

## DIRECTORS' REPORT

To  
The Members,  
**Earthlink Infrastructure Projects Private Limited**

Your Directors have pleasure in presenting their Sixth Annual Report together with the Audited Financial Statements and the Auditors Report for the financial year from 1<sup>st</sup> October 2014 to 31<sup>st</sup> March 2016 (hereinafter referred to as “**Financial Year**”).

<b>1.</b>	<b>FINANCIAL RESULTS / STATE OF AFFAIRS</b>																
	During the Financial Year, the Company had written back sundry balances which forms part of other income amounting to Rs. 56,25,588/- (Previous Year: Total Income Nil). Net Profit for the Financial Year was Rs. 56,08,760/- (Previous Year: Net Loss Rs. 62,63,700/-). Profit after tax provisions was Rs. 38,68,760/- (Previous Year: Loss after tax provisions Rs. 62,63,700/-).																
<b>2.</b>	<b>DIVIDEND / TRANSFER TO RESERVE(S)</b>																
	With a view to conserve resources, no dividend has been recommended for the Financial Year. The Directors have not transferred any amount to general or other reserves.																
<b>3.</b>	<b>SHARE CAPITAL</b>																
	The Authorised and paid up share capital of the Company as at March 31, 2016 stood at Rs. 1,00,000/-. During the Financial Year, the Company has not issued shares nor has granted any stock option or sweat equity.																
<b>4.</b>	<b>NUMBER OF MEETINGS OF THE BOARD</b>																
	During the Financial Year, 9 (Nine) Board Meetings were duly held on 21 <sup>st</sup> October 2014, 1 <sup>st</sup> November 2014, 15 <sup>th</sup> November 2014, 16 <sup>th</sup> February 2015, 1 <sup>st</sup> April 2015, 22 <sup>nd</sup> June 2015, 27 <sup>th</sup> August 2015, 4 <sup>th</sup> December 2015, 23 <sup>rd</sup> March 2016. 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:																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Director(s)</th> <th style="text-align: center;">Board Meetings attended during Financial year</th> </tr> </thead> <tbody> <tr> <td>Mr. Kaushik Chaudhuri (appointed w. e. f. 01-11-2014)</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Mr. Hemant Chandel (appointed w. e. f. 23-03-2016)</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Ms. Renuka Shitut (appointed w. e. f. 23-03-2016)</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Mr. Mandar Gite (resigned w. e. f. 01-11-2014)</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Mr. Mahesh Fogla (resigned w.e.f. 22-06-2015)</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Mr. Vinod Kumar (resigned w.e.f. 29-03-2016)</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Mr. Nikhil Shah (appointed w. e. f. 22-06-2015, resigned w. e. f. 29-03-2016)</td> <td style="text-align: center;">4</td> </tr> </tbody> </table>	Name of Director(s)	Board Meetings attended during Financial year	Mr. Kaushik Chaudhuri (appointed w. e. f. 01-11-2014)	8	Mr. Hemant Chandel (appointed w. e. f. 23-03-2016)	1	Ms. Renuka Shitut (appointed w. e. f. 23-03-2016)	1	Mr. Mandar Gite (resigned w. e. f. 01-11-2014)	2	Mr. Mahesh Fogla (resigned w.e.f. 22-06-2015)	6	Mr. Vinod Kumar (resigned w.e.f. 29-03-2016)	8	Mr. Nikhil Shah (appointed w. e. f. 22-06-2015, resigned w. e. f. 29-03-2016)	4
Name of Director(s)	Board Meetings attended during Financial year																
Mr. Kaushik Chaudhuri (appointed w. e. f. 01-11-2014)	8																
Mr. Hemant Chandel (appointed w. e. f. 23-03-2016)	1																
Ms. Renuka Shitut (appointed w. e. f. 23-03-2016)	1																
Mr. Mandar Gite (resigned w. e. f. 01-11-2014)	2																
Mr. Mahesh Fogla (resigned w.e.f. 22-06-2015)	6																
Mr. Vinod Kumar (resigned w.e.f. 29-03-2016)	8																
Mr. Nikhil Shah (appointed w. e. f. 22-06-2015, resigned w. e. f. 29-03-2016)	4																
<b>5.</b>	<b>CHANGE IN THE NATURE OF BUSINESS</b>																
	There has been no change in the nature of business during the Financial Year.																
<b>6.</b>	<b>SUBSIDIARIES / ASSOCIATES / JOINT VENTURES</b>																
	The Company does not have any subsidiary / associate or Joint Venture.																

