

## DIRECTORS' REPORT

To  
The Shareholders of  
**Gammon Renewable Energy Infrastructure Projects Limited**

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

### FINANCIAL HIGHLIGHTS

During the year the Company has incurred a loss of Rs. 19,686/- (Previous year loss of Rs.2,49,884/-) 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.5,00,000/-, divided into 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, 07/03/2015,06/04/2015,27/06/2015, 28/08/2015, 21/11/2015, 25/02/2016 and 28/03/2016 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. Mineel Madhukar Mali	9
Mr. Ajay Singh Mehrotra	8
Mr. Sanjay Chaudhary	6
Mr. Divya Jain	2

Mr. Kishor Kumar Mohanty, Mr. Divya Jain and Mr. Ajay Singh Mehrotra resigned on 06/11/2014, 06/04/2015 and 28/03/2016 respectively. Mr. Sanjay Chaudhary and Mr. Hemant Madansingh Chandel were appointed as Additional Directors on 06/04/2015 & 28/03/2016 respectively. They hold office up to the date of ensuing Annual General Meeting (AGM) and the Company has received notices from members along with requisite deposits proposing them for appointment as Directors of the Company at the AGM.

### **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. Mineel Madhukar Mali, Mr. Sanjay Chaudhary and Mr. Hemant Madansing Chandel.

### **KEY MANAGERIAL PERSONNEL**

The provisions with respect to appointment of any 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.13 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**

M/s. Venkatesh Rakesh & Co. Chartered Accountants (Firm Registration No.:137258W), had been appointed as the Statutory Auditors of the Company to hold office from the conclusion of Sixth Annual General Meeting till the conclusion of the Eleventh Annual General Meeting of the Company, subject to ratification of appointment by the members at every Annual General Meeting of the Company.

Your Board recommends the ratification of appointment of M/s. Venkatesh Rakesh & Co., Chartered Accounts as Statutory Auditors of the Company. The Company has obtained written consent and letter confirming eligibility from M/s. Venkatesh Rakesh & Co. Members are requested to ratify the appointment of 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 RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**

Mineel M Mali	Sanjay Chaudhary
Director	Director
DIN-06641595	DIN-05157682

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, 2015

[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)	U749990MH2009PLC194805
ii	Registration Date	10/08/2009
iii	Name of the Company	Gammon Renewable Energy Infrastructure Projects 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	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025
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	Roads, railways, utility projects	Main Activity group code – F NIC Code 42101	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	L45203MH2001PLC131 728	Holding Company	100	2(46)



a)Bodies Corp.	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50000	50000	100	-	50000	50000	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	50000	100	-	50000	100	-	00
	<b>Total</b>	<b>50000</b>	<b>100</b>	<b>-</b>	<b>50000</b>	<b>100</b>	<b>-</b>	<b>00</b>

**(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	50000	100	50000	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	50000	100	50000	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
	<b>For Each of the Top 10 Shareholders</b>				
	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.	For Each of the Directors and KMP	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
	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
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	51,120,000	-	51,120,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	51,120,000	-	51,120,000
Change in Indebtedness during the financial year	-	-	-	-
- Addition	-	-	-	-
- Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-

i)Principal Amount	-	51,120,000	-	51,120,000
ii)Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	51,120,000	-	51,120,000

## 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)
<b>A.COMPANY</b>					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
<b>B.DIRECTORS</b>					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

### FOR AND ON BEHALF OF THE BOARD GAMMON RENEWABLE ENERGYINFRASTRUCTURE PROJECTS LIMITED

**Sanjay Chaudhary**  
Director  
DIN-05157682

**Mineel M Mali**  
Director  
DIN-06641595

Place : Mumbai  
Date :02/06/2016

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of**

**Gammon Renewable Energy Infrastructure Projects Limited**

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

We have audited the accompanying financial statements of **Gammon Renewable Energy Infrastructure Projects 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 **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) 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 has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the assets have been physically verified by the management, at reasonable intervals during the year which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (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. 19,686/- during the current period as compared to Rs. 249,884/- in the previous period. The accumulated losses at beginning of the period was Rs. 15,27,643/-and at the end of current period is 15,47,329/-
- (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 RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
**(formerly known as Gammon Renewable Energy Infrastructure Limited)**  
**CIN No. U74990MH2009PLC194805**  
**BALANCE SHEET AS AT MARCH 31, 2016**

