

## DIRECTORS' REPORT

To  
The Members,  
**Yamunanagar Panchkula Highway Private Limited**

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

<b>1.</b>	<b>PROJECT DETAILS</b>														
	<p>The Company had signed the Concession Agreement with National Highways Authority of India (“NHA”) for the project for design engineering, procurement, construction, operation and maintenance of a Four Laning of UP/ Haryana Border – Yamunanagar – Saha – Barwala – Panchkula section of NH-73 from km 71.640 to km 179.249 in the state of Haryana under NHDP Phase III on DBFOT (Toll) basis (“<b>Project</b>”). The Concession Period was for 22 years including construction period from the Appointed Date. Financial Closure for the Project was achieved with Bank of India underwriting a term loan upto Rs. 955 Crores.</p> <p>Due to non-fulfillment of Conditions Precedent on the part of NHA, a supplementary agreement was signed with NHA on 14<sup>th</sup> March 2014 for closure of implementation of the project.</p>														
<b>2.</b>	<b>FINANCIAL RESULTS / STATE OF AFFAIRS</b>														
	<p>During the Financial Year, the Company earned NIL income (Previous Year: Rs. 82,774/-). Net Loss for the Financial Year was Rs. 1,35,515/- (Previous Year: Net Loss Rs. 27,68,04,164/-). Loss after tax adjustments was Rs. 1,35,515/- (Previous Year: Loss after tax adjustments Rs. 27,68,04,164/-).</p>														
<b>3.</b>	<b>DIVIDEND / TRANSFER TO RESERVE(S)</b>														
	<p>On account of the losses incurred during the Financial Year, no dividend has been recommended for the Financial Year. No amounts have been transferred to any reserves.</p>														
<b>4.</b>	<b>SHARE CAPITAL</b>														
	<p>As at March 31, 2016, the Authorised Share Capital of the Company was Rs. 35,00,00,000/- divided into 3,50,00,000 equity shares of Rs. 10/- each and the paid up share capital was 19,05,00,000/- divided into 1,90,50,000 equity shares of Rs. 10/- each. During the Financial Year, the Company has not issued or allotted any shares nor has granted any stock option or sweat equity.</p>														
<b>5.</b>	<b>NUMBER OF MEETINGS OF THE BOARD</b>														
	<p>During the Financial Year, 9 (Nine) Board Meetings were duly held on 1<sup>st</sup> November 2014, 15<sup>th</sup> November 2014, 5<sup>th</sup> February 2015, 10<sup>th</sup> March 2015, 22<sup>nd</sup> June 2015, 27<sup>th</sup> August 2015, 29<sup>th</sup> October 2015, 10<sup>th</sup> February 2016 and 23<sup>rd</sup> March 2016. The intervening gap between the meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of Director(s)</th> <th style="text-align: center;">Board Meetings attended during Financial year</th> </tr> </thead> <tbody> <tr> <td>Mr. Mandar Gite</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Mr. Kuldip Daryani (appointed w. e. f. 23-03-2016)</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Mr. Hemant Chandel (appointed w. e. f. 23-03-2016)</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Mr. Subhrarabinda Birabar (resigned w. e. f. 10-03-2015)</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Mr. Mahesh Fogla (resigned w. e. f. 22-06-2015)</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Mr. Atulesh Chandra Sharma (appointed w. e. f. 10-03-2015 and resigned w. e. f. 23-03-2016)</td> <td style="text-align: center;">6</td> </tr> </tbody> </table>	Name of Director(s)	Board Meetings attended during Financial year	Mr. Mandar Gite	9	Mr. Kuldip Daryani (appointed w. e. f. 23-03-2016)	1	Mr. Hemant Chandel (appointed w. e. f. 23-03-2016)	1	Mr. Subhrarabinda Birabar (resigned w. e. f. 10-03-2015)	2	Mr. Mahesh Fogla (resigned w. e. f. 22-06-2015)	4	Mr. Atulesh Chandra Sharma (appointed w. e. f. 10-03-2015 and resigned w. e. f. 23-03-2016)	6
Name of Director(s)	Board Meetings attended during Financial year														
Mr. Mandar Gite	9														
Mr. Kuldip Daryani (appointed w. e. f. 23-03-2016)	1														
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	Mr. Nikhil Shah (appointed w. e. f. 22-06-2015 and resigned w. e. f. 23-03-2016)	5
<b>6.</b>	<b>CHANGE IN THE NATURE OF BUSINESS</b>	
	There has been no change in the nature of business during the Financial Year.	
<b>7.</b>	<b>SUBSIDIARIES / ASSOCIATES / JOINT VENTURES</b>	
	The Company does not have any subsidiary / associate or Joint Venture.	
<b>8.</b>	<b>EXTRACT OF ANNUAL RETURN</b>	
	The details forming part of the extracts of Annual Return in <b>Form MGT-9</b> as per Section 92 of the Companies Act, 2013 is annexed herewith as <b>Annexure 'A'</b> .	
<b>9.</b>	<b>BOARD OF DIRECTORS AND COMMITTEES</b>	
	<p><b><u>DIRECTORS:</u></b>  Mr. Kuldip Daryani and Mr. Hemant Chandel were appointed as additional directors w. e. f. 23<sup>rd</sup> March 2016. They shall hold office as such up to the date of ensuing Annual General Meeting (“AGM”). The Company has received notices from a member of the Company with the requisite deposit proposing to appoint them as Directors at the forthcoming AGM of the Company.</p> <p>Mr. Atulesh Chandra Sharma was appointed as a director in casual vacancy caused due to resignation of Mr. Subhrarabinda Birabar w. e. f. 10<sup>th</sup> March 2015. Mr. Mahesh Fogla resigned as a Director w. e. f. 22<sup>nd</sup> June 2015. Mr. Nikhil Shah was appointed as an additional director w. e. f. 22<sup>nd</sup> June 2015 and resigned as such w. e. f. 23<sup>rd</sup> March 2016.</p> <p>In accordance with the provisions of the Companies Act, 2013, Mr. Mandar Gite retires by rotation at the next Annual General Meeting and has offered himself for re-appointment.</p> <p>Presently, the Board of Directors comprises of Mr. Mandar Gite, Mr. Kuldip Daryani and Mr. Hemant Chandel.</p> <p><b><u>AUDIT COMMITTEE:</u></b>  The Members of the Audit Committee are:</p> <ol style="list-style-type: none"> <li>(a) Mr. Mandar Gite – Chairman</li> <li>(b) #Mr. Hemant Chandel</li> <li>(c) #Mr. Kuldip Daryani</li> <li>(d) *Mr. Subhrarabinda Birabar</li> <li>(e) **Mr. Mahesh Fogla</li> <li>(f) ***Mr. Atulesh Chandra Sharma</li> <li>(g) ****Mr. Nikhil Shah</li> </ol> <p>#Joined the Committee as members of the w. e. f. 23<sup>rd</sup> March 2016  *Ceased to be a member w. e. f. 10<sup>th</sup> March 2015  **Ceased to be a member w. e. f. 22<sup>nd</sup> June 2015  ***Joined the Committee as a member w. e. f. 10<sup>th</sup> March 2015 and ceased to be a member w. e. f. 23<sup>rd</sup> March 2016  ****Joined the Committee as a member w. e. f. 22<sup>nd</sup> June 2015 and ceased to be a member w. e. f. 23<sup>rd</sup> March 2016</p> <p>A Meeting of the Committee was convened on 15<sup>th</sup> November 2014. The Meeting was attended by Mr. Mahesh Fogla and Mr. Subhrarabinda Birabar and was chaired by Mr. Mandar Gite as the Chairman of the Meeting.</p> <p>The Audit Committee of the Board oversees and reviews the financial reporting system and disclosures in financial results. This Committee reviews the adequacy of internal audit procedures,</p>	