<b>7.</b>	<b>EXTRACT OF ANNUAL RETURN</b>
	The details forming part of the extracts of Annual Return in <b>Form MGT-9</b> as per Section 92 of the Companies Act, 2013 is annexed herewith as <b>Annexure 'A'</b> .
<b>8.</b>	<b>DIRECTORS</b>
	<p>In accordance with the provisions of the Companies Act, 2013, Mr. Kaushik Chaudhuri retires by rotation at the next Annual General Meeting (AGM) and has offered for re-appointment.</p> <p>Ms. Renuka Shitut and Mr. Hemant Chandel were appointed as additional directors w. e. f. 23<sup>rd</sup> March 2016. They hold office as such up to the date of ensuing AGM. The Company has received notices from a member of the Company with the requisite deposit proposing to appoint them as Directors at the forthcoming AGM of the Company.</p> <p>Mr. Mahesh Fogla resigned from as a director w. e. f. 22<sup>nd</sup> June 2015. Mr. Nikhil Shah was appointed as an additional director w. e. f. 22<sup>nd</sup> June 2015 and resigned as such w. e. f. 23<sup>rd</sup> March 2016.</p> <p>Presently, the Board of Directors comprises of Mr. Kaushik Chaudhuri, Ms. Renuka Shitut and Mr. Hemant Chandel.</p>
<b>9.</b>	<b>KEY MANAGERIAL PERSONNEL</b>
	Provisions of Section 203 are not applicable to the Company; hence there is no mandatory requirement to appoint key managerial personnel.
<b>10</b>	<b>DEPOSITS</b>
	The Company has not accepted any deposits covered under Chapter V of the Act.
<b>11.</b>	<b>PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY</b>
	The Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies Act, 2013.
<b>12.</b>	<b>RELATED PARTY TRANSACTIONS</b>
	The Company has not made any related party transactions covered under the provisions of section 188 of the Companies Act, 2013 hence prescribed <b>Form AOC-2</b> is not applicable.
<b>13.</b>	<b>SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS</b>
	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.
<b>14.</b>	<b>DIRECTORS' RESPONSIBILITY STATEMENT</b>
	Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:
	<p>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;</p>

	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 profit of the Company during the Financial Year;
	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.
<b>15.</b>	<b>PARTICULARS OF EMPLOYEES</b>	
	There are no particulars to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	
<b>16.</b>	<b>STATUTORY AUDITOR &amp; AUDITOR'S REPORT</b>	
	<p>At the 5<sup>th</sup> AGM of the Company, M/s. Venkatesh Rakesh &amp; Co., Chartered Accountants (Firm Registration No.: 137258W) had been appointed as the statutory auditors of the Company until the conclusion of the 10<sup>th</sup> AGM of the Company. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders at every AGM until the expiry of the period of original appointment.</p> <p>The Company has obtained written consent and letter confirming eligibility from M/s. Venkatesh Rakesh &amp; Co. The members are requested to appoint Auditors and fix their remuneration.</p> <p>There is no audit qualification, reservation, or adverse remark or disclaimer in the Auditor's Report for the Financial Year.</p>	
<b>17.</b>	<b>CORPORATE SOCIAL RESPONSIBILITY (CSR)</b>	
	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.	
<b>18.</b>	<b>DISCLOSURE ON WOMEN AT WORKPLACE</b>	
	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.	
<b>19.</b>	<b>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	
	<p>Since the Company does not carry on any manufacturing activities, the Company was not required to take any steps towards the conservation of energy and absorption of technology (indigenous or imported).</p> <p>Foreign Exchange earned in terms of actual inflows during the year: NIL  Foreign Exchange outgo during the year in terms of actual outflows: NIL</p>	

