PATNA HIGHWAY PROJECTS LIMITED

DIRECTORS' REPORT

To
The Members,
Patna Highway Projects Limited

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

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

1. PROJECT STATUS:

Your Company has been awarded the project for the design, construction, finance & maintenance of a 63.17 km long four - lane dual carriageway on NH-77, which includes new bypass of 16.87 km connecting NH-28 in the State of Bihar on BOT (Annuity) basis ("**Project**"), which is presently under implementation.

The concession period is 15 years, ending in August 2025, of which 2.5 years is for construction. The Company will receive an annuity payment of Rs. 9,460 lakhs from National Highways Authority of India, semi-annually, during the entire operations period. The total project cost is estimated at Rs. 100,345 lakhs.

The EPC contract for the project was awarded to Gammon India Limited. The Project has been delayed on account of unavailability of right of way over certain portions of the Project highway. Provisional Commercial Operation date was obtained on 1st September 2016 for the Project stretch from Km. 1.000 to Km. 41.500 excluding stretch from Km. 9.400 to Km 10.600.

2. FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	FYE 31st March 2017 (12 months)	FYE 31st March 2016 (18 months)
Total Income	15,093.59	15,386.63
Profit / (Loss) before Tax	498.50	(4,475.97)
Tax Expenses	161.00	Nil
Profit / (Loss) after Tax	**337.50**	**(4,475.97)**

3. DIVIDEND / TRANSFER TO RESERVES

In view of the accumulated losses and conserve resources for the project of the Company, the Directors have not recommended any dividend for the Financial Year. No amount is transferred to any reserve.

4. SHARE CAPITAL

As on 31st March 2017, the Authorised, Issued, Subscribed and Paid up Share Capital of the Company is Rs. 50,00,00,000/- divided into 5,00,00,000 equity shares of Rs. 10/- each.

Registered Office : Second Floor, Plot No. 360, Block-B, Sector 19, Dwarka, New Delhi- 110075, INDIA
CIN : U74999DL2009PLC197265
Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954 New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201 • E-mail : info@gammoninfra.com
Website : www.gammoninfra.com

During the Financial Year, the Company has not granted any stock option or sweat equity.

5. MEETINGS OF THE BOARD

During the Financial Year, 7 (Seven) Board Meetings were duly held on 1st April 2016, 27th May 2016, 20th August 2016, 1st September 2016, 24th October 2016, 20th December 2016 and 9th March 2017. The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:

Name of Directors	Board Meetings attended during the Financial Year
Mr. Raja Mukherjee (resigned w.e.f. 20-Aug-2016)	3
Mr. MSSV Ramana Murthy	7
Mr. Govind Sharan	4
Mr. Kulldip Daryani (appointed w.e.f. 20-Aug-2016 and resigned w.e.f. 09-Dec-2016)	3
Mr. Mineel Mali (appointed w.e.f. 20-Dec-2016)	2

6. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the Financial Year.

7. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

The Company does not have any subsidiary / associate or joint venture.

8. EXTRACT OF ANNUAL RETURN

The details forming part of the extracts of Annual Return in **Form MGT-9** as per Section 92 of the Companies Act, 2013 is annexed herewith as **Annexure 'A'**.

9. BOARD OF DIRECTORS / COMMITTEES

Presently, the Board of Directors comprises of Mr. Govind Sharan, Mr. Mineel Mali, Mr. Sanjay Chaudhary and Ms. Poonam Sabnis.

Mr. Mineel Mali, Mr. Sanjay Chaudhary and Ms. Poonam Sabnis were appointed as additional directors of the Company w.e.f. 20th December 2016, 20th April 2017 and 5th September 2017 respectively. Mr. Mali, Mr. Chaudhary and Ms. Sabnis shall hold office as such up to the date of next AGM. The Company has received notice from a member with requisite deposit proposing to appoint Mr. Mali, Mr. Chaudhary and Ms. Sabnis as Directors at the next AGM.

In accordance with the provisions of the Companies Act, 2013, Mr. Govind Sharan retires by rotation at the next Annual General Meeting ("**AGM**") and has offered himself for re-appointment.

Mr. Kulldip Daryani was appointed as an additional director w.e.f. 20th August 2016 and resigned w.e.f. 9th December 2016. Mr. Raja Mukherjee and Mr. MSSV Ramana Murthy resigned as directors of the Company w.e.f. 20th August 2016 and 10th April 2017 respectively.

AUDIT COMMITTEE:

The composition of the Audit Committee is:

	(a) Mr. Mineel Mali – Chairman (b) Mr. Sanjay Chaudhary – Member (c) Ms. Poonam Sabnis – Member During the Financial Year, the Audit Committee met 1 (one) time on 27th May 2016 and the same was attended by Mr. Mineel Mali and Mr. Raja Mukherjee. Necessary quorum was present at the meeting. 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, systems and quality of audits, recommends the appointment of statutory auditors and discusses with them the internal control system. The Company has not been able to appoint Independent Directors and consequently not been able to constitute mandatory Board Committees in line with the requirements of the applicable law in this regard. No formal annual evaluation was made by the Board of its own performance and that of its committees and individual directors. The Company has not been able to appoint Company Secretary. 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.
10.	**VIGIL MECHANISM / WHISTLE BLOWER POLICY**
	The Company is yet to establish a vigil mechanism.
11.	**KEY MANAGERIAL PERSONNEL (KMPs)**
	During the Financial Year, the Company has not appointed any key managerial personnel pursuant to section 203 of the Act.
12.	**DEPOSITS**
	The Company has not accepted any deposits covered under Chapter V of the Act.
13.	**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY**
	The Company has not made any loans, guarantees or investments as covered under Section 186 of the Act.
14.	**RELATED PARTY TRANSACTIONS**
	The Company has not made any related party transactions covered under the provisions of section 188 of the Act; hence prescribed **Form AOC-2** is not applicable.
15.	**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**
	There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
16.	**DIRECTORS' RESPONSIBILITY STATEMENT**
	Pursuant to the requirement of Section 134(3)(c) of the Act, 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 profit 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.

17.	**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 in terms of remuneration criteria prescribed thereunder.
18.	**STATUTORY AUDITOR & AUDITOR'S REPORT**
	<u>STATUTORY AUDITOR:</u> In the 7th AGM of the Company convened on 30th June 2016, 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 12th AGM of the Company. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders at every Annual General Meeting until the expiry of the period of original appointment. Your Board recommends the ratification of appointment of M/s. Natvarlal Vepari & Co. as statutory auditors of the Company. The Company has obtained written consent and letter confirming eligibility from M/s. Natvarlal Vepari & Co. The members of the Company are requested to ratify the appointment of Auditors and fix their remuneration. **<u>AUDITOR'S REPORT:</u>** The Auditors have made qualified opinions in the Annexure to the Auditors' Report in point no. (viii), which reads as under: "According to the information and explanations given to us and based on the documents and records produced to us, the company has not serviced interest of Rs. 2,685.28 lakhs for the entire year in respect of loans from banks. The details of the same are given in the financial statements under note 9.1(g)." **<u>MANAGEMENT EXPLANATION:</u>** The Company has paid off outstanding interest in respect of loans from banks for the period from April 2016 to January 2017 during the Financial Year, and outstanding interest for the months of February 2017 and March 2017 has been paid off in the month of June 2017.
19.	**SECRETARIAL AUDIT REPORT**
	Mr. Veeraraghavan. N, Practicing Company Secretary have, pursuant to section 203 of the Act, issued the Secretarial Audit Report for the Financial Year with the following qualifications: 1. The Company has not appointed any KMP, as envisaged in Section 203 of the Act. 2. The Board composition is not as per Section 149 of the Act. 3. The Company has not constituted Nomination & Remuneration Committee. The

	constitution of the Audit Committee is not as per the provisions of the Act. Also, not established any Vigilance Mechanism for their Directors and Employees. **MANAGEMENT EXPLANATION:** The Company management is considering all options for appointment of independent directors, company secretary and constitution of the necessary committees as per the requirements of the Companies Act, 2013. The Report of the Secretarial Auditor is given in Annexure II in the prescribed Form MR-3, which forms part of this report.
20.	**CORPORATE SOCIAL RESPONSIBILITY (CSR)**
	CSR related provisions of the Act do not apply to the Company as the Company does not meet turnover or networth criteria prescribed in this regard.
21.	**DISCLOSURE ON WOMEN AT WORKPLACE**
	As there are no women employees, the Company was not required to formulate a policy on prevention of sexual harassment at workplace pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.
22.	**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**
	(A) Conservation of energy- **NIL** (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- **Not Applicable** (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): **Not Applicable** (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: (iv) the expenditure incurred on Research and Development: **NIL** (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
23.	**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**
	No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.

PATNA HIGHWAY PROJECTS LIMITED

24.	**INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY**
	Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements.
25.	**RISK MANAGEMENT POLICY**
	The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, supply / logistics related, debtors collections, Government policy related matters that may threaten the existence of the Company.
26.	**ACKNOWLEDGEMENT**
	The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers and Customers for their continuous support to the Company.

For and on behalf of the Board of
Patna Highway Projects Limited

Place: Mumbai	Sanjay Chaudhary	Mineel Mali
Dated: 5th September 2017	Director	Director
	DIN-05157682	DIN-06641595

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U74999DL2009PLC197265
ii	Registration Date	December 22, 2009
iii	Name of the Company	Patna Highway Projects 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 Email: phpl@gammoninfra.com
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	100

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl 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)

Category of Shareholders	No. of Shares held at the beginning of the year (01-Apr-2016)				No. of Shares held at the end of the year (31-Mar-2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	49,999,994	6	50,000,000	100.00	49,999,994	6	50,000,000	100.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	**49,999,994**	**6**	**50,000,000**	100.00	**49,999,994**	**6**	**50,000,000**	100.00	0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	**0**	**0**	0	0.00	0	**0**	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**49,999,994**	**6**	**50,000,000**	**100.00**	**49,999,994**	**6**	**50,000,000**	**100.00**	**0.00**