	<p>systems and quality of audits, recommends the appointment of statutory auditors and discusses with them the internal control system.</p> <p>The Company has not been able to appoint Independent Directors and constitute Board Committees like Nomination and Remuneration Committee. No formal annual evaluation was made by the Board of its own performance and that of its committees and individual directors. Remuneration Policy for directors, KMPs and other employees including criteria for determining qualifications, positive attributes and independence of a director are yet to be formulated.</p>
<b>10.</b>	<b>KEY MANAGERIAL PERSONNEL</b>
	The Company has not appointed any key managerial personnel pursuant to the provisions of Section 203 of the Companies Act, 2013.
<b>11.</b>	<b>DEPOSITS</b>
	The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.
<b>12.</b>	<b>PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY</b>
	The Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies Act, 2013.
<b>13.</b>	<b>RELATED PARTY TRANSACTIONS</b>
	The Company has not made any related party transactions covered under the provisions of section 188 of the Companies Act, 2013 hence prescribed <b>Form AOC-2</b> is not applicable.
<b>14.</b>	<b>SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS</b>
	There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
<b>15.</b>	<b>DIRECTORS' RESPONSIBILITY STATEMENT</b>
	Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:
	a. in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
	b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for that period;
	c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
	d. the Directors had prepared the annual accounts on a going concern basis; and
	e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
<b>16.</b>	<b>PARTICULARS OF EMPLOYEES</b>
	There are no particulars to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
<b>17.</b>	<b>STATUTORY AUDITOR &amp; INDEPENDENT AUDITOR'S REPORT</b>
	<b>STATUTORY AUDITORS:</b> At the 3 <sup>rd</sup> AGM of the Company, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No.: 106971W) had been appointed as the statutory auditors of the Company until the conclusion of the next AGM of the Company under transition period permitted under the