<b>20.</b>	<b>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</b>
	No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.
<b>21.</b>	<b>RISK MANAGEMENT POLICY</b>
	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.
<b>22.</b>	<b>ACKNOWLEDGEMENT</b>
	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  
EARTHLINK INFRASTRUCTURE PROJECTS PRIVATE LIMITED**

\_\_\_\_\_  
Kaushik Chaudhuri  
Director  
DIN: 06757692

\_\_\_\_\_  
Renuka Shitut  
Director  
DIN: 07225453

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31-03-2016</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U74990MH2010PTC210405
ii	Registration Date	November 29, 2010
iii	Name of the Company	Earthlink Infrastructure Projects Private 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.	Not Applicable

**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 of buildings carried out on own-account basis or on a fee or contract basis	41001	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 Projects Developers Limited Reg. Office: Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45200MH 2006PLC159107	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-Oct-2014)				No. of Shares held at the end of the year (31-Mar-2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(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	10000	10000	100.00	0	10000	10000	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
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0.00</b>
(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
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year (01-Oct-2014)				No. of Shares held at the end of the year (31-Mar-2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/Fl	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
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
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
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0.00</b>

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year (01-Oct-2014)			Shareholding at the end of the year (31-Mar-2016)			% 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 Projects Developers Limited	10,000.00	100.00	0.00	10,000.00	100.00	0.00	0.00
	<b>Total</b>	<b>10,000.00</b>	<b>100.00</b>		<b>10,000.00</b>	<b>100.00</b>		



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

Sl. No.		Shareholding at the beginning of the Year (01-Oct-2014)		Cumulative Shareholding during the year (31-Mar-2016)	
		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 CHANGES			
	Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the end of the year				

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

Sl. No		Shareholding at the beginning of the year (01-Oct-2014)		Cumulative Shareholding during the year (31-Mar-2016)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	0	0.00%	0	0.00%
	At the end of the year (or on the date of separation, if separated during the year)	0	0.00%	0	0.00%

## (v) Shareholding of Directors &amp; KMP

Sl. No		Shareholding at the end of the year (01-Oct-2014)		Cumulative Shareholding during the year (31-Mar-2016)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	<b>For Each of the Directors &amp; KMP</b>				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	0	0.00%	0	0.00%
	At the end of the year	0	0.00%	0	0.00%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year (01-Oct-2014)</b>				
i) Principal Amount	0	153,458,000	0	<b>153,458,000</b>
ii) Interest due but not paid	0	0	0	<b>0</b>
iii) Interest accrued but not due	0	0	0	<b>0</b>
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>153,458,000</b>	<b>0</b>	<b>153,458,000</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	0	0	<b>0</b>
Reduction	0	25,000,000	0	<b>25,000,000</b>
<b>Net Change</b>	<b>0</b>	<b>-25,000,000</b>	<b>0</b>	<b>-25,000,000</b>
<b>Indebtedness at the end of the financial year (31-Mar-2016)</b>				
i) Principal Amount	0	128,458,000	0	<b>128,458,000</b>
ii) Interest due but not paid	0	0	0	<b>0</b>
iii) Interest accrued but not due	0	0	0	<b>0</b>
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>128,458,000</b>	<b>0</b>	<b>128,458,000</b>

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
		<b>Not Applicable</b>			
1	<b>Gross salary</b>				
	(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				
	<b>Total (A)</b>				
	<b>Ceiling as per the Act</b>				

**B. Remuneration to other directors:**

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		<b>Not Applicable</b>			
1	<b>Gross Salary</b>				
	(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				
	<b>Total</b>				

VII **PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

NOT APPLICABLE

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of Directors of  
Earthlink Infrastructure Projects Private Limited**

Name: Kaushik Chaudhuri  
Designation: Director  
DIN: 06757692

Name: Renuka Shitut  
Designation: Director  
DIN: 07225453

Place: Mumbai

Date: 02-June-2016

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of**

**EarthLink Infrastructure Projects Private Limited**

### **Report on the financial statements**

We have audited the accompanying financial statements of **EarthLink Infrastructure Projects Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its **Profit** for the year ended on that date.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the 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 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - (i) The company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Venkatesh Rakesh And Co.**