	Notes	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b><u>Equity and Liabilities</u></b>			
<b>Shareholders' funds</b>			
Share Capital	3	500,000	500,000
Reserves and Surplus	4	(1,547,329)	(1,527,643)
Money received against share warrants		-	-
		<b>(1,047,329)</b>	<b>(1,027,643)</b>
<b>Share application money pending allotment</b>		-	-
<b>Non - Current liabilities</b>			
Long - term borrowing	5	50,120,000	51,120,000
Deferred tax liability (Net)		-	-
Other Long term liabilities		-	-
Long - term provisions		-	-
		<b>50,120,000</b>	<b>51,120,000</b>
<b>Current Liabilities</b>			
Short-term borrowings		-	-
Trade payables		-	-
Other current liabilities	6	1,780,193	1,767,643
Short - term provisions		-	-
		<b>1,780,193</b>	<b>1,767,643</b>
<b>TOTAL</b>		<b>50,852,864</b>	<b>51,860,000</b>
<b><u>Assets</u></b>			
<b>Non current assets</b>			
Fixed assets			
Tangible assets	7	48,773,762	48,773,762
Intangible assets		-	-
Capital work-in-progress	8	1,736,761	1,736,761
Intangible assets under development		-	-
Non Current Investment	9	132,500	132,500
Deferred tax assets (Net)		-	-
Long-term loans and advances		-	-
Others non-current assets		-	-
		<b>50,643,023</b>	<b>50,643,023</b>
<b>Current assets</b>			
Current investments		-	-
Inventories		-	-
Trade Receivables		-	-
Cash and cash equivalents	10	209,841	1,216,977
Short-term loans and advances		-	-
Other current asset		-	-
		<b>209,841</b>	<b>1,216,977</b>
<b>TOTAL</b>		<b>50,852,864</b>	<b>51,860,000</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  
Gammon Renewable Energy Infrastructure Projects Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director  
Mineel M. Mali  
DIN No. 06641595

Director  
Sanjay Chaudhary  
DIN No. 05157682

Place: Mumbai  
Date : June 2, 2016

**GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
**(formerly known as Gammon Renewable Energy Infrastructure Limited)**  
**CIN No. U74990MH2009PLC194805**  
**STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**

	Notes	Eighteen months Year Ended March 31, 2016 Rupees	Nine months period ended September 30, 2014 Rupees
<b>Income</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total income (A)</b>		<u>-</u>	<u>-</u>
<b>Expenses</b>			
Operating and Maintenance Expenses		-	-
Personnel Expenses		-	-
Other Expenses	11	19,686	249,884
<b>Total Expenses (B)</b>		<u>19,686</u>	<u>249,884</u>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (A - B)</b>		(19,686)	(249,884)
Depreciation and amortisation		-	-
Finance costs (bank charges)		-	-
<b>Profit/(Loss) before tax</b>		<u>(19,686)</u>	<u>(249,884)</u>
Tax expenses			
Current Tax		-	-
Deferred Tax		-	-
<b>Total tax expense</b>		<u>-</u>	<u>-</u>
<b>Profit/(Loss) for the period</b>		<u>(19,686)</u>	<u>(249,884)</u>
<b>Earnings per equity share ('EPS')</b>			
Basic	12	(0.39)	(5.00)
Diluted		(0.39)	(5.00)
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

For and behalf of the Board of Directors of  
Gammon Renewable Energy Infrastructure Projects Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