	<p>Companies Act, 2013 (the “Act”). At the ensuing 4th AGM, they are liable to retire and, being eligible, have given their consent and eligibility certificate in prescribed manner, are proposed to be appointed as Auditors until the conclusion of the next AGM under transition period of three years permitted under the Act. The members are requested to appoint the statutory auditors and fix their remuneration.</p> <p><b><u>INDEPENDENT AUDITOR’S REPORT:</u></b> The Auditors have made a qualified opinion in their Report, which reads as below:</p> <p>“The Company had initiated correspondence with NHAI requesting for amicable closure of the project on mutually acceptable terms on account of NHAI’s inability to fulfill conditions precedent due to non-availability of Right of Way to the site and non-receipt of Environment and Forest Clearances. The Company had expended a sum of Rs. 272,062,186 in the previous periods towards intangible asset under development, which was charged to the statement of profit and loss in the period ended September 30, 2014. The management has no business plans for future and the Company has not identified conditions that express the Company’s ability to continue as a going concern. Hence, these financial statements of the Company are not ascertained on a liquidation principle.”</p> <p><b><u>MANAGEMENT EXPLANATION:</u></b> Although final closure of implementation of the concession pact with the NHAI had been made through a Supplementary Agreement signed with the NHAI on 14<sup>th</sup> March 2014, the Company has nominal movable tangible assets in working condition and further to recover certain advances given which the management considers good and recoverable. Management has to continue activities until these assets are realized. Management is also exploring alternative possibility for revival of any activity in the Company.</p>
<b>18.</b>	<b>CORPORATE SOCIAL RESPONSIBILITY (CSR)</b>
	CSR related provisions of the Companies Act, 2013 do not apply to the Company as the Company does not meet turnover or net worth criteria prescribed in this regard.
<b>19.</b>	<b>DISCLOSURE ON WOMEN AT WORKPLACE</b>
	As the Company does not have any women employees on its payrolls, the Company was not required to formulate any policy on prevention of sexual harassment at workplace.
<b>20.</b>	<b>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO</b>
	<p><b>(A) Conservation of energy-</b></p> <p>(i) the steps taken or impact on conservation of energy: Not Applicable</p> <p>(ii) the steps taken by the company for utilising alternate sources of energy: Not Applicable</p> <p>(iii) the capital investment on energy conservation equipment’s: Not Applicable</p> <p><b>(B) Technology absorption-</b></p> <p>(i) the efforts made towards technology absorption: Not Applicable</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable</p> <p>(a) the details of technology imported: Not Applicable</p> <p>(b) the year of import: Not Applicable</p>

	<p>(c) whether the technology been fully absorbed: Not Applicable  (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable</p> <p>(iv) the expenditure incurred on Research and Development: Nil.</p> <p>Foreign Exchange earned in terms of actual inflows during the year: NIL  Foreign Exchange outgo during the year in terms of actual outflows: NIL</p>
<b>21.</b>	<b>MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT</b>
	No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.
<b>22.</b>	<b>RISK MANAGEMENT POLICY</b>
	The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like market related, Government policy related matters that may threaten the existence of the Company.
<b>23.</b>	<b>ACKNOWLEDGEMENT</b>
	The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers and Customers for their continuous support to the Company.

**FOR AND ON BEHALF OF THE BOARD OF  
YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**

\_\_\_\_\_  
Mandar Gite  
DIN: 06651204

\_\_\_\_\_  
Kuldip Daryani  
DIN: 06790262

Place: Mumbai  
Date: 27<sup>th</sup> May 2016

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

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U74999DL2012PTC234340
ii	Registration Date	April 13, 2012
iii	Name of the Company	Yamunanagar Panchkula Highway Private Limited
iv	Category / Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	Second Floor, Plot No. 360, Block – B, Sector 19, Dwarka, New Delhi – 110075 Tel. no.: 011 - 28041516
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

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

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

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01-Oct-2014)				No. of Shares held at the end of the year (31-Mar-2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	19049998	2	19050000	100.00	19049998	2	19050000	100.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>19049998</b>	<b>2</b>	<b>19050000</b>	<b>100.00</b>	<b>19049998</b>	<b>2</b>	<b>19050000</b>	<b>100.00</b>	<b>0.00</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>19049998</b>	<b>2</b>	<b>19050000</b>	<b>100.00</b>	<b>19049998</b>	<b>2</b>	<b>19050000</b>	<b>100.00</b>	<b>0.00</b>

<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00	
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00	
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00	
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00	
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00	
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00	
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Grand Total (A+B+C)</b>	<b>19049998</b>	<b>2</b>	<b>19050000</b>	<b>100.00</b>	<b>19049998</b>	<b>2</b>	<b>19050000</b>	<b>100.00</b>	<b>0.00</b>	



(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01-Oct-2014)			Shareholding at the end of the year (31-Mar-2016)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Gammon Infrastructure Projects Limited	19,050,000	100.00	0.00	19,050,000	100.00	0.00	0.00
	<b>Total</b>	<b>19,050,000</b>	<b>100.00</b>		<b>19,050,000</b>	<b>100.00</b>		