Chartered Accountants

Firm Registration Number :- 137258W (ICAI)

**Venkatesh S. Yadav**

(Partner)

Membership No.: 156541

Place : Mumbai

Date : June 2, 2016

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company does not have any fixed assets and hence the clause (i) (a) & (b) is not applicable.
- (ii) As the company does not have inventory, the Clause (ii)(a) to (ii)(c) of Para 3 of Order 2015 are not applicable to the company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, sub-clause (a) and (b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the transactions entered into by the company. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits from public during the year.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (l) of section 148 of the Companies Act for the products of the Company.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Cess and other statutory dues with appropriate authorities applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no outstanding demands against the company with any of the authorities.
  - (c) This clause is not applicable to the company.
- (viii) The Company has not incurred Cash Losses during the current period but has incurred cash loss of Rs. 62,63,700 /- in the previous period. The accumulated losses at beginning of the period was Rs. 63,32,880 /- and at the end of current period is 24,64,120 /-.



- (ix) According to the books of account and records of the Company, there are no dues to financial institution or bank or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company has neither raised any term loans during the year nor was any unutilized amount left on this account, as at the beginning of the year. Therefore, the provisions of 3 (xi) of the Companies (Auditors report), 2015 are not applicable to the company.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the course of our audit.

**For Venkatesh Rakesh And Co.**

Chartered Accountants

Firm Registration Number :- 137258W (ICAI)

**Venkatesh S. Yadav**

(Partner)

Membership No.: 156541

Place : Mumbai

Date : June 2, 2016

**EARTHLINK INFRASTRUCTURE PROJECTS PRIVATE LIMITED**  
**CIN: U74990MH2010PTC210405**  
**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Notes	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Equity and liabilities</b>			
<b>Shareholders funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	(2,464,120)	(6,332,880)
		<b>(2,364,120)</b>	<b>(6,232,880)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	128,458,000	153,458,000
Trade payables		-	-
Other long-term liabilities		-	-
Long-term provisions		-	-
		<b>128,458,000</b>	<b>153,458,000</b>
<b>Current liabilities</b>			
Short-term borrowings		-	-
Trade payables		-	-
Other current liabilities	6	13,600	5,630,838
Short-term provisions	7	1,740,000	-
		<b>1,753,600</b>	<b>5,630,838</b>
<b>TOTAL</b>		<b>127,847,480</b>	<b>152,855,958</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Long term loans and advances	8	125,308,000	147,808,000
Other non-current assets		-	-
		<b>125,308,000</b>	<b>147,808,000</b>
<b>Current assets</b>			
Cash and cash equivalents	9	2,539,480	5,047,958
Other current assets		-	-
		<b>2,539,480</b>	<b>5,047,958</b>
<b>TOTAL</b>		<b>127,847,480</b>	<b>152,855,958</b>

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  
Earthlink Infrastructure Projects Private Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director  
Kaushik Chaudhuri  
DIN No. 06757692

Director  
Renuka Matkari  
DIN No 07225453

Place : Mumbai  
Date : June 2, 2016

**EARTHLINK INFRASTRUCTURE PROJECTS PRIVATE LIMITED**  
**CIN: U74990MH2010PTC210405**  
**STATEMENT OF PROFIT AND LOSS FOR EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**  
**(All amounts in Indian Rupees unless otherwise stated)**

Particulars	Notes	Eighteen months period ended March 31, 2016 Rupees	Nine months period ended September 30, 2014 Rupees
<b>Income</b>			
Revenue from operations		-	-
Other income	10	5,625,588	-
<b>Total income (A)</b>		<b>5,625,588</b>	<b>-</b>
<b>Expenses</b>			
Other expenses	11	16,828	6,263,700
<b>Total expenses (B)</b>		<b>16,828</b>	<b>6,263,700</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (A - B)</b>		<b>5,608,760</b>	<b>(6,263,700)</b>
Depreciation and amortisation		-	-
Finance costs		-	-
<b>Profit/(loss) before tax</b>		<b>5,608,760</b>	<b>(6,263,700)</b>
Tax expenses			
Current tax		1,740,000	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>1,740,000</b>	<b>-</b>
<b>Profit/(loss) after tax</b>		<b>3,868,760</b>	<b>(6,263,700)</b>
<b>Earnings per equity share ('EPS')</b>			
Basic	12	<b>386.88</b>	<b>(626.37)</b>
Diluted		<b>386.88</b>	<b>(626.37)</b>

