

DIRECTORS' REPORT

To
The Shareholders of
Gammon Logistics Limited

Your Directors have pleasure in submitting their Ninth Annual Report, together with the Audited Financial statements of the Company, for the period from 1st October, 2014 to 31st March, 2016 (the "Period").

FINANCIAL HIGHLIGHTS

During the year the Company has incurred a loss of Rs.103,548/- (Previous year loss of Rs.6,492,513/-) which had been carried to the Balance Sheet.

DIVIDEND/TRANSFER TO RESERVE(S)

In view of loss during the year, the Directors have not recommended any dividend for the financial year under review. No amount is transferred to any reserve.

SHARE CAPITAL

The paid-up capital of the Company is Rs.2,55,00,000/-, divided into 25,50,000 Equity Shares of Rs.10/- each.

During the year under review, the Company has not issued shares nor has granted any stock option or sweat equity.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 9 (Nine) Board Meetings were duly convened and held on 06/11/2014, 17/11/2014, 13/02/2015, 07/03/2015, 30/06/2015, 27/08/2015, 19/11/2015, 21/12/2015 and 31/03/2016 and the intervening gap between any two meetings was within the period 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 01/10/2014 to 31/03/2016
Mr. Mandar Vilas Gite	9
Mr. Vinod Kumar	6
Mr. Atulesh Chandra Sharma	8

Mr. Vinod Kumar and Mr. Atulesh Chandra Sharma have resigned as Directors on 31/03/2016. Mr. Kuldeep Mohan Daryani and Mr. Raja Mukherjee were appointed as additional directors on 31st March, 2016 . They hold office till the conclusion of this Annual General Meeting(AGM). Notices were received from members proposing their appointment as Directors in the ensuing AGM along with requisite deposit.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the year under review.

SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Company does not have any subsidiary/associate or Joint Venture

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 annexure herewith as **Annexure “A”**.

DIRECTORS

The Board of Directors presently is comprised of three professional directors namely Mr. Mandar Vilas Gite, Mr. Kuldeep Mohan Daryani and Mr. Raja Mukhejee.

KEY MANAGERIAL PERSONNEL

The provisions with respect to appointment of Key Managerial Personnel do not apply to the Company.

DEPOSITS

During the current year under review, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the under review, the Company did not grant any loan or made any investments or provide any guarantee as covered under the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Transactions with related parties in the ordinary course of the Company's business are detailed in Note No.17 to the financial statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that –

- (i) in the preparation of annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 01/10/2014 to 31/03/2016 and of loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis; and
- (v) 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.

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.

STATUTORY AUDITOR

In the Extraordinary General Meeting (EOGM) of the Company held on 28/03/2016, M/s. Venkatesh Rakesh & Co. Chartered Accountants (Firm Registration No.:137258W), had been appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Chaitanya C

Dalal & Co., Chartered Accountants, to hold office as such till the conclusion of ensuing Annual General Meeting of the Company.

Your Board recommends the appointment of M/s. Venkatesh Rakesh & Co., Chartered Accounts as Statutory Auditors of the Company in terms of Section 139(1) of the Companies Act, 2013 until the conclusion of Fourteenth AGM. The Company has obtained written consent and letter confirming eligibility from M/s. Venkatesh Rakesh & Co. Members are requested to appoint Auditors and fix their remuneration.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of the Companies Act, 2013 related to CSR do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

(A) Conservation of energy- N.A.

- (i) the steps taken or impact on conservation of energy;
- (ii) the steps taken by the company for utilising alternate sources of energy;
- (iii) the capital investment on energy conservation equipments;

(B) Technology absorption- N.A.

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- (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;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

(C) Foreign exchange earnings and Outgo-

Foreign Exchange earned in terms of actual inflows during the year-NIL

Foreign Exchange outgo during the year in terms of actual outflows- NIL

MATERIAL CHANGES AND COMMITMENTS

No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.

RISK MANAGEMENT

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 Government policies, macro and micro economy factors, Company financials and operations related specific factors, foreign currency rate fluctuations and related matters that may threaten the existence of the Company.

The Board is of the opinion that there are no major risks affecting the existences of the Company.

INTERNAL CONTROLS

The Board is of the opinion that there exists adequate internal controls commensurate with the size and operations of the Company.

DISCLOSURE ON WOMEN AT WORKPLACE

Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 do not apply to the Company as there was no women employed by the Company.

