Net Cash (used in)/from Investment activities | - | 233.27 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from borrowings | - | #REF! |
| Repayment of borrowing | (3,970.25) | 3,250.66 |
| Interest paid | - | - |
| Net Cash (used in)/from financing activities | (3,970.25) | #REF! |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (7,501.97) | #REF! |
| Closing Balance of Cash and Cash Equivalents | 370.43 | 7,872.39 |
| Opening Balance of Cash and Cash Equivalents | 7,872.39 | 8,276.14 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (7,501.97) | (403.75) |
| Components of Cash and Cash Equivalents | | |
| Cash and Cheques on hand | - | - |
| With Banks : | | |
| - On Current Account | 370.43 | 7,872.39 |
| - On Deposit Account | - | - |
| Total Components of Cash and Cash Equivalents | 370.43 | 7,872.39 |
| Less : Fixed Deposits with Banks above 90 days | - | - |
| | <u>370.43</u> | <u>7,872.39</u> |

Note : Figures in brackets denote outflows.

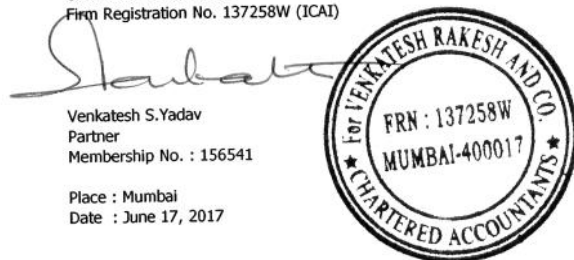
Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Venkatesh Rakesh And Co.
Chartered Accountants.
Firm Registration No. 137258W (ICAI)



Venkatesh S. Yadav
Partner
Membership No. : 156541

Place : Mumbai
Date : June 17, 2017

For and on behalf of the Board of Directors of
Gammon Road Infrastructure Limited

Kishore Kumar Mohanty
Director
DIN: 0080498

Kaushal Shah
Director
DIN: 07561258

GAMMON ROAD INFRASTRUCTURE LIMITED
CIN: U74990MH2009PLC194822

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2017**

1 Corporate profile

Gammon Road Infrastructure Limited ('GRIL') is incorporated under the Companies Act, 1956, on August 10, 2009, as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities in the road sector including roads, streets, highways, expressways, motorways, toll roads, side roads, bridges etc either directly or through any subsidiary or group company, and to carry out the business on contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or other income from such infrastructure projects undertaken by the Company.

2 Basis of preparation

The Financial Statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 (which are deemed to be applicable as per section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The accounting policies discussed more fully below, are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Revenue recognition

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c. Provision for tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 and the Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes.

d. Tangible fixed assets

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on all assets of the Company is charged on written down method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



e. Intangible assets

Intangible assets are stated at cost of construction less accumulated amortised amount and accumulated impairment losses, if any. Costs include direct costs of construction of the project road and costs incidental and related to the construction activity. Costs incidental to the construction activity, including financing costs on borrowings attributable to construction of the project road, have been capitalised to the project road till the date of completion of construction.

Self constructed intangible assets are amortised on a straight line basis, from the date they are put to use, over the balance period of the Contract from the date the said asset was put to use. The amortisation period and the amortisation method are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f. Impairment

The carrying amounts of assets including goodwill, are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, the asset is depreciated or amortised on the revised carrying amount of the asset over its remaining useful life.

g. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.

h. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

i. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j. Segment reporting

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.

k. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

l. Provision, Contingent Assets and Contingent Liability

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but disclosed in notes to accounts.

Contingent assets are neither recognised nor recorded in financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

m. Measurement of EBITDA

The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



GAMMON ROAD INFRASTRUCTURE LIMITED
CIN: U74990MH2009PLC194822
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
 (All amounts are Rs in thousands unless otherwise stated)

| | 31st March 2017 | 31st March 2016 | 1st October 2014 |
|--|-----------------|-----------------|------------------|
| 3 Financial assets | | | |
| 3A Investments | | | |
| Trade Investment - Unquoted | | | |
| Indian Highways Management Company Limited | 50.00 | 50.00 | 50.00 |
| 3B Loans | | | |
| Dues receivable from related parties | | | |
| Sidhi Singrauli Road Project Ltd. | 3,587.80 | 3,587.80 | 3,587.80 |
| Loan to related party | | | |
| Vijayawada Gundugolanu Road Project Pvt Ltd Gammon India Ltd. | 1,073.47 | 1,073.47 | 1,073.47 |
| | 4,661.27 | 4,661.27 | 4,661.27 |
| 4 Advance Tax(Net) | | | |
| Advance tax, net of provision | 1,610.49 | 1,608.85 | 1,603.92 |
| | 1,610.49 | 1,608.85 | 1,603.92 |