Category of Shareholders	No. of Shares held at the beginning of the year (01-Apr-2016)				No. of Shares held at the end of the year (31-Mar-2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
C) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	**0**	**0**	**0**	0.00	**0**	**0**	**0**	0.00	0.00
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(2):	**0**	**0**	**0**	0.00	**0**	**0**	**0**	0.00	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**0**	0.00	**0**	**0**	**0**	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**49,999,994**	**6**	**50,000,000**	**100.00**	**49,999,994**	**6**	**50,000,000**	**100.00**	**0.00**

(ii) **SHAREHOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01-Apr-2016)			Shareholding at the end of the year (31-Mar-2017)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Gammon Infrastructure Projects Limited	50,000,000	100.00	11.88	50,000,000	100.00	11.88	0.00
	Total	**50,000,000.00**	**100.00**		**50,000,000.00**	**100.00**		**0.00**

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

Sl. No.		Share holding at the beginning of the Year (01-Apr-2016)		Cumulative Share holding during the year (31-Mar-2017)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	Gammon Infrastructure Projects Limited				
	At the beginning of the year	50,000,000	100.00	50,000,000	100.00
	Date wise increase / decrease in Promoters Share holding during the year	0	0.00	0	0.00
	At the end of the year	**50,000,000**	100.00	**50,000,000**	100.00

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

Sl. No		Shareholding at the end of the year (01-Apr-2016)		Cumulative Shareholding during the year (31-Mar-2017)	
	For Each of the Top 10 Shareholders	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

(v) **Shareholding of Directors & KMP**

Sl. No		Shareholding at the end of the year (01-Apr-2016)		Cumulative Shareholding during the year (31-Mar-2017)	
	For Each of the Directors & KMP	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase / decrease in shareholding during the year	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				
				(Rs. in Lakhs)
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (01-Apr-2016)				
i) Principal Amount	100,270.59	12,848.12	0.00	113,118.71
ii) Interest due but not paid	1,517.25	19.33	0.00	1,536.59
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**101,787.84**	**12,867.45**	**0.00**	**114,655.30**
Change in Indebtedness during the financial year				
Additions	8,706.69	4,000.00	0.00	12,706.69
Reduction	0.00	0.00	0.00	0.00
Net Change	**8,706.69**	**4,000.00**	**0.00**	**12,706.69**
Indebtedness at the end of the financial year (31-Mar-2017)				
i) Principal Amount	107,809.25	16,848.12	0.00	124,657.37
ii) Interest due but not paid	2,685.28	19.33	0.00	2,704.61
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**110,494.53**	**16,867.45**	**0.00**	**127,361.98**

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.					0.00
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961					0.00
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					0.00
2	**Stock option**				0.00
3	**Sweat Equity**				0.00
4	**Commission as % of profits**				0.00
5	**Others, please specify**				0.00
	Total (A)				0.00
	Ceiling as per the Act				

B. **Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	**Not Applicable**			
	(a) Fee for attending board / committee meetings				0.00
	(b) Commission				0.00
	(c) Others, pls. specify				0.00
	Total (1)				0.00
2	Other Non Executive Directors				
	(a) Fee for attending board / committee meetings				0.00
	(b) Commission				0.00
	(c) Others, please specify.				0.00
	Total (2)				0.00
	Total (B)=(1+2)				0.00
	Total Managerial Remuneration				0.00
	Overall Ceiling as per the Act				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	**Gross Salary**				
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.					0.00
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961					0.00
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					0.00
2	**Stock Option**				0.00
3	**Sweat Equity**				0.00
4	**Commission**				0.00
	- as % of profit				
5	**Others, please specify**				0.00
	Total				0.00

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

NOT APPLICABLE

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

For and on behalf of the Board of Directors of
Patna Highway Projects Limited

Name: Sanjay Chaudhary
Designation: Director
DIN: 05157682

Name: ~~Mineel~~ Mali
Designation: Director
DIN: 06641595

Place: Mumbai

Date: 05-Sep-2017

Veeraraghavan. N
Practicing Company Secretary

First Maritime Private Limited
201, Gheewala Building,
M. P. Road, Mulund (East),
Mumbai – 400081
Mob: 98215 28844
Email: nvr54@ymail.com

Form No. MR – 3

SECRETRIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2017

(Pursuant to Section 204 (1) of the Companies Act 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED31st MARCH 2017

To
The Members,
Patna Highway Projects Limited
(CIN : U74999DL2009PLC197265)

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by**Patna Highway Projects Limited** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 , according to the provisions of :

(i) The Companies Act, 2013 (the Act) and the rules made thereunder

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made

M. VEERARAGHAVAN COMPANY SECRETARY

thereunder

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

The Company being a unlisted public company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as not applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standard issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. --- The Company being an unlisted public company, the listing agreements are not applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. ***The Company has not appointedany KMP, as envisaged in Section 203 of the Act.***

2. ***The Board composition is not as per Section 149 of the Act.***

3. ***The Company has not constituted Nomination & Remuneration Committee. The constitution of the Audit Committee is not as per the provisions of the Act. Also, not established any Vigilance Mechanism for their Directors and Employees.***

M. VEERARAGHAVAN COMPANY SECRETARY

I further report that:

The Board of Directors of the Company is not duly constituted

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views(if any) are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and insure compliance with applicable laws, rules, regulations and guidelines.