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

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

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

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

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

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

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year (01-Oct-2014)</b>				
i) Principal Amount	0	91,445,926	0	91,445,926
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>91,445,926</b>	<b>0</b>	<b>91,445,926</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	107,500	0	107,500
Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>107,500</b>	<b>0</b>	<b>107,500</b>
<b>Indebtedness at the end of the financial year (31-Mar-2016)</b>				
i) Principal Amount	0	91,553,426	0	91,553,426
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>91,553,426</b>	<b>0</b>	<b>91,553,426</b>

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

**B. Remuneration to other directors:**

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

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

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

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

NIL

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

**For and on behalf of the Board of Directors of  
Yamunanagar Panchkula Highway Private Limited**

Name: Mandar Gite  
Designation: Director  
DIN: 06651204

Name: Kulldip Daryani  
Designation: Director  
DIN: 06790262

Place: Mumbai

Date: 27-May-2016

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Yamunanagar Panchkula Highway Private Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Yamunanagar Panchkula Highway Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period from October 01, 2014 to March 31, 2016 ("period"), 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 standalone 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 thereunder. 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

### **Basis for Qualified Opinion**

*The Company had initiated correspondence with NHAI requesting for amicable closure of the project on mutually acceptable terms on account of NHAI's inability to fulfil conditions precedent due to non-availability of Right to Way to the site and non-receipt of Environment and Forest clearances. The Company had expended a sum of Rs. 272,062,186 in the previous periods towards intangible asset under development, which was charged to the statement of profit and loss in the period ended September 30, 2014. The management has no business plans for future and the Company has not identified conditions that express the company's ability to continue as a going concern. Hence, these financial statements cannot be said to be prepared on a going concern basis. The assets and liabilities of the Company are not ascertained on a liquidation principle.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and except for the possible effects of the matter specified in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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 and its cash flows for the period 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.
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 purposes of our audit;
  - (b) In our opinion, except for the possible effects arising out of the matters mentioned in our basis of qualified opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) Except for possible effects of the matter specified in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid standalone 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) The matters mentioned in the basis for qualified opinion relating to the going concern principle has an adverse effect on the functioning of the Company.
- (f) 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
- (g) The matters mentioned in the basis for qualified opinion relating to the going concern principle has an adverse effect on the maintenance of the records of the Company in as much as the assets and liabilities are not measured on a liquidation basis.
- (h) 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 has no pending litigations that will impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration no.106971W

Ruchi Tamhankar  
Partner  
Membership No. 136667

Mumbai, Dated: May 27, 2016



## **ANNEXURE TO AUDITOR'S REPORT**

- i) The Company does not have any fixed assets and hence clause 3(i)(a) and 3(i)(b) of the Companies (Auditor's Report) Order 2015 are not applicable.
- ii) The company does not have any inventory and hence clause 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Companies (Auditor's Report) Order 2015 are not applicable.
- iii) The Company has not granted any fresh interest free loan to parties covered in the register maintained u/s 189 of the Companies Act, 2013. The loans already granted are not due for recovery presently and therefore there is no default in its recovery and there is no overdue.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of services..The Company did not have any transactions of purchase of goods and fixed assets and sale of goods or services..During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed thereunder. Therefore, clause 3(v) of the Companies (Auditors Report) Order 2015 is not applicable to the Company. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- vi) According to the information and explanation given to us, the Company is not required to maintain the cost records prescribed u/s 148(1) of the Companies Act, 2013 and hence clause 3(vi) of the Companies (Auditors' Report) Order 2015 is not applicable.
- vii)
  - a) The Company has been generally regular in depositing undisputed statutory dues with the appropriate authorities during the period. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
  - b) There are no disputed amounts that are required to be deposited with the relevant authorities.
  - c) No Amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 2013 and Rules made thereunder.
- viii) The Company has not completed five years since registration and hence clause 3(viii) of the Companies (Auditors Report) Order 2015 is not applicable to the Company.

- ix) According to the information and explanations given to us and based on the documents and records produced to us, the company has not obtained any loans from Financial Institutions or Banks. The company has also not raised any funds by way of debentures. Hence clause 3(ix) of the Companies (Auditors Report) Order 2015 is not applicable.
- x) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution and hence clause 3(x) of Companies (Auditors Report) Order 2015 is not applicable.
- xi) The company did not take any term loans during the period and hence clause 3(xi) of Companies (Auditors Report) Order 2015 is not applicable.
- xii) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the period.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration no.106971W

Ruchi Tamhankar  
Partner  
Membership No. 136667  
Mumbai, Dated: May 27, 2016

**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**

CIN: U74999DL2012PTC234340

**BALANCE SHEET AS AT MARCH 31, 2016**

(All amounts in Indian Rupees unless otherwise stated)