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**GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
(formerly known as Gammon Renewable Energy Infrastructure Limited)  
CIN No. U74990MH2009PLC194805

**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>		
50,000 (previous period : 50,000) equity shares of Rs. 10/- each	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>
<b>Issued, subscribed and fully paid-up shares :</b>		
50,000 (previous period : 50,000) equity shares of Rs. 10/- each	500,000	500,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>500,000</b>	<b>500,000</b>

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

Name of the legal shareholder	As At March 31, 2016		As At September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
Gammon Infrastructure Projects Limited (GIPL), Holding Company	50,000	500,000	50,000	500,000
<b>Total</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

**b) Reconciliation of the number of equity 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	50,000	500,000	50,000	500,000
Alloted to promoter companies	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

**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 company/ultimate holding company and/or their subsidiaries/ associates and 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>				
Gammon Infrastructure Projects Limited	50,000	100.00%	50,000	100.00%

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	(1,527,643)	(1,277,759)
Add : Profit / (Loss) for the period	(19,686)	(249,884)
<b>Net deficit in the statement of profit and loss</b>	<b>(1,547,329)</b>	<b>(1,527,643)</b>
<b>Total Reserves and Surplus</b>	<b>(1,547,329)</b>	<b>(1,527,643)</b>

**5 Long term borrowings**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Unsecured loan</b>		
Interest free inter corporate deposit repayable on demand from GIPL*	25,120,000	51,120,000
Interest free inter corporate deposit repayable on demand from SHPVL*	25,000,000	
<b>Total long term borrowings</b>	<b>50,120,000</b>	<b>51,120,000</b>

\*Payable on March 31, 2018

**GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
(formerly known as Gammon Renewable Energy Infrastructure Limited)  
CIN No. U74990MH2009PLC194805

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

**6 Other Current Liabilities**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Other liabilities</b>		
Statutory dues	-	-
Other Liabilities	7,000	4,500
Dues to related parties:		
Gammon India Ltd	833	833
Gammon Infrastructure Projects Ltd	35,599	25,549
Satluj Renewable Energy Pvt Ltd	1,736,761	1,736,761
Deposit for directorship from GIPL	-	-
<b>Total other current liabilities</b>	<b>1,780,193</b>	<b>1,767,643</b>

**7 Tangible assets**

Particulars	As at March 31, 2016 (Rupees)	As at September 30, 2014 (Rupees)
<b>Land</b>		
<b>Cost or valuation</b>		
As at January 1, 2014	48,773,762	48,773,762
Additions	-	-
Sales/Disposals/Adjustments	-	-
<b>As at September 30, 2014</b>	<b>48,773,762</b>	<b>48,773,762</b>
Additions	-	-
Sales/Disposals/Adjustments	-	-
<b>As at March 31, 2016</b>	<b>48,773,762</b>	<b>48,773,762</b>
<b>Depreciation</b>		
As at January 1, 2014	-	-
Charge for the Period	-	-
Sales/Disposals/Adjustments	-	-
<b>As at September 30, 2014</b>	<b>-</b>	<b>-</b>
Charge for the Period	-	-
Sales/Disposals/Adjustments	-	-
<b>As at March 31, 2016</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>		
As at September 30, 2014	48,773,762	48,773,762
As at March 31, 2016	48,773,762	48,773,762

**8 Capital Work in Progress**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Opening Balance</b>	1,736,761	1,736,761
Add : Project Expenses	-	-
Add : Establishment Expenses	-	-
Add : Finance Costs	-	-
Less: capital work in progress written off	-	-
<b>Total capital work in progress</b>	<b>1,736,761</b>	<b>1,736,761</b>

**GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
(formerly known as Gammon Renewable Energy Infrastructure Limited)  
CIN No. U74990MH2009PLC194805