M. VEERARAGHAVAN COMPANY SECRETARY

Veeraraghavan N.
ACS NO 6911
CP NO 4334

Place : Mumbai
Date: 17th June 2017

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Patna Highway Projects Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Patna Highway Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone "Ind AS Financial Statement").

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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon.

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 Standalone Ind AS 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 Ind AS 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including the Ind AS of the financial position of the Company as at March 31, 2017, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Emphasis of matter

Attention is invited to Note 4.1 relating to the status of the project, the possible impairment considering that there are cost overruns and the management position on the project and the claims that it is expecting. On account of the Sustainable Structuring of Stressed Assets (S4A) application made by the Company and the possible claims due to delays attributable to NHAI, the delay days being confirmed by the Independent Engineer, the management contends that there is no impairment necessary towards the financial asset shown as Trade receivables by the Company. We have relied on the assertions on the matter. The success of the project meeting the cash flows and avoiding any impairment is dependent on the Company being able to successfully pursue the S4A application and also pursuing the claim and realising the same from NHAI. Our report is not qualified on this account.

Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at October 1, 2014 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and September 30, 2014 prepared in accordance with the Companies (Accounting Standard) Rules 2006 (as amended) which were audited by us or by Other Auditor, on which unmodified opinion was issued vide report dated May 27, 2016 and November 17, 2014 respectively. The adjustments to these financial statements for the difference in accounting principles adopted by the Company on transition to the have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 , a statement on the matters specified in paragraphs 3 and 4 of the said 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 proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity dealt with by this Report are in agreement with the books of account;

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon;

(e) The matters described in Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(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. There are no pending litigations on its financial position in its Standalone Ind AS 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 during the year.

iv. The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as regards to holdings as well as dealings in Specified Bank Notes as defined in the notification S.O.3407(E) dated the November 8, 2016 of the Ministry of finance , during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representation provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer Note 6 (a) to the Standalone Ind AS Financial Statements.

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

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: June 17, 2017

ANNEXURE A

To the Independent Auditors' Report on the Standalone INDAS Financial Statements of Patna Highway Projects Limited

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.

(b) Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) We have verified the title deeds of immovable property forming part of Property, Plant & Equipment produced before us by the management.

(ii) The company does not hold any inventory during the year, and hence clause 3(ii)(a) and 3(ii)(b) of Companies (Auditors Report) Order 2016 are not applicable

(iii) During the year the Company has not granted any loan to entities covered in the register maintained u/s 189 of the Companies Act 2013 and hence clause 3(iii) of Companies (Auditors Report) order 2016 is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.

(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. 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to road annuity based business under BOT basis, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Cess and other statutory dues with the appropriate authorities during the year. 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, 2017 for a period of more than six months from the date of becoming payable, except for tax deducted at source of Rs.48,517/- and profession tax of Rs.2,497/-.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, or Value Added Tax which have not been deposited on account of any dispute.

(viii) *According to the information and explanations given to us and based on the documents and records produced to us, the company has not serviced interest of Rs.2,685.28 lacs for the entire year in respect of loans from banks. The details of the same are given in the financial statements under note 9.1(g).* The Company did not have any outstanding loans or borrowing dues to government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

NATVARLAL VEPARI & CO. ★ Mumbai CHARTERED ACCOUNTANTS

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company has not paid any managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable.

(xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standard.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

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

Natvarlal Vepari & Co. ★ Mumbai ★ Chartered Accountants

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: June 17, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Patna Highway Projects Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: June 17, 2017

PATNA HIGHWAY PROJECTS LIMITED

CIN: U74999DL2009PLC197265

BALANCE SHEET AS ON MARCH 31, 2017

(Rs. In lacs)

Particulars	Note Ref	As on 31.03.2017	As on 31.03.2016	As on 01.10.2014
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	8.16	11.84	17.31
(b) Intangible Assets Under Development		-	-	-
(c) Financial Assets	4			
(i) Trade receivables	4.1	100,396.79	114,057.79	99,597.36
(ii) Others	4.3	16.41	0.24	0.90
(d) Other Non-current assets	5	6,768.58	7,336.83	1,335.19
Total Non-Current Assets (A)		**107,189.95**	**121,406.70**	**100,950.76**
(2) Current Assets				
(a) Financial Assets				
(i) Trade receivables	4.1	28,380.00	-	-
(ii) Cash and cash equivalents	6	97.70	312.33	59.05
(iii) Loans & Advances	4.2	70.73	-	-
(iv) Others	4.3	-	-	2.58
(b) Other current assets	5	611.02	624.03	113.34
Total Current Assets (B)		**29,159.44**	**936.36**	**174.96**
Total Assets (A + B)		**136,349.39**	**122,343.06**	**101,125.72**
EQUITY & LIABILITIES				
Equity				
(a) Equity Share capital	7	5,000.00	5,000.00	250.00
(b) Other Equity	8	18,535.50	14,197.97	15,268.11
Total Equity (A)		**23,535.50**	**19,197.97**	**15,518.11**
Non-current liabilities				
(a) Financial Liabilities	9			
(i) Borrowings	9.1	107,809.25	100,270.59	77,106.49
(b) Provisions	11	2.14	0.55	0.23
Total Non-current liabilities (B)		**107,811.38**	**100,271.13**	**77,106.72**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	9.1	651.57	-	5,761.26
(ii) Trade payables	9.2	170.07	-	6.04
(iii) Other financial liabilities	9.3	4,076.53	2,870.22	2,029.54
(b) Other current liabilities	10	102.45	1.09	701.02
(c) Provisions	11	1.89	2.64	3.05
Total Current Liabilities (C)		**5,002.50**	**2,873.95**	**8,500.90**
Total Equity and Liabilities (A + B + C)		**136,349.39**	**122,343.06**	**101,125.72**