ACKNOWLEDGMENT

The Directors acknowledge with gratitude the co-operation and support received from the Company's Bankers. They wish to place on record their sincere appreciation of the services rendered by all members of staff and employees of the Company.

**FOR AND ON BEHALF OF THE BOARD
GAMMON LOGISTICS LIMITED**

Mandar Vilas Gite	Kuldeep Mohan Daryani
Director	Director
DIN-06651204	DIN-06790262

Place : Mumbai
Date : 02/06/2016

Annexure “A” to the Directors’ Report
FORMNO.MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	Corporate Identity Number (CIN)	U45309MH2007PLC171578
ii	Registration Date	12/06/2007
iii	Name of the Company	Gammon Logistics Limited
iv	Category	Company Limited By Shares
v	Sub-Category of the Company	Indian Non-Government Company
vi	Address of the Registered office and contact details	Flat No.5, First Floor, Amar Jeevan Shakti Co-Operative Housing Society, Ganesh Nagar, Dombivali West, Dist. Thane, Maharashtra-421202
vii	Whether listed company Yes/No	No
viii	Name, Address and contact details of Registrar and 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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Providing logistics managements services, roads, railways, utility projects.	Main Activity group code –F NIC Code -82199	0%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025. Phone no.: (022) 6748 7200	L45203MH2001PLC131728	Holding Company	100	2(46)

i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-
b)Individuals	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2550000	2550000	100	-	2550000	2550000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding 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	2550000	100		2550000	100		00
		2550000	100		2550000	100		00

(iii) Change in Promoter's Shareholding (Please specify, if there is no change) THERE IS NO CHANGE

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the

			company		company
	At the beginning of the year	2550000	100	2550000	100
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	No transaction during the year			
	At the End of the year	2550000	100	2550000	100

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	-	-	-	-
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	-	-	-	-
	Date-wise Increase/	-	-	-	-

	Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i)Principal Amount	-	15,800,902	-	15,800,902
ii)Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	15,800,902	-	15,800,902
Change in Indebtedness during the financial year	-	-	-	-
- Addition	-	33,708	-	33,708
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i)Principal Amount	-	15,834,610	-	15,834,610
ii)Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	15,834,610	-	15,834,610

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
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 Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of Profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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 Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B.DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

C.OTHER OFFICERS IN DEFAULT	
Penalty	No Penalties, Punishments or Compounding of Offences
Punishment	
Compounding	

**FOR AND ON BEHALF OF THE BOARD
GAMMON LOGISTICS LIMITED**

**Mandar Vilas Gite
Director
DIN-06651204**

**Kuldeep Mohan Daryani
Director
DIN-06790262**

Place : Mumbai
Date : 02/06/2016

INDEPENDENT AUDITORS' REPORT

**To the Members of
Gammon Logistics Limited**

Report on the financial statements

We have audited the accompanying financial statements of **Gammon Logistics 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 and subject to note 18 to the financial statements, 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 **Loss** for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 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) A winding up petition has been filed by a creditor for recovery of Rs.1,41,40,343 against the company and the same is being disputed by the company, the final outcome of the which is pending;
 - (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 incurred Cash Loss of Rs. 1,03,548/- during the current period as compared to Rs. 64,92,513/- in the previous period. The accumulated losses at beginning of the period was Rs. 4,88,69,001/-and at the end of current period is 4,89,72,549/-.

- (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

GAMMON LOGISTICS LIMITED
CIN: U45309MH2007PLC171578
BALANCE SHEET AS AT MARCH 31, 2016
(All amounts in Indian rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2016	As at September 30, 2014
Equity and Liabilities			
Shareholders funds			
Share Capital	3	25,500,000	25,500,000
Reserves and Surplus	4	<u>(48,972,549)</u>	<u>(48,869,001)</u>
		(23,472,549)	(23,369,001)
Non-current liabilities			
Long term borrowings	5	15,834,610	15,800,902
Other long-term liabilities		-	-
Long-term provisions		<u>-</u>	<u>-</u>
		15,834,610	15,800,902
Current liabilities			
Short term borrowings		-	-
Short-term provisions		-	-
Trade payables	6	4,401,479	4,400,302
Other current liabilities	7	<u>3,599,959</u>	<u>3,508,864</u>
		8,001,438	7,909,166
TOTAL		<u>363,499</u>	<u>341,067</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Long term loans and advances	8	258,200	242,380
Trade receivables	9	-	-
Other non current assets		<u>-</u>	<u>-</u>
		258,200	242,380
Current assets			
Cash & cash equivalents	10	105,300	98,687
Short-term loans and advances		-	-
Other current assets		<u>-</u>	<u>-</u>
		105,300	98,687
TOTAL		<u>363,499</u>	<u>341,067</u>