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

**9 Non Current Investments**

**Trade Investments (at cost)**

Unquoted Equity Instruments Investment in	Face Value	As At March 31, 2016		As At September 30, 2014	
		Numbers	Rupees	Numbers	Rupees
Dohan Renewable Energy Pvt Ltd	10	-	-	-	-
Ghaggar Renewable Energy Pvt Ltd	10	3,750	37,500	3,750	37,500
Indori Renewable Energy Pvt Ltd	10	-	-	-	-
Kasavati Renewable Energy Pvt Ltd	10	-	-	-	-
Markanda Renewable Energy Pvt Ltd	10	-	-	-	-
Satluj Renewable Energy Pvt Ltd	10	2,000	20,000	2,000	20,000
Sirsa Renewable Energy Pvt Ltd	10	-	-	-	-
Tangri Renewable Energy Pvt Ltd	10	3,750	37,500	3,750	37,500
Yamuna Renewable Energy Pvt Ltd	10	3,750	37,500	3,750	37,500
<b>Total</b>		<b>13,250</b>	<b>132,500</b>	<b>13,250</b>	<b>132,500</b>

**10 Cash and cash equivalents**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Balances with banks :</b>		
On Current Account	209,841	1,216,977
<b>Total cash and cash equivalents</b>	<b>209,841</b>	<b>1,216,977</b>

**11 Other expenses**

Particulars	Eighteen months Year Ended March 31, 2016 Rupees	Nine months period ended September 30, 2014 Rupees
Professional fees	4,750	500
Filing fees	7,254	5,898
Other miscellaneous expenses	-	-
Investments written off	-	187,500
Interest paid on ICD	-	-
Printing & stationery	-	2,470
Electricity charges	-	5,561
Travelling expenses	-	19,749
Security Expenses	-	23,150
Bank Charges	126	-
Payment to Auditor :		
as statutory auditor for audit fees	7,556	5,056
<b>Total other expenses</b>	<b>19,686</b>	<b>249,884</b>

**12 Earnings per Share (EPS)**

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

Particulars	Eighteen months Year Ended March 31, 2016 Rupees	Nine months period ended September 30, 2014 Rupees
Loss for the period	(19,686)	(249,884)
Outstanding equity shares at the end of the period	50,000	50,000
Weighted average number of equity shares in calculated EPS	50,000	50,000
Nominal value of equity shares (Rs. per share)	10	10
Basic EPS	(0.39)	(5.00)
Diluted EPS	(0.39)	(5.00)

**GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
**(formerly known as Gammon Renewable Energy Infrastructure Limited)**  
**CIN No. U74990MH2009PLC194805**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**

**13 Related party transactions**

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

**Related parties where control exists :**

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

**Fellow subsidiaries**

3. Satluj Renewable Energy Infrastructure Ltd
4. Sikkim Hydro Power Ventures Ltd
4. Yamuna Panchkula Highway Pvt. Ltd

**b) Related party transactions**

Transactions	Entities where control exists	Fellow subsidiaries
Expenses incurred on behalf of the Company by: Gammon Infrastructure Projects Ltd.	10,050 (25,949)	
Refund of Intercompany deposits taken from: Gammon Infrastructure Projects Ltd.	111,000,000 (-)	
Intercompany deposits taken from : Gammon Infrastructure Projects Ltd.	85,000,000 (-)	
Intercompany deposits taken from: Sikkim Hydro Power Ventures Ltd		25,000,000 (-)
Deposit for directorship taken from : Gammon Infrastructure Projects Ltd.	100,000 (-)	
Refund of directorship taken from : Gammon Infrastructure Projects Ltd.	100,000 (-)	
Outstanding Loan and interest balance payable : Sikkim Hydro Power Ventures Ltd		25,000,000 (-)
Gammon Infrastructure Projects Ltd.	25,120,000 (51,120,000)	
Outstanding balance payable : Gammon India Ltd.	833 (833)	
Gammon Infrastructure Projects Ltd.	35,599 (25,549)	
Satluj Renewable Energy Pvt. Ltd.		1,736,761 (1,736,761)

(Previous year's figure in brackets)

**14 Contingent Liabilities**

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

- 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**

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.