| | 31st March 2017 | 31st March 2016 | 1st October 2014 |
|-----------------------------------|-----------------|-----------------|------------------|
| 5 Cash and cash equivalent | | | |
| Balances with banks | 370.43 | 7,872.39 | 8,276.14 |
| On Current Account | 370.43 | 7,872.39 | 8,276.14 |
| 6 Other current assets | | | |
| Interest receivable from GIL | 448.28 | 448.28 | 238.34 |
| | 448.28 | 448.28 | 238.34 |

| | Equity shares | | |
|--|------------------------|------------------------|-------------------------|
| | No's | In Rs | |
| 7 Share capital | | | |
| Authorised share capital | | | |
| At 1st Oct 2014 | 50,000 | 500.00 | |
| At 31st March 2016 | 50,000 | 500.00 | |
| At 31st March 2017 | 50,000 | 500.00 | |
| Issued equity capital | | | |
| Equity shares of Rs 10 each issued, subscribed and fully paid. | | | |
| At 1st Oct 2014 | 50,000 | 500.00 | |
| At 31st March 2016 | 50,000 | 500.00 | |
| At 31st March 2017 | 50,000 | 500.00 | |
| a) Shares held by holding Company | | | |
| | 31st March 2017 | 31st March 2016 | 1st October 2014 |
| | In Rs | In Rs | In Rs |
| Gammon Infrastructure Projects Limited ('GIPL') | 500.00 | 500.00 | 500.00 |

| | 31st March 2017 | | 31st March 2016 | | 1st October 2014 | |
|--|-----------------|-----------|-----------------|-----------|------------------|-----------|
| | No's | % holding | No's | % holding | No's | % holding |
| b) Details of shareholding more than 5% shares in the Compa | | | | | | |
| Gammon Infrastructure Projects Limited ('GIPL') | 50,000 | 100 | 50,000 | 100 | 50,000 | 100 |

c) Terms / rights attached to equity shares
 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| Equity shares | As At | | As At | | As At | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|
| | Numbers | Rupees | Numbers | Rupees | Numbers | Rupees |
| Particulars | | | | | | |
| At the beginning of the period | 50,000.00 | 500.00 | 50,000.00 | 500.00 | 50,000.00 | 500.00 |
| Issued during the period - Bonus Issue | - | - | - | - | - | - |
| Issued during the period - ESOP | - | - | - | - | - | - |
| Outstanding at the end of the period | 50,000.00 | 500.00 | 50,000.00 | 500.00 | 50,000.00 | 500.00 |

7a Other Equity

| | 31st March 2017 | 31st March 2016 | 1st October 2014 |
|--|-------------------|-------------------|------------------|
| Retained Earnings | | | |
| Particulars | | | |
| Surplus / (deficit) in the statement of Profit and Loss | | | |
| Balance as per the last financials | (3,453.97) | (350.64) | (202.70) |
| Add : Profit /(Loss) for the period | (3,548.86) | (3,103.33) | (147.94) |
| | (7,002.84) | (3,453.97) | (350.64) |
| Total reserves and surplus | (7,002.84) | (3,453.97) | (350.64) |



| | Effective interest rate | Maturity | 31st March 2017 | 31st March 2016 | 1st October 2014 |
|--|-------------------------|----------|------------------|------------------|------------------|
| 8 Borrowings | | | | | |
| Non current borrowings | | | | | |
| Term loan | | | | | |
| Interest free Intercompany deposit from GIPL | | 2019 | 13,527.28 | 17,497.54 | 14,246.88 |
| Others | | | 13,527.28 | 17,497.54 | 14,246.88 |

| | 31st March 2017 | 31st March 2016 | 1st October 2014 |
|---|-----------------|-----------------|------------------|
| 9 Trade payables | | | |
| Trade payables | 17.50 | 20.00 | 16.85 |
| - Total outstanding dues of MSME | - | - | - |
| - Total outstanding dues of creditors other than MSME | - | - | - |
| | 17.50 | 20.00 | 16.85 |

As per the information available with the Company, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

| | 31st March 2017 | 31st March 2016 | 1st October 2014 |
|---------------------------------------|-----------------|-----------------|------------------|
| 10 Other payables | | | |
| Other liabilities | | | |
| Statutory Dues | - | 1.00 | - |
| Dues to related parties | - | - | - |
| Gammon Infrastructure Project Limited | 98.51 | 76.22 | 416.57 |
| | 98.51 | 77.22 | 416.57 |