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  
Earthlink Infrastructure Projects Private Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director  
Kaushik Chaudhuri  
DIN No. 06757692

Director  
Renuka Matkari  
DIN No 07225453

Place : Mumbai  
Date : June 2, 2016

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**

**3 Share capital**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Authorised shares :</b>		
10,000 (Previous period 10,000) equity shares of Rs 10/- each fully paid up	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>
<b>Issued, subscribed and fully paid-up shares :</b>		
10,000 equity shares of Rs. 10/- each	100,000	100,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>100,000</b>	<b>100,000</b>

**a) Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

Name of the registered shareholder	As At March 31, 2016		As At September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
Gammon Projects Developers Limited ('GPD')	10,000	100,000	10,000	100,000
<b>Total</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

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

Particulars	As At March 31, 2016		As At September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the period	10,000	100,000	10,000	100,000
<b>Outstanding at the end of the period</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

c) 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.

d) 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.

**e) Details of shareholders holding more than 5% shares in the Company**

Shareholders holding more than 5% shares in the Company	As At March 31, 2016		As At September 30, 2014	
	Numbers	% of holding	Numbers	% of holding
<b>Equity shares of Rs 10 each fully paid up</b>				
GPD, Holding company	10,000	100%	10,000	100%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

**4 Reserves and surplus :**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Surplus / (deficit) in the statement of Profit and Loss</b>		
Balance as per the last financials	(6,332,880)	(69,180)
Add : Profit / (Loss) for the period	3,868,760	(6,263,700)
Less : Appropriations	-	-
	<u>(2,464,120)</u>	<u>(6,332,880)</u>
<b>Total reserves and surplus</b>	<b>(2,464,120)</b>	<b>(6,332,880)</b>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016

<b>5 Long-term borrowings</b>		<b>As at March 31, 2016 Rupees</b>	<b>As at September 30, 2014 Rupees</b>
<b>Particulars</b>			
Interest Free unsecured loan from Andhra Expressway Limited*		-	152,808,000
Interest Free unsecured loan from Gammon Infrastructure Project Limited*		128,458,000	650,000
<b>Total long-term borrowings</b>		<b>128,458,000</b>	<b>153,458,000</b>
*Repayable as on March 31, 2018.			
<b>6 Other current liabilities</b>		<b>As at March 31, 2016 Rupees</b>	<b>As at September 30, 2014 Rupees</b>
<b>Particulars</b>			
Interest accrued payable on demand - Andhra Expressway Limited		-	5,625,588
Dues to related party, Gammon Infrastructure Projects Ltd		6,600	
Audit fees payable		7,000	5,250
		-	-
<b>Total other current liabilities</b>		<b>13,600</b>	<b>5,630,838</b>
<b>7 Short - term provisions</b>		<b>As at March 31, 2016 Rupees</b>	<b>As at September 30, 2014 Rupees</b>
<b>Particulars</b>			
Duties and Taxes - Provision for Tax		1,740,000	-
<b>Total short - term provisions</b>		<b>1,740,000</b>	<b>-</b>
<b>8 Loans and advances :</b>			
Unsecured, considered good unless stated otherwise			
	<b>Non Current</b>	<b>Current</b>	
	<b>March 31, 2016</b>	<b>September 30, 2014</b>	<b>March 31, 2016</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Particulars</b>			
Capital advances	125,308,000	147,808,000	-
<b>Total loans and advances</b>	<b>125,308,000</b>	<b>147,808,000</b>	<b>-</b>
In the opinion of the management, loans and advances have a realisable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.			
<b>9 Cash and cash equivalent</b>		<b>As at March 31, 2016 Rupees</b>	<b>As at September 30, 2014 Rupees</b>
<b>Particulars</b>			
<b>Balances with banks :</b>			
On current account		2,539,480	5,047,958
<b>Total cash and cash equivalent</b>		<b>2,539,480</b>	<b>5,047,958</b>
<b>10 Other Income</b>		<b>As at March 31, 2016 Rupees</b>	<b>As at September 30, 2014 Rupees</b>
<b>Particulars</b>			
Sundry Balances written back		5,625,588	-
<b>Total Other Income</b>		<b>5,625,588</b>	<b>-</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**