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Ruchi Tamhankar
Partner
M.No.- 136667

Place: Mumbai
Date: June 17, 2017

For and behalf of the Board of Directors
Patna Highway Projects Limited

Sanjay Chaudhary
Director
DIN: 05157682

Place: Mumbai
Date: June 17, 2017

Mineel Mali
Director
DIN: 06641595

Place: Mumbai
Date: June 17, 2017

PATNA HIGHWAY PROJECTS LIMITED

CIN: U74999DL2009PLC197265

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2017

(Rs. In lacs)

	Particulars	Note Ref	For the twelve months period ended 31.03.2017	For the Eighteen months period ended 31.03.2016
I	Revenue from Operations	12	15,093.59	15,386.25
	Revenue from Operations		**15,093.59**	**15,386.25**
II	Other Income:	13	-	0.38
III	**Total Revenue (I + II)**		**15,093.59**	**15,386.63**
IV	**Expenses:**			
	Construction Cost	14	2,404.45	4,395.45
	Employee Cost	15	14.25	0.21
	Administrative Expenses	16	354.53	19.34
	Finance Charges	17	11,819.72	15,447.59
	Depreciation & amortization	18	2.15	-
	Total Expenses		**14,595.09**	**19,862.60**
V	**Profit Before Tax (III-IV)**		**498.50**	**(4,475.97)**
VI	Exceptional Items		-	-
VII	**Profit Before extraordinary items and Tax (V-VI)**		498.50	(4,475.97)
VIII	Extraordinary Items		-	-
IX	**Profit Before Tax (VII-VIII)**		498.50	(4,475.97)
VI	**Tax Expense**			
	1. Current Tax	19	(161.00)	-
VII	**Profit for the period**		**337.50**	**(4,475.97)**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss:			
	Remeasurement of defined benefit plans		0.03	0.30
IX	**Total Comprehensive Income**		**337.47**	**(4,476.27)**
X	**Earnings per Equity Share:**			
	Basic & Diluted	20	0.68	(8.95)
	Par Value		10.00	10.00

As per our report of even date attached

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

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date: June 17, 2017

For and behalf of the Board of Directors
Patna Highway Projects Limited

Sanjay Chaudhary
Director
DIN: 05157682

Place: Mumbai
Date: June 17, 2017

Mineel Mali
Director
DIN: 06641595

Place: Mumbai
Date: June 17, 2017

PATNA HIGHWAY PROJECTS LIMITED

CIN : U74999DL2009PLC197265

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(Rs in lacs)

Particulars	12 months period ended March 31, 2017		18 months period ended March 31, 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit/ (loss) before tax and extraordinary items		498.50		(4,475.97)
Add:				
Depreciation	2.15		-	
Sundry Balance written back	-		(0.08)	
Balances written off	4.63		-	
Finance Expenses	11,267.54		14,998.73	
Guarantee expenses on Holding Co. guarantee	530.54		448.86	
Finance Income	(12,546.37)	(741.52)	(10,956.10)	4,491.41
Operating profit before working capital changes		**(243.01)**		**15.44**
Movements in working capital :				
Movements in provisions	0.87		0.20	
Increase / (decrease) in trade payables and other financial liabilities	203.72		44.73	
Changes in other liabilities	101.35		(699.91)	
Movements in trade receivable	(2,171.10)		(3,498.85)	
Movement in financial assets	(86.90)		3.24	
Movement in other assets	770.03	(1,182.02)	181.77	(3,968.81)
Cash (used in) / generated from the operations		(1,425)		(3,953.37)
Direct taxes paid		(184.77)		2.22
Net cash (used in) / generated from the operations		**(1,609.80)**		**(3,951.15)**
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Interest Received	-		-	
Payments made towards purchase of tangible asset	-	-	(0.01)	
		-		**(0.01)**
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Issue of Shares	-		4,750	
Intercorporate deposits Received	4,000.00		(2,982.00)	
Long term proceeds from Banks & Financial Institutions	8,264.66		19,015.90	
Long Term Loans repaid	(74.43)		(1,613.06)	
Interest Paid	(10,795.07)	1,395.16	(14,966.38)	**4,204.46**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(214.64)**		**253.29**
Opening Balance		312.33		59.05
Closing Balance		97.70		312.33
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(214.64)**		**263.29**
Components of cash and cash equivalents				
With banks :				
- On current account		97.70		312.33
		97.70		**312.33**

Note: Figures in brackets denote outflows.

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

As per our report of even date.