Summary of significant accounting policies 2.1

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 Logistics Limited

Venkatesh S. Yadav
Partner
Membership No. : 156541

Director
Mandar Vilas Gite
DIN No. 06651204

Director
Raja Mukherjee
DIN No. 07008101

Place: Mumbai
Date : June 2, 2016

GAMMON LOGISTICS LIMITED

CIN: U45309MH2007PLC171578

STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016

(All amounts in Indian rupees unless otherwise stated)

Particulars	Notes	Eighteen months	Nine months
		period ended	period ended
		31-Mar-16	30-Sep-14
Income			
Revenue from operations		-	-
Other income	11	-	1,500
Total (A)		<u>-</u>	<u>1,500</u>
Expenditure			
Other expenses	12	103,548	8,394,013
Total (B)		<u>103,548</u>	<u>8,394,013</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A - B)		(103,548)	(8,392,513)
Finance costs		-	-
Depreciation/Amortisation		-	-
Profit/(Loss) before tax		(103,548)	(8,392,513)
Tax expenses			
Current tax		-	-
Excess provision for tax earlier period		-	(1,900,000)
Total tax expense		-	(1,900,000)
Profit/(Loss) after tax		(103,548)	(6,492,513)
Earnings per equity share ('EPS')			
Basic	13	(0.04)	(2.55)
Diluted		(0.04)	(2.55)

Summary of significant accounting policies 2.1

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 Logistics Limited

Venkatesh S.Yadav
Partner
Membership No. : 156541

Director
Mandar Vilas Gite
DIN No. 06651204

Director
Raja Mukherjee
DIN No. 07008101

Place : Mumbai
Date : June 2, 2016

GAMMON LOGISTICS LIMITED

CIN: U45309MH2007PLC171578

STATEMENT OF CASH FLOW FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016

(All amounts in Indian rupees unless otherwise stated)

	Eighteen Months Period ended 31-Mar-16	Nine Months Period ended 30-Sep-14
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and extraordinary items	(103,548)	(8,392,513)
Adjustments for :		
Provision for doubtful advances	-	-
Operating profit / (loss) before working capital changes	(103,548)	(8,392,513)
Adjustments for :		
Decrease / (increase) in trade and other receivables	(15,820)	(124,953)
Increase/(decrease) in trade payables and other liabilities	92,273	(5,908,996)
	76,453	(6,033,949)
Cash flow before extraordinary items	(27,095)	(14,426,462)
Taxes paid	-	-
Net cash from operating activities	(27,095)	(14,426,462)
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchases of fixed assets	-	-
Net cash used from Investment activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from intercorporate deposits	33,708	13,993,800
Repayment of intercorporate deposits	-	-
Interest (Net)	-	-
Net cash from financing activities	33,708	13,993,800
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,613	(432,662)
Closing Balance	105,300	98,687
Opening Balance	98,687	531,349
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,613	(432,662)

Note : Figures in brackets denote outflows.

Components of Cash and Cash Equivalents

Cash and Cheques on hand	-	-
With Banks :		
- On Current Account	105,300	98,687
	105,300	98,687

Summary of significant accounting policies 2.1

As per our report of even date attached.

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

For and on behalf of the Board of Directors of
Gammon Logistics Limited

Venkatesh S.Yadav
Partner
Membership No. : 156541

Director
Mandar Vilas Gite
DIN No. 06651204

Director
Raja Mukherjee
DIN No. 07008101

Place : Mumbai
Date : June 2, 2016

GAMMON LOGISTICS LIMITED

CIN: U45309MH2007PLC171578

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016**

1 Corporate profile

Gammon Logistics Limited (GLL) is incorporated under the Companies Act, 1956, on 12th June, 2007 as a subsidiary of Gammon Infrastructure Projects Limited for providing logistics/supply chain services and support in relation to transportation of all type of goods/parcels by road, rail, air, sea including multimodal operations, on door to door basis and provision of other logistical services in India or abroad on own account or on behalf of or on account of other persons.

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 subject to note no. 18 of other explanatory information to financial statements .