<b>Particulars</b>	<b>Notes</b>	<b>As at 31-Mar-16</b>	<b>As at 30-Sep-14</b>
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	190,500,000	190,500,000
Reserves and surplus	4	<u>(279,784,894)</u>	<u>(279,649,379)</u>
		<b>(89,284,894)</b>	<b>(89,149,379)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	91,553,426	91,445,926
Long-term provisions	6	<u>-</u>	<u>-</u>
		<b>91,553,426</b>	<b>91,445,926</b>
<b>Current liabilities</b>			
Trade payables	7		
- Total outstanding dues of MSME		-	-
- Total outstanding dues of creditors other than MSME		77,408	20,000
Other current liabilities	8	73,361	524,691
Short-term provisions	6	<u>-</u>	<u>507,553</u>
		<b>150,769</b>	<b>1,052,244</b>
<b>Total</b>		<b><u>2,419,301</u></b>	<b><u>3,348,791</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	-	-
Intangible assets under development	10	-	-
Long term loans and advances	11	<u>1,877,255</u>	<u>-</u>
		<b>1,877,255</b>	<b>-</b>
<b>Current assets</b>			
Short-term loans and advances	11	-	1,877,255
Cash and cash equivalents	12	210,471	1,139,961
Other Current Assets	13	<u>331,575</u>	<u>331,575</u>
		<b>542,046</b>	<b>3,348,791</b>
<b>Total</b>		<b><u>2,419,301</u></b>	<b><u>3,348,791</u></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 Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and behalf of the Board of Directors of  
Yamunanagar Panchkula Highway Private Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

Mandar Gite  
Director  
DIN: 06651204

Kuldeep Daryani  
Director  
DIN:06790262

Place: Mumbai

Date : May 27, 2016

**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**  
**CIN: U74999DL2012PTC234340**  
**STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**  
(All amounts in Indian Rupees unless otherwise stated)

<b>Particulars</b>	<b>Notes</b>	<b>Eighteen months period ended 31-Mar-16</b>	<b>Nine months period ended 30-Sep-14</b>
<b>Income</b>			
Revenue from operations		-	-
Other income	14	-	82,774
<b>Total income (A)</b>		<b>-</b>	<b>82,774</b>
<b>Expenses</b>			
Personnel expenses	15	-	2,700,653
Other expenses	16	135,155	2,102,733
<b>Total expenses (B)</b>		<b>135,155</b>	<b>4,803,386</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (A - B)</b>		<b>(135,155)</b>	<b>(4,720,612)</b>
Depreciation and amortisation	9	-	9,564
Finance costs	17	360	11,802
<b>Profit/(loss) before tax and exceptional items</b>		<b>(135,515)</b>	<b>(4,741,978)</b>
Exceptional item (refer note 10a)		-	272,062,186
<b>Profit/(loss) before tax</b>		<b>(135,515)</b>	<b>(276,804,164)</b>
Tax expenses			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the period</b>		<b>(135,515)</b>	<b>(276,804,164)</b>
<b>Earnings per equity share ('EPS')</b>			
Basic	18	<b>(0.01)</b>	<b>(14.53)</b>
Diluted		<b>(0.01)</b>	<b>(14.53)</b>
(Nominal value of shares Rs. 10 each)			
Summary of significant accounting policies	2.1		

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

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and behalf of the Board of Directors of  
Yamunanagar Panchkula Highway Private Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

Mandar Gite  
Director  
DIN: 06651204

Kuldeep Daryani  
Director  
DIN:06790262

Place: Mumbai  
Date : May 27, 2016

**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**  
**CIN: U74999DL2012PTC234340**  
**CASH FLOW STATEMENT 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
<b>A. Cash flow from operating activities:</b>		
Net profit before tax and extraordinary items	(135,515)	(276,804,164)
Adjustments for :		
Depreciation	-	9,564
Provision written off	500	272,062,186
Interest expenses	-	11,802
	<u>500</u>	<u>272,083,552</u>
Operating profit before working capital changes	(135,015)	(4,720,612)
Adjustments for :		
Increase/(decrease) in trade payables and other liabilities	(901,975)	(177,120)
Decrease / (increase) in trade and other receivables	-	-
	<u>(901,975)</u>	<u>(177,120)</u>
<b>Cash flow before extraordinary items</b>	<b>(1,036,990)</b>	<b>(4,897,732)</b>
Advance Tax paid	-	-
<b>Net cash from operating activities</b>	<b>(1,036,990)</b>	<b>(4,897,732)</b>
<b>B. Cash flow from investment activities:</b>		
Proceeds from maturity of fixed deposits with banks	-	600,000
Receipt of capital advances	-	100,075,400
Sale of Fixed Assets	-	331,575
Payments for intangible assets under development & capital advances	-	25,525,244
	<u>-</u>	<u>25,525,244</u>
<b>Net cash used in investment activities</b>	<b>-</b>	<b>126,532,219</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from loans taken	107,500	-
Repayment of loans taken	-	(124,963,354)
Interest paid	-	(11,802)
	<u>107,500</u>	<u>(124,975,156)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(929,490)</b>	<b>(3,340,669)</b>
Closing Balance	210,471	1,139,961
Opening Balance	1,139,961	4,480,630
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(929,490)</b>	<b>(3,340,669)</b>
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	-	-
With banks :		
- On current account	210,471	1,139,961
	<u>210,471</u>	<u>1,139,961</u>