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

Ruchi Tamhankar
Partner
M.No.- 136667

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

Place: Mumbai
Date: June 17, 2017

For and on behalf of the Board of Direcotrs of
Patna Highway Projects Limited

Sanjay Chaudhary
Director
DIN: 05157682

Place: Mumbai
Date: June 17, 2017

Mineel Mali
Director
DIN: 06641595

Place: Mumbai
Date: June 17, 2017

PATNA HIGHWAY PROJECTS LIMITED

Notes to financial statements for the year ended March 31, 2017

Statement of Changes in Equity for the period ended

A . Equity Share Capital

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)	Number	Amount (Rs.)
Equity shares of INR 10 each issued, subscribed and fully paid						
Balance at the beginning of the reporting period	50,000,000	5,000.00	2,500,000	250.00	2,500,000	250.00
Changes in equity share capital during the year						
Add: Issue during the reporting period	-	-	47,500,000	4,750.00	-	-
Balance at end of the reporting period	50,000,000	5,000.00	50,000,000	5,000.00	2,500,000	250.00

B. Other Equity

For the year ended March 31, 2017

Particulars	Retained Earnings	Capital Contribution	Other Comprehensive Income	Total
Balance as at October 1, 2014 as per IGAAP	(64.67)	-	-	(64.67)
Adjustments on account of IndAS:				
Margin on EPC cost upto September 2014	5,978.52			5,978.52
Amortization of prepaid upfront fees upto September 2014	(88.24)			(88.24)
Unsecured loan from GIPL considered as capital contribution		9,442.50		9,442.50
Balance as at October 1, 2014 as per IndAS	5,825.61	9,442.50	-	15,268.11
Profit for the year	(4,475.97)	-	-	(4,475.97)
Depreciation for earlier period	(0.086)	-	-	(0.09)
Inter-Corporate Loan received/(repaid) to holding company		(2,982.00)		(2,982.00)
Guarantee Obligation/ Commission considered as capital contribution	-	6,387.62	-	6,387.62
Items that will not be reclassified to profit or loss:				
- Remeasurement of defined benefit plans			0.30	0.30
Balance as at March 31, 2016	1,349.55	12,848.12	0.30	14,197.97
Profit for the year	337.50	-	-	337.50
Inter-Corporate Loan received from GIPL		4,000.00		4,000.00
Items that will not be reclassified to profit or loss:				
- Remeasurement of defined benefit plans	-		0.03	0.03
			-	-
Balance as at March 31, 2017	1,687.05	16,848.12	0.33	18,535.50

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CHARTERED ACCOUNTANTS

PATNA HIGHWAY PROJECTS LIMITED

Significant Accounting Policies for the year ended March 31, 2017

1 Corporate Information

Patna Highway Projects Limited ('PHPL') is incorporated under the Companies Act, 1956, on December 22, 2009, as a subsidiary of Gammon Infrastructure Projects Limited ('GIPL'). The Company entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis.

2 Significant Accounting Policies

2.1 Basis of Preparation

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the eighteen months period ended March 31, 2016 the Company prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).
The financial statements for the year ended March 31, 2017 are the first period for which the Company has prepared in accordance with Ind AS . The previous period comparatives for the eighteen months period ended March 31, 2016 which were earlier prepared as per previous GAAP have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore October 1, 2014 for which the Opening Balance Sheet is prepared.

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 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.

Use of estimates

The preparation of the financial statememts in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.2 Summary of significant accounting policies

The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) **Property, Plant and Equipment (PPE)**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.
Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as per Schedule II of the Companies Act, 2013
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) **Financial Asset**

The Company recognises its expenditure incurred on the project as a financial asset in accordance with the principles laid down in Appendix A of Ind AS 11, Service Concession Agreements. The project satisfies the test of Financial Asset

d) **Borrowing costs**

All borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

e) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

f) **Provisions , Contingent liabilities and Contingent Assets**

Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Contingent liabilities and Contingent Assets

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 future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the 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 Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

g) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The current and non-current bifurcation is done as per Actuarial report.

Termination Benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

h) **Foreign Currencies**

Transactions and Balances

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. INR.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

i) **Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

j) **Financial instruments**

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

A **Non-derivative financial instruments**

Subsequent measurement

i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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iv) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently

k) **Revenue Recognition**

Revenue from Operations and Maintenance including major maintenance are accrued on the basis of estimated cost plus margin and the amount reconciled is added to the financial asset. Revenue from financial asset is accrued in accordance with Interest EIR of the annuity receipt.

Interest Income

Interest income from financial asset is recognised using effective interest rate method.

l) **Taxes**

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

m) **Earning per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year 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 before OCI 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.