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

- i) Cargo Freight Income is recognized at the time of booking of the consignment and is being accounted net of rebates, discounts and booking commission
- ii) Income other than freight income & expenses are recognized on accrual basis.

c. Fixed assets

Tangible assets

Fixed assets are stated at cost less accumulated depreciation and 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. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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. 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.

e. Borrowing costs

GAMMON LOGISTICS LIMITED

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016**

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.

f. 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.

GAMMON LOGISTICS LIMITED

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016**

g. Provision for Taxation

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 Indian Income Tax Act.

Deferred income taxes reflects the impact of current year/period timing differences between taxable income and accounting income for the year/period 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 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.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised

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. 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.

j. 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.

k. Employee benefits

Retirement benefits in the form of provident fund are a defined contribution scheme and contributions are charged to the Profit and Loss Account for the year/period when the contributions are due

Gratuity being a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period. Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

l. 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.

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 LOGISTICS LIMITED
CIN: U45309MH2007PLC171578
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016
(All amounts in Indian rupees unless otherwise stated)

3 Share capital	As at	As at
Particulars	March 31, 2016	September 30, 2014
Authorised shares :		
5,000,000 (previous period - 5,000,000) Equity Shares of Rs. 10/- each	50,000,000	50,000,000
Total	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares :		
2,550,000 (previous period - 2,550,000) Equity Shares of Rs. 10/- each	25,500,000	25,500,000
Total issued, subscribed and fully paid-up share capital	25,500,000	25,500,000

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

Name of the legal shareholder	As at		As at	
	March 31, 2016		September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
Gammon Infrastructure Projects Ltd ('GIPL')	2,550,000	25,500,000	2,550,000	25,500,000

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

Particulars	As at		As at	
	March 31, 2016		September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the period	2,550,000	25,500,000	2,550,000	25,500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	2,550,000	25,500,000	2,550,000	25,500,000

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) Shares held by holding/ultimate holding company and/or their subsidiaries/associates and details of shareholders holding more than 5% shares in the Company

Particulars	As At		As At	
	March 31, 2016		September 30, 2014	
	Numbers	% of holding	Numbers	% of holding
Gammon Infrastructure Projects Limited, Holding Company	2,550,000	100%	2,550,000	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	As at
Surplus / (deficit) in the statement of Profit and Loss	March 31, 2016	September 30, 2014
Balance as per the last financials	(48,869,001)	(42,376,489)
Add : Profit / (Loss) for the period	(103,548)	(6,492,512)
Closing Balance	(48,972,549)	(48,869,001)

5 Long-term borrowings :

Particulars	As at	As at
Particulars	March 31, 2016	September 30, 2014
Interest free unsecured inter corporate loan from Holding Company		
Gammon Infrastructure Projects Limited	15,834,610	15,800,902
(Repayable on March 31, 2018)	15,834,610	15,800,902

GAMMON LOGISTICS LIMITED
CIN: U45309MH2007PLC171578
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016
(All amounts in Indian rupees unless otherwise stated)

6 Trade payables	As at	As at
Particulars	March 31, 2016	September 30, 2014
MSME	-	-
Others	4,401,479	4,400,302
Total trade payable	4,401,479	4,400,302

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.

7 Other current liabilities	As at	As at
Particulars	March 31, 2016	September 30, 2014
Dues to related parties		
Gammon Infrastructure Projects Ltd	1,430,302	1,400,333
Gammon Infrastructure Projects Ltd - Deposit for Directorship	100,000	-
Salaries payable	969,204	969,204
Statutory dues payable	1,093,453	1,099,327
Other liabilities	7,000	40,000
Total other current liabilities	3,599,959	3,508,864

8 Loans and advances :

Unsecured, considered good unless stated otherwise

Particulars	Non Current	
	As at	As at
	March 31, 2016	September 30, 2014
Advance income-tax, net of provision (A)	258,200	242,380
Advances receivable in cash or kind: (B)		
Considered good, from GIPL	-	-
Considered doubtful	244,604	244,604
Less Provision for doubtful advances	(244,604)	(244,604)
	-	-
Total loans and advances (A + B)	258,200	242,380

9 Trade receivables

Particulars	Non Current	
	As at	As at
	March 31, 2016	September 30, 2014
Unsecured, considered doubtful receivable for a period exceeding six months from the date they are due for payment	21,571,800	21,572,804
Less : Provision for doubtful debts	(21,571,800)	(21,572,804)
Total trade receivables	-	-