*Note : Figures in brackets denote outflows.*

Summary of significant accounting policies

2.1

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

As per our report attached of even date.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and on behalf of the Board of Directors of  
Yamunanagar Panchkula Highway Private Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

Mandar Gite  
Director  
DIN: 06651204

Kuldeep Daryani  
Director  
DIN:06790262

Place: Mumbai  
Date : May 27, 2016

**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**  
**CIN: U74999DL2012PTC234340**

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

**1 Corporate profile**

Yamunanagar Panchkula Highway Private Limited is incorporated under the Companies Act, 1956, on April 13, 2012, as a subsidiary of Gammon Infrastructure Projects Limited to undertake and carry on the business of Four laning of UP/Haryana border –Yamunanagar-Saha-Barwala-Panchkula section of NH-73 from km. 71.640 to km. 179.249 on Design, Build, Finance, Operate and Transfer basis under NHDP-III in the State of Haryana. The company has requested NHAI for amicable closure of the project.

**2 Basis of preparation**

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

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

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

**2.1 Summary of significant accounting policies**

**a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, 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. Tangible assets**

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

**Depreciation on tangible assets**

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

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

**Intangible assets**

Intangible asset comprises entirely the cost of 'Project Asset' being developed by the Company to be operated on a BOT basis as described in note 1.

Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include direct costs of development of the project asset and costs incidental and related to the development activity. Costs incidental to the development activity, including financing costs on borrowings attributable to development of the project asset, are capitalised to the project asset till the date of completion of development.

**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**  
**CIN: U74999DL2012PTC234340**

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

**Amortisation of intangible assets**

Amortisation of the project asset is provided over the period of the BOT contract.

**c. 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.

**d. Impairment**

The carrying amounts of assets 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, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**e. Provisions**

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 disclosed in financial statements.

**f. Provision for taxes**

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

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

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

**g. 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.

**h. Cash and cash equivalents**

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

**i. Employee Benefits**

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year when the contributions are due.



**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**  
**CIN: U74999DL2012PTC234340**

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

Gratuity liability, a defined benefit obligation, is provided for on the basis of, an actuarial valuation on projected unit credit method, made at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

**j. Contingent Liability**

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

**k. 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.

**YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED**

CIN: U74999DL2012PTC234340

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(All amounts in Indian Rupees unless otherwise stated)

<b>3 Share capital</b>		<b>As at</b>		<b>As at</b>		
<b>Particulars</b>		<b>31-Mar-16</b>		<b>30-Sep-14</b>		
<b>Authorised shares :</b>						
35,000,000 equity shares of Rs. 10/- each			350,000,000		350,000,000	
<b>Total</b>			<u>350,000,000</u>		<u>350,000,000</u>	
<b>Issued, subscribed and fully paid-up shares :</b>						
19,050,000 equity shares of Rs. 10/- each			190,500,000		190,500,000	
			<u>190,500,000</u>		<u>190,500,000</u>	
<b>a) Shares held by holding company and/or their subsidiaries:</b>		<b>As at</b>		<b>As at</b>		
		<b>31-Mar-16</b>		<b>30-Sep-14</b>		
<b>Name of the legal shareholder</b>	<b>Numbers</b>	<b>Rupees</b>	<b>Numbers</b>	<b>Rupees</b>		
Gammon Infrastructure Projects Limited	19,050,000	190,500,000	19,050,000	190,500,000		
<b>Total</b>	<u>19,050,000</u>	<u>190,500,000</u>	<u>19,050,000</u>	<u>190,500,000</u>		
<b>b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period :</b>		<b>As at</b>		<b>As at</b>		
		<b>31-Mar-16</b>		<b>30-Sep-14</b>		
<b>Particulars</b>	<b>Numbers</b>	<b>Rupees</b>	<b>Numbers</b>	<b>Rupees</b>		
At the beginning of the period	19,050,000	190,500,000	19,050,000	190,500,000		
Alloted during the year	-	-	-	-		
<b>Outstanding at the end of the period</b>	<u>19,050,000</u>	<u>190,500,000</u>	<u>19,050,000</u>	<u>190,500,000</u>		
<b>c) Terms/rights attached to equity shares</b>						
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.						
<b>d) Shares held by holding company and/or their subsidiaries/ associates and details of shareholders holding more than 5% shares in the Company</b>		<b>As at</b>		<b>As at</b>		
		<b>31-Mar-16</b>		<b>30-Sep-14</b>		
<b>Shareholders holding more than 5% shares in the Company</b>	<b>Numbers</b>	<b>% of holding</b>	<b>Numbers</b>	<b>% of holding</b>		
Equity shares of Rs 10 each fully paid up	19,050,000	100%	19,050,000	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.						
<b>4 Reserves and surplus :</b>			<b>As at</b>		<b>As at</b>	
<b>Particulars</b>			<b>31-Mar-16</b>		<b>30-Sep-14</b>	
<b>Surplus in the statement of Profit and Loss</b>						
Balance at the beginning of the period				(279,649,379)	(2,845,215)	
Add : Profit /(loss) for the period				(135,515)	(276,804,164)	
Balance at the end of the period				<u>(279,784,894)</u>	<u>(279,649,379)</u>	
<b>Total reserves and surplus</b>				<u>(279,784,894)</u>	<u>(279,649,379)</u>	
<b>5 Long - term borrowing :</b>			<b>As at</b>		<b>As at</b>	
<b>Particulars</b>			<b>31-Mar-16</b>		<b>30-Sep-14</b>	
<b>Unsecured loan from related party</b>						
Interest free unsecured Inter-corporate loan from GIPL (Repayment is due on March 31, 2018)				91,553,426	91,445,926	
<b>Total long term borrowings</b>				<u>91,553,426</u>	<u>91,445,926</u>	
<b>6 Provisions :</b>		<b>As at</b>		<b>As at</b>		
		<b>31-Mar-16</b>		<b>30-Sep-14</b>		
<b>Particulars</b>	<b>Non- current</b>	<b>Current</b>	<b>Non- current</b>	<b>Current</b>		
Provision for leave encashment	-	-	-	507,553		
Provision for gratuity	-	-	-	-		
<b>Total provisions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,553</u>		

## YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED

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(All amounts in Indian Rupees unless otherwise stated)

7 Trade payables	As at	As at
Particulars	31-Mar-16	30-Sep-14
Trade payables		
- Total outstanding dues of MSME	-	-
- Total outstanding dues of creditors other than MSME	77,408	20,000
<b>Total trade payables</b>	<b>77,408</b>	<b>20,000</b>

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.

8 Other liabilities	As at	As at
Particulars	31-Mar-16	30-Sep-14
Other liabilities	-	396,558
Statutory dues		116,575
Dues to related party - GIPL	73,361	11,558
<b>Total other liabilities</b>	<b>73,361</b>	<b>524,691</b>

9 Tangible assets	Office	Furniture	Computers	Total
Particulars	equipments	and fixtures		
<b>Cost or valuation</b>				
As at January 1, 2014	57,830	180,985	151,665	390,480
Additions	-	-	-	-
Sales / Disposals	57,830	180,985	151,665	390,480
As at September 30, 2014	-	-	-	-
Additions	-	-	-	-
Sales / Disposals	-	-	-	-
As at March 31, 2016	-	-	-	-
<b>Depreciation</b>				
As at January 1, 2014	3,395	14,973	30,973	49,341
Charge for the period	677	2,825	6,062	9,564
Sales / Disposals	4,072	17,798	37,035	58,905
As at September 30, 2014	-	-	-	-
Charge for the period	-	-	-	-
Sales / Disposals	-	-	-	-
As at March 31, 2016	-	-	-	-
<b>Net Block</b>				
As at September 30, 2014	-	-	-	-
As at March 31, 2016	-	-	-	-

10 Intangible assets under development	As at	As at
Particulars	31-Mar-16	30-Sep-14
Developer fees	-	189,790,532
Depreciation	-	49,341
NHAI Concession Fees	-	1
Administrative expenses		
Professional fees	-	4,132,446
Insurance expense	-	1,581,467
Others	-	3,445,085
Finance cost	-	60,941,137
Personnel cost	-	12,122,177
Less: Intangible asset under development written off (refer note 10 (a))	-	(272,062,186)
<b>Total intangible assets under development</b>	<b>-</b>	<b>-</b>

**Note:**

In the past, the Company had initiated correspondence with National Highways Authority of India ('NHAI') requesting for amicable closure of its project on mutually acceptable terms on account of NHAI's inability to fulfil conditions precedent due to non-availability of Right of Way to the site / non-receipt of Environment and Forest Clearances. The Company had expended a sum of Rs. 272,062,186 in the previous periods towards intangible asset under development which was charged to the statement of profit and loss in the period ended September 30, 2014 as exceptional item.