- 17** 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.

**18 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  
Gammon Renewable Energy Infrastructure Projects Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director Mineel M. Mali DIN No. 06641595	Director Sanjay Chaudhary DIN No. 05157682
--	--

Place: Mumbai  
Date : 02-Jun-16



**GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**  
(formerly known as Gammon Renewable Energy Infrastructure Limited)  
CIN No. U74990MH2009PLC194805  
**CASH FLOW STATEMENT FOR THE PERIOD FROM OCTOBER 1, 2014 TO MARCH 31, 2016**

	Period ended March 31, 2016 Rupees	Period ended September 30, 2014 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax	(19,686)	(249,884)
Adjustments for :		
Investments written off	-	187,500
	-	187,500
Operating profit before working capital changes	<b>(19,686)</b>	<b>(62,384)</b>
Movements in working capital :		
Increase/(decrease) in trade payables and other liabilities	12,550	25,549
Trade and Other Receivables	12,550	25,549
<b>Cash (used in) / generated from the operations</b>	<b>(7,136)</b>	<b>(36,835)</b>
Direct Taxes paid	-	-
<b>Net Cash (used in) / generated from the operations</b>	<b>(7,136)</b>	<b>(36,835)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of fixed assets, CWIP & capital advances	-	-
Payments towards purchase of non current investments	-	-
Payments towards share application money	-	-
Preliminary expenses	-	-
<b>Net Cash (used in)/from Investment activities</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from issuance of share capital	-	-
Repayment of share application money	-	-
Share application money received	-	-
Proceeds/Refund of long term borrowings (Net)	(1,000,000)	-
Interest Paid	-	(1,000,000)
<b>Net Cash (used in)/from financing activities</b>	<b>(1,000,000)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,007,136)</b>	<b>(36,835)</b>
Closing Balance of Cash and Cash Equivalents	209,841	1,216,977
Opening Balance of Cash and Cash Equivalents	1,216,977	1,253,812
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,007,136)</b>	<b>(36,835)</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and Cheques on hand		
With Banks :		
- On Current Account	209,841	1,216,977
- On Deposit Account	-	-
<b>Total Components of Cash and Cash Equivalents</b>	<b>209,841</b>	<b>1,216,977</b>
Less : Fixed Deposits with Banks above 90 days	-	-
	<b>209,841</b>	<b>1,216,977</b>

Note : Figures in brackets denote outflows.

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 on behalf of the Board of Directors of  
Gammon Renewable Energy Infrastructure Projects Limited

Venkatesh S.Yadav  
Partner  
Membership No. : 156541

Director  
Mineel M. Mali  
DIN No. 06641595

Director  
Sanjay Chaudhary  
DIN No. 05157682

Place: Mumbai  
Date : June 2, 2016

# **GAMMON RENEWABLE ENERGY INFRASTRUCTURE PROJECTS LIMITED**

**(formerly known as Gammon Renewable Energy Infrastructure Limited)**

**CIN No. U74990MH2009PLC194805**

## **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 Renewable Energy Infrastructure Limited (GREIL) (formerly known as Gammon Renewable Energy Infrastructure Limited) is incorporated under the Companies Act, 1956, on 5th August, 2009, as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) participation any infrastructure facilities in the power projects to generate, transmit, distribute electrical power and energy by use of biomass, bagasse, agro waste, coal, gas etc. or any other conventional and non-conventional sources of energy construct, lay down, establish, fix, operate and maintain all necessary dams, tunnels, reservoirs, turbines, reactors, boilers, generators, power stations etc. either directly or through any subsidiary or group company or on contractual basis and to assign, convey, transfer, lease, auction, sell, any right or income accruing or arising from such infrastructure projects undertaken by the Company.

### **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. Provision for tax**

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

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

**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.

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. 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.

**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. 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.

**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.

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