GAMMON LOGISTICS LIMITED
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016
(All amounts in Indian rupees unless otherwise stated)

10 Cash & cash equivalents	As at	As at
Particulars	March 31, 2016	September 30, 2014
Balances with banks :		
On current accounts	105,300	98,687
Cash on hand	-	-
Total cash and cash equivalents	105,300	98,687

11 Other income	Eighteen months	Nine months period
Particulars	period ended	ended
	31-Mar-16	30-Sep-14
Other income	-	1,500
Total Revenue from operations	-	1,500

12 Other expenses	Eighteen months	Nine months period
Particulars	period ended	ended
	March 31, 2016	September 30, 2014
Legal Expenses	76,555	1,750
Professional fees	16,255	8,355,418
Stamp Duty and Registration Fees/ROC fees	3,345	6,545
Bank Charges	393	300
Audit fees	7,000	30,000
Total other expenses	103,548	8,394,013

13 Earnings per share ('EPS')

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

Particulars	Eighteen months	Nine months period
	period ended	ended
	March 31, 2016	September 30, 2014
Profit after tax (PAT)	(103,548)	(6,492,513)
Outstanding equity shares at the end of the period	2,550,000	2,550,000
Weighted average number of equity shares in calculated EPS	2,550,000	2,550,000
Nominal value of equity shares	10	10
Basic EPS	(0.04)	(2.55)
Diluted EPS	(0.04)	(2.55)

14 Contingent liabilities

Particulars	Eighteen months	Nine months period
	period ended	ended
	March 31, 2016	September 30, 2014
Guarantees and counter guarantee outstanding	4,000,000	4,000,000
Claims against the Company not acknowledged as debt	18,020,588	18,020,588
	22,020,588	22,020,588

A winding up petition against the company has been filed by a creditor for recovery of Rs.14,140,343 from the company. The company is disputing the said amount and has recognised Rs.1,685,168 payable as there are claims and counter claims by both parties. Pending the final outcome of such proceeding, the claim from the creditor is disclosed as a contingent liability. The management is of the view that the same would be settled and does not expect any additional liabilities towards the same.

GAMMON LOGISTICS LIMITED
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016
(All amounts in Indian rupees unless otherwise stated)

- 15 In the opinion of the management, accounts receivables and Loans and advances have a realizable 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.

16 Segment reporting

As the company's business activities falls within a single primary business segment viz. Logistics Operations, and it operates in a single geographical segment i.e. India, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" issued by the Companies Accounting Standard Rules are not applicable.

17 Related party transactions

a) Names of the related parties and related party relationships

- | | |
|---|--------------------------|
| 1. Gammon India Limited | Ultimate holding company |
| 2. Gammon Infrastructure Projects Limited | Holding company |

b) Related party transactions

Transactions	Holding company
Inter Corporate Deposit Received : Gammon Infrastructure Projects Ltd	33,708 (13,993,800)
Refund of Inter Corporate Deposit : Gammon Infrastructure Projects Ltd	- -
Expenses incurred on behalf of the Company by Gammon Infrastructure Projects Ltd	56,109 (3,865,431)
Payments made for expenses incurred on our behalf by : Gammon Infrastructure Projects Ltd	26,140 (-)
Deposit received towards nomination of director Gammon Infrastructure Projects Ltd	100,000 (100,000)
Refund of deposit towards nomination of director Gammon Infrastructure Projects Ltd	- (100,000)
Outstanding balances payable : Gammon Infrastructure Projects Ltd	1,430,302 (1,400,333)
Outstanding loan balances payable : Gammon Infrastructure Projects Ltd	15,834,610 (15,800,902)
Outstanding balance payable to : Gammon Infrastructure Projects Ltd (for nomination of director)	100,000 (-)

(Previous period's figure in brackets)

- 18 The Company has discontinued its logistics operation and is taking steps to recover all its dues. While the management is exploring other business opportunities. Pending this, these accounts are not prepared on a Going Concern Basis. In the opinion of the Management, Current Assets, Loans & Advances have a realizable value atleast equal to its value stated in the Balance Sheet after considering provision made.

19 Previous period figures

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
Gammon Logistics Limited

Venkatesh S.Yadav
Partner
Membership No. : 156541

Director	Director
Mandar Vilas Gite	Raja Mukherjee
DIN No. 06651204	DIN No. 07008101

Place : Mumbai
Date : June 2, 2016