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(All amounts in Indian Rupees unless otherwise stated)

11 Loans and advances (Unsecured, considered good)	Non Current As at 31-Mar-16	Current As at 31-Mar-16	Non Current As at 30-Sep-14	Current As at 30-Sep-14
Particulars				
Others advance	1,877,255	-	-	1,877,255
<b>Total Loans and Advances</b>	<b>1,877,255</b>	<b>-</b>	<b>-</b>	<b>1,877,255</b>
			As at	As at
12 Cash & cash equivalents			31-Mar-16	30-Sep-14
Particulars				
<b>Balances with schedule banks :</b>				
Bank balance			210,471	1,139,961
<b>Total cash and cash equivalents</b>			<b>210,471</b>	<b>1,139,961</b>
			As at	As at
13 Other Current Assets			31-Mar-16	30-Sep-14
Particulars				
<b>Due from related party</b>				
Sidhi Singrauli Road Project Limited			331,575	331,575
<b>Total cash and cash equivalents</b>			<b>331,575</b>	<b>331,575</b>
			Eighteen months period ended	Nine months period ended
14 Other income			31-Mar-16	30-Sep-14
Particulars				
Interest income on fixed deposits with banks			-	9,048
Provision no longer required written back			-	73,726
<b>Total other income</b>			<b>-</b>	<b>82,774</b>
			Eighteen months period ended	Nine months period ended
15 Personnel expenses			31-Mar-16	30-Sep-14
Particulars				
Salary and wages			-	2,595,229
Staff welfare			-	-
Gratuity and Leave encashment			-	105,424
<b>Total personnel expenses</b>			<b>-</b>	<b>2,700,653</b>
			Eighteen months period ended	Nine months period ended
16 Other expenses			31-Mar-16	30-Sep-14
Particulars				
Filing fees			13,204	4,146
Administration expenses			473	621,500
Professional fees			98,506	1,399,964
Payment to Auditor :				
as statutory auditor for audit fees			22,472	20,100
Provision written off			500	
Other expenses			-	57,023
<b>Total other expenses</b>			<b>135,155</b>	<b>2,102,733</b>
			Eighteen months period ended	Nine months period ended
17 Finance Cost			31-Mar-16	30-Sep-14
Particulars				
Finance Cost			-	11,802
Interest on Late Deposit of TDS			360	-
			<b>360</b>	<b>11,802</b>
			Eighteen months period ended	Nine months period ended
18 Earnings per Share (EPS)			31-Mar-16	30-Sep-14
Particulars				
The following reflects the profit and equity share data used in the basic and diluted EPS computation.				
Profit after tax (PAT)			(135,515)	(276,804,164)
Weighted average number of equity shares in calculated EPS			19,050,000	19,050,000
Weighted average number of equity shares for diluted EPS			19,050,000	19,050,000
Nominal value of equity shares (Rs. per share)			10	10
Basic EPS			<b>(0.01)</b>	<b>(14.53)</b>
Diluted EPS			<b>(0.01)</b>	<b>(14.53)</b>

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 (All amounts in Indian Rupees unless otherwise stated)

**19 Related party transactions**

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

**Related parties where control exists and where transactions have taken place:**

- 1 Gammon Infrastructure Projects Ltd. - holding Company
- 2 Sidhi Singrauli Road Project Limited - Fellow subsidiary

**b) Related party transactions**

Transactions	Holding Company	Fellow subsidiary	Total
Inter-corporate deposits taken from	107,500 (1,631,200)		107,500 (1,631,200)
Repayment of Inter-corporate deposits taken from	- (126,094,554)		- (126,094,554)
Sale of Fixed assets to		- (331,575)	- (331,575)
Expenses incurred on behalf of the Company by	184,488 (593,851)		184,488 (593,851)
Expenses incurred for Directorship fees on behalf of the Company by	100,000 -		100,000 -
Refund of expenses incurred for Directorship fees on behalf of the Company by	100,000 -		100,000 -
Repayment of expenses incurred on behalf of the Company by	122,685 (627,663)		122,685 (627,663)
Refund of capital advance given by the Company from :	- (100,000,000)		- (100,000,000)
Refund of Developer fee paid by the Company from :	- (27,144,365)		- (27,144,365)
Outstanding Inter-corporate deposits taken from	91,553,426 (91,445,926)		91,553,426 (91,445,926)
Balances receivable from:	- -	331,575 (331,575)	331,575 (331,575)
Outstanding balances payable to :	73,361 (11,558)		73,361 (11,558)

(Previous period's figure in brackets)

- 20 In the opinion of the management, the current assets and loans and advances have a realizable value equal to its value stated in the balance sheet.
- 21 There are no contingent liabilities as at March 31, 2016 and September 30, 2014.
- 22 The capital commitment as at March 31, 2016 is Rs. Nil (Previous period Rs. Nil)
- 23 The Company's operations comprise only a single business and geographical segment, namely 'Infrastructure Development' in 'India'.
- 24 Previous period figures have been regrouped/reclassified wherever necessary. The current period is for the period from October 1, 2014 to March 31, 2016. The comparative figures for the previous period are also for a nine month period from January 1, 2014 to September 30, 2014. The figures are not strictly comparable.

As per our report of even date

For Natvarlal Vepari & Co.  
 Chartered Accountants  
 Firm Registration No. 106971W

For and behalf of the Board of Directors of  
 Yamunanagar Panchkula Highway Private Limited

Ruchi Tamhankar  
 Partner  
 Membership No. : 136667

Mandar Gite  
 Director  
 DIN: 06651204

Kuldeep Daryani  
 Director  
 DIN:06790262

Place: Mumbai  
 Date : May 27, 2016