11 Other expenses	Eighteen Months March 31, 2016 Rupees	Nine months September 30, 2014 Rupees
<b>Particulars</b>		
CWIP W/Off	-	6,252,225
Professional Fees	4,000	
ROC fees	4,715	5,181
Bank charges	402	395
Payment to auditors - statutory auditor	7,711	5,899
<b>Total other expenses</b>	<b>16,828</b>	<b>6,263,700</b>

12 Earnings per share ('EPS')	Eighteen Months March 31, 2016 Rupees	Nine months September 30, 2014 Rupees
The following reflects the profit and equity share data used in the basic and diluted EPS computation.		
<b>Particulars</b>		
Profit/(loss) after tax	3,868,760	(6,263,700)
Outstanding equity shares at the end of the period	10,000	10,000
Weighted average number of equity shares in calculating EPS	10,000	10,000
Nominal value of equity shares	10	10
Basic EPS	<b>386.88</b>	<b>(626.37)</b>
Diluted EPS	<b>386.88</b>	<b>(626.37)</b>

**13 Segment reporting**

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per AS 17. Further , the Company's operations are within single geographical segment which is India.

**14 Related party transactions**

**a) Names of the related parties and related party relationships**

**Related parties where control exists :**

1. Gammon Infrastructure Projects Limited - Intermediate holding company
2. Gammon Projects Developers Limited - holding company

**Fellow subsidiaries :**

1. Andhra Expressway Limited

**b) Related party transactions**

Transactions	Holding company	Fellow subsidiary
Deposit towards nomination of director : Gammon Projects Developers Limited	100,000 (100,000)	
Refund of deposit towards nomination of director Gammon Projects Developers Limited	100,000 (100,000)	
Expenses incurred on our behalf : Gammon Infrastructure Projects Limited	6,600 -	
Refund of interest fee unsecured loan Andhra Expressway Limited		152,808,000 (50,000,000)
Interest free unsecured loan received from : Gammon Infrastructure Projects Limited	127,808,000 (-)	
Waiver of interest payable to : Andhra Expressway Limited		5,625,588 (-)
Outstanding loan balances payable : Gammon Infrastructure Projects Limited	128,458,000 (650,000)	
Outstanding loan balances payable (for expenses) : Gammon Infrastructure Projects Limited	6,600 (-)	
Andhra Expressway Limited		- (152,808,000)
Outstanding balances payable : Andhra Expressway Limited		- (5,625,588)

(Previous period's figure in brackets)

**15 Contingent liabilities**

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

**16 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

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.

EARTHLINK INFRASTRUCTURE PROJECTS PRIVATE LIMITED

CIN: U74990MH2010PTC210405

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016

**17 Prior period comparatives**

Prior period figures have been regrouped / reclassified wherever necessary. Current period's figures are for the period from October 1, 2014 to March 31, 2016 and that of previous period are for the period from January 1, 2014 to September 30, 2014.