GAMMON ROAD INFRASTRUCTURE LIMITED
CIN: U74990MH2009PLC194822
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
(All amounts are Rs in thousands unless otherwise stated)

| 11 Other Income | Twelve Months Year Ended March 31, 2017 Rupees | Eighteen Months Period ended March 31, 2016 Rupees |
|--|---|---|
| Particulars | | |
| Interest income from loan given to Vijayawada Gundugolanu Road Project Pvt Ltd | | - |
| Interest income | - | 233.27 |
| Sundry balances written back | - | - |
| Interest on Income tax refund | - | 0.85 |
| Total Other Income | - | 234.12 |

| 12 Other expenses | Twelve Months Year Ended March 31, 2017 Rupees | Eighteen Months Period ended March 31, 2016 Rupees |
|-------------------------------|---|---|
| Particulars | | |
| Professional fees | 7.50 | 22.15 |
| ROC & Filing fees | 2.55 | 4.49 |
| Stamping & franching charges | - | - |
| Tendering fees | - | - |
| Printing & Stationery | - | - |
| Sundry expenses | - | - |
| Bank charges | 0.07 | 0.16 |
| Advertisement Expenses | - | 50.00 |
| Payment to Auditor : | | |
| towards audit fees | 9.00 | 10.00 |
| towards certification matters | - | - |
| Total other expenses | 19.12 | 86.79 |
| Finance Expense | | |
| Interest Expense | (3,529.75) | (3,250.66) |
| | (3,529.75) | (3,250.66) |

13 Earnings per Share (EPS)

The following reflects the profit and equity share data used in the basic and diluted EPS computation.

| Particulars | March 31, 2017 Rupees | March 31, 2016 Rupees |
|--|--------------------------|--------------------------|
| Profit after tax (PAT) | (35,48,864) | (31,03,331) |
| Outstanding equity shares at period end | 50,000 | 50,000 |
| Weighted average number of equity shares in calculated EPS | 50,000 | 50,000 |
| Nominal value of equity shares (Rs. per share) | 10 | 10 |
| Basic EPS | (70.98) | (62.07) |
| Diluted EPS | (70.98) | (62.07) |

14 Related party transactions

a) Names of the related parties and related party relationships

List of related parties where control exists and parties with whom transactions have taken place :

- Gammon Infrastructure Projects Limited - Holding company
- Gammon India Ltd - Ultimate holding company
- Sidhi Singrauli Road Project Ltd. - Fellow subsidiary

b) Related party transactions

| Transactions | Entities where control exists | Fellow subsidiaries |
|--|----------------------------------|------------------------|
| Expenses incurred on behalf of the Company: Gammon Infrastructure Projects Ltd. | 23.29 (62.65) | - - |
| Repayment of expenses incurred on behalf of the Company by Gammon Infrastructure Projects Ltd. | 1.00 (403.00) | - - |
| Repayment Inter corporate deposits Gammon Infrastructure Projects Ltd. | 7,500.00 - - | - - - |
| Outstanding balance expenses incurred on behalf of the Company: Gammon Infrastructure Projects Ltd. | 98.51 (76.22) - | - - - |
| Outstanding balance payable: Gammon Infrastructure Projects Ltd. | 15,513.70 (23,013.70) - | - - - |
| Balance receivable from: Gammon India Ltd. | 1,073.47 (1,073.47) - | - - - |
| Sidhi Singrauli Road Project Ltd. | - | 3,587.80 (3,587.80) |

(Previous period's figure in brackets)



15 In the opinion of the management, the current assets and loans and advances have a realizable value equal to its value stated in the balance sheet.

16 There are no contingent liabilities as at March 31, 2017, March 31, 2016 and September 30, 2014.

17 Segmental reporting

The Company has been incorporated as a Special Purpose Vehicle for carrying out a single infrastructure activity of electricity generation using renewable / non-conventional sources of energy under Public Private Partnership scheme.

Further, the Company's operations are within a single geographical segment which is India.

18 As per the information available with the Company, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

In the opinion of the management, the current assets and loans and advances have a realizable value equal to its value stated in the balance sheet.

19

20 The capital commitment as at March 31, 2017 and March 31, 2016 is Rs. Nil (Previous period Rs. Nil)

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per INDAS 108. Further, the Company's operations are within single geographical segment which is India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

21

22 These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules, 2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the eighteen months period ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at October 1, 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at October 1, 2014 and the financial statements as at and for the year ended March 31, 2016.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Venkatesh Rakesh And Co.
Chartered Accountants.
Firm Registration No. 137258W (ICAI)

For and on behalf of the Board of Directors of
Gammon Road Infrastructure Limited

Venkatesh S. Yadav
Partner
Membership No. : 156541

Place : Mumbai
Date : June 17, 2017



Kishore Kumar Mohanty
Director
DIN: 0080498

Kaushal Shah
Director
DIN: 07561258