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  
Eearthlink Infrastructure Projects Private Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director	Director
Kaushik Chaudhuri	Renuka Matkari
DIN No. 06757692	DIN No 07225453

Place : Mumbai  
Date : 02-Jun-16

**EARTHLINK INFRASTRUCTURE PROJECTS PRIVATE LIMITED**  
**CIN: U74990MH2010PTC210405**  
**STATEMENT CASH FLOW FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016**

<b>Particulars</b>	<b>Period ended March 31, 2016 Rupees</b>	<b>Period ended September 30, 2014 Rupees</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	5,608,760	(6,263,700)
Adjustments for :		
Depreciation	-	-
Sundry Balances written back	(5,625,588)	-
Project expenses written off	-	6,252,057
	<u>(5,625,588)</u>	<u>6,252,057</u>
Operating profit before working capital changes	<b>(16,828)</b>	<b>(11,643)</b>
Movements in working capital :		
Increase / (decrease) in trade payables and other liabilities	1,748,350	-
Decrease / (increase) in trade and other receivables	22,500,000	55,000,000
	<u>24,248,350</u>	<u>55,000,000</u>
<b>Cash (used in) / generated from the operations</b>	<b>24,231,522</b>	<b>54,988,357</b>
Direct Taxes paid	(1,740,000)	-
<b>Net cash (used in) / generated from the operations</b>	<b><u>22,491,522</u></b>	<b><u>54,988,357</u></b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Capitalisation of expenses	-	-
Preliminary expenses	-	-
	<u>-</u>	<u>-</u>
<b>Net cash used from investment activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of share capital	-	-
Refund of long term borrowings (Net)	(25,000,000)	(50,000,000)
Interest paid	-	-
	<u>(25,000,000)</u>	<u>(50,000,000)</u>
<b>Net cash used from financing activities</b>	<b><u>(25,000,000)</u></b>	<b><u>(50,000,000)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>(2,508,478)</u></b>	<b><u>4,988,357</u></b>
Closing balance	2,539,480	5,047,958
Opening balance	5,047,958	59,601
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>(2,508,478)</u></b>	<b><u>4,988,357</u></b>

Note : Figures in brackets denote outflows.

**Components of cash and cash equivalents**

Cash and cheques on hand	-	-
With banks :		
- On current account	2,539,480	5,047,958
	<u>2,539,480</u>	<u>5,047,958</u>

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  
Earthlink Infrastructure Projects Private Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director  
Kaushik Chaudhuri  
DIN No. 06757692

Director  
Renuka Matkari  
DIN No 07225453

Place: Mumbai  
Date : 02-Jun-16



# EARTHLINK INFRASTRUCTURE PROJECTS PRIVATE LIMITED

CIN: U74990MH2010PTC210405

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016

### 1 Corporate profile

Earthlink Infrastructure Projects Private Limited ('the Company') formerly known as Satyavedu Infra Company Private Limited ('SICPL') was incorporated under the Companies Act, 1956, on 29th November, 2010. The entire equity stake of the Company was acquired Gammon Project Developer Limited ('GPDL'), a wholly owned subsidiary of Gammon Infrastructure Projects Limited ('GIPL'). The Company was incorporated to carry on the business of infra developing, constructing and maintaining residential and / or commercial flats / buildings, apartments, farm houses, group houses and/ or townships, markets, housing colonies, information technology parks, software technology parks, special economic zones or other buildings and/ or industrial estates, schools, colleges, theme parks, re-recreational facilities and/ or any other infrastructure related projects and to acquire, develop and equip land or any part thereof with the amenities, facilities required therefore.

### 2 Basis of preparation

The Financial Statements of the Company have been prepared to comply in all material respects with the notified Accounting Standards under Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 with respect to the Financial Statements. The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting.

#### Note of current / non-current disclosure:

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 reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year, except for the change in the accounting policy explained below.

#### 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

Revenue is recognized to the extent, that it is probable that the economics benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is

- i) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate
- ii) Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.
- iii) Profits / (losses) on sale of mutual fund units are recognised upon realisation of amount from sale of units.

##### c. Tangible fixed assets

Tangible fixed 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. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible fixed asset. Any subsequent expenses related to a tangible fixed 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 tangible fixed assets is provided on the Straight Line Method over the useful lives of the assets estimated by the Management and as laid down in Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

Gains or losses arising from derecognition of tangible fixed 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.

**d. 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.

**e. 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.

**f. 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.

**g. 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.

#### **h. 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. Partly paid shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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.

#### **i. Provisions**

A provision is recognised when the Company 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 of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **j. 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.

#### **k. Contingent liability**

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.

#### **l. 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.

*(this space is intentionally left blank)*