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PATNA HIGHWAY PROJECTS LIMITED

Statement of Property, Plant & Eqioment for the period ended March 31, 2017

(All the figures are in lacs unless otherwise stated)

3 Details of Class of Property Plant and Equipment

Particulars	Freehold Land	Motor Car	Computers	Office Equipment	Furniture & Fixtures	Total
Cost or valuation						
As at October 1, 2014	3.50	13.10	1.78	1.90	1.97	22.25
Additions				0.01		0.01
Sales/Disposals/Adjustments						-
As at March 31, 2016	**3.50**	**13.10**	**1.78**	**1.92**	**1.97**	**22.27**
Additions						-
Sales/Disposals/Adjustments						-
As at March 31, 2017	**3.50**	**13.10**	**1.78**	**1.92**	**1.97**	**22.27**
Depreciation						
As at October 1, 2014		3.63	0.83	0.19	0.29	4.94
Charge for the year		3.09	0.95	1.09	0.35	5.48
Sales/Disposals/Adjustments						-
As at March 31, 2016	**-**	**6.72**	**1.78**	**1.29**	**0.64**	**10.42**
Charge for the period *		2.83		0.45	0.40	3.68
Sales/Disposals/Adjustments						-
As at March 31, 2017	**-**	**9.55**	**1.78**	**1.74**	**1.04**	**14.10**
Net Block						
As at March 31, 2017	**3.50**	**3.55**	**-**	**0.18**	**0.93**	**8.16**
As at March 31, 2016	**3.50**	**6.38**	**-**	**0.63**	**1.33**	**11.84**
As at October 1, 2014	**3.50**	**9.47**	**0.95**	**1.71**	**1.68**	**17.31**

Note: Out of the above depreciation of Rs.3.68 lacs (Previous Year: Rs.5.48 lacs), Rs.1.53 lacs (Previous Year: Rs.5.48 lacs) have been capitalised as the same pertains to Pre Commencement date.

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PATNA HIGHWAY PROJECTS LIMITED

CIN: U74999DL2009PLC197265

Notes to Financial Statements for the year ended March 31, 2017
(All the figures are in lacs unless otherwise stated)

4 Financial Assets

4.1 Trade Receivable

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
		Non - Current			Current	
Financial Asset as per Service Concession Agreement	100,396.79	114,057.79	99,597.36	28,380.00		
Total	100,396.79	114,057.79	99,597.36	**28,380.00**	-	-

Project Details:

The Company entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. The project has obtained pre-COD on September 1, 2016 and accordingly first annuity of Rs.94.60 crores is accrued during the year ended March 31, 2017. In respect of the project on annuity basis of the Company, The Company has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the Company has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The Company will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The Company expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The Company has also applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Holding Company in the SPV is Rs. 1,18,269.72 lacs

4.2 Loans & Advances

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
		Non - Current			Current	
(unsecured considered good)						
Advances to group companies				70.73	-	-
Total	-	-	-	**70.73**	-	-

4.3 Others

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
		Non - Current			Current	
(unsecured considered good)						
Security Deposit	16.41	0.24	0.90		-	-
Dues receivable from GIPL		-	-		-	2.58
Total	**16.41**	**0.24**	**0.90**	-	-	**2.58**

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5 **Other Assets**

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
		Non - Current			Current	
(unsecured considered good)						
Advance given to contractor - GIL	-	-	564.32	-	-	-
Advance given to contractor - GIPL	1,221.98	1,221.98	-	-	-	-
Advance taxes	34.85	11.08	13.30	-	-	-
Deferred Guarantee Commission	4,883.37	5,408.22	-	524.85	530.54	-
Prepaid Expenses	-	-	-	18.14	17.58	35.53
Other advances	-	-	-	-	13.89	0.07
Prepaid Upfront Fees	628.39	695.55	757.57	67.17	62.02	77.73
Service Tax recoverable	-	-	-	0.86	-	-
Total	**6,768.58**	**7,336.83**	**1,335.19**	**611.02**	**624.03**	**113.34**

6 **Cash and cash equivalents**

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
		Non - Current			Current	
Balances with scheduled banks in current account				97.70	312.33	59.05
Total	-	-	-	**97.70**	**312.33**	**59.05**

(a) **Disclosure of Specified Bank Notes (SBNs)**

The company has not deposited any Specified Bank Notes (SBNs) as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 during the period from 8th November 2016 to 30th December 2016. The Company has no cash balance or cash dealings

Particulars	SBNs(*)	Other Denomination Notes	Total
Closing cash on hand as on 08 Nov 2016	-	-	-
(+) Non Permitted receipts	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amounts Deposited in Banks	-	-	-
Closing cash on hand as on 30 Dec 2016	-	-	-

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

7 **Equity Share Capital**

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014
Authorised Shares: 5,00,00,000 shares - March 31, 2017 5,00,00,000 shares- March 31, 2016 5,00,00,000 shares- October 1, 2014 *(of Rs.10/- each)*	5,000.00	5,000.00	5,000.00
Issued, Subscribed & Paid-up: 5,00,00,000 shares - March 31, 2017 5,00,00,000 shares- March 31, 2016 2,50,00,000 shares- October 1, 2014 *(of Rs.10/- each)*	5,000.00	5,000.00	250.00

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

a) **Reconciliation of the equity shares**

Particulars	March 31,2017 Number	March 31,2017 Amount	March 31,2016 Number	March 31,2016 Amount	October 1,2014 Number	October 1,2014 Amount
Equity shares outstanding at the beginning	50,000,000	5,000.00	2,500,000	250.00	2,500,000	250.00
Issued during the period	-	-	47,500,000	4,750.00	-	-
Balance of the end of the year	**50,000,000**	**5,000.00**	**50,000,000**	**5,000.00**	**2,500,000**	**250.00**

Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote

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) **Details of registered shareholders holding more than 5% equity shares in the Company:**

Shareholders Equity shares of Rs 10 each paid up	March 31,2017 Number	March 31,2017 % of holding	March 31,2016 Number	March 31,2016 % of holding	October 1,2014 Number	October 1,2014 % of holding
Gammon Infrastructure Projects Limited	50,000,000	100%	50,000,000	100%	2,500,000	100%
Total	50,000,000	100%	50,000,000	100%	2,500,000	100%

8 **Other Equity**

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014
i) Other Reserves			
Other Comprehensive Income (OCI)	0.33	0.30	-
ii) Retained Earnings	1,687.05	1,349.55	5,825.61
iii) Capital Contribution	16,848.12	12,848.12	9,442.50
Balance at the end of the year	**18,535.50**	**14,197.97**	**15,268.11**

9 **Financial Liabilities**

9.1 **Borrowings**

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
		Non - Current			Current	
(Secured)						
Indian rupee loans from banks	107,809.25	100,270.59	77,106.49			-
Current maturities of long term borrowings		-	-	651.57	-	5,761.26
Total	**107,809.25**	**100,270.59**	**77,106.49**	**651.57**	**-**	**5,761.26**

The Term Loans from Banks is secured by:

a) a first mortgage and charge on all the Company's movable properties, immovable properties, tangible assets, intangible assets, all bank accounts (including escrow accounts) and receivables (including annuity) both present and future save and except the Project Assets;

b) pledge of 30% of equity shares of the Company presently held by GIPL.

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c) non disposal undertaking (NDU) for 70% of the paid up equity capital of the Company.

d) unconditional and irrevocable corporate guarantee of the Promoter guaranteeing the repayment of the secured obligations in the event of termination of the Concession Agreement pursuant to occurrence of any Concessionaire Default during the construction period, which shall stand discharged upon occurrence of the CoD.

e) The Company had entered into a Master Restructuring Agreement with its lenders based on which the term loan is repayable in 25 semi-annual instalments commencing August 17, 2017. The amount of repayment is determined as a % of revised loan amount ranging from 0.1% to 30.00% of the loan in respect of each instalment. The interest rate applicable to the Company is the highest of the rates individually determined by each member of the lenders consortium. The rate of interest is currently 10.50% (previous year 10.75%).

f) The schedule for repayment of the term loan is as under :

Particulars	March 31, 2017	March 31, 2016
Instalments payable within 1 year	651.57	-
Instalments payable between 2 to 5 years	15,529.09	10,534.20
Instalments payable beyond 5 years	92,280.16	89,736.39
	108,460.82	100,270.59

g) **Continuing Default Disclosure**

As on March 31, 2017

Name of the Bank	Ageing	Amount	Facility	Nature of payment
Bank of Maharashtra	1 - 90 days	333.77	Term Loan	Interest
Indian Bank	1 - 90 days	333.59	Term Loan	Interest
Indian Overseas Bank	1 - 90 days	531.41	Term Loan	Interest
Corporation Bank	1 - 90 days	500.43	Term Loan	Interest
Federal Bank	1 - 90 days	250.42	Term Loan	Interest
Punjab & Sindh Bank	1 - 90 days	333.18	Term Loan	Interest
Yes Bank	1 - 90 days	402.48	Term Loan	Interest
Gammon Infrastructure Projects Limited	> 365 days	19.33	Unsecured Loan	Interest
Total		**2,704.61**		

As on March 31, 2016

Name of the Bank	Ageing	Amount	Facility	Nature of payment
Bank of Maharashtra	1 - 90 days	206.71	Term Loan	Interest
Indian Bank	1 - 90 days	207.78	Term Loan	Interest
Indian Overseas Bank	1 - 90 days	294.10	Term Loan	Interest
Corporation Bank	1 - 90 days	444.34	Term Loan	Interest
Federal Bank	1 - 90 days	160.35	Term Loan	Interest
Punjab & Sindh Bank	1 - 90 days	203.98	Term Loan	Interest
Gammon Infrastructure Projects Limited	> 365 days	19.33	Unsecured	Interest
Total		**1,536.59**		

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9.2 Trade Payables

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
	Non - Current			Current		
Trade Payables						
- Micro, Small and Medium Enterprises		-	-		-	-
- Other		-	-	170.07	-	6.04
Total	**-**	**-**	**-**	**170.07**	**-**	**6.04**

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.

9.3 Other Financial Liabilities

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
	Non - Current			Current		
Interest accrued and due:(*)						
Related Party - GIPL		-	-	19.33	19.33	19.33
Banks		-	-	2,685.28	1,517.25	727.34
Dues to Related parties towards capital expenditure:						
Gammon India Limited		-	-	904.30	850.74	1,041.29
Other liabilities towards capital expenditure		-	-	55.74	171.79	241.58
Other dues to related Parties:						
Gammon Infrastructure Projects Limited		-	-	411.87	311.12	-
Total	**-**	**-**	**-**	**4,076.53**	**2,870.22**	**2,029.54**

(*) Refer Note 9.1 (g) above for continuing default

10 Others Non Financial Liabilities

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
	Non - Current			Current		
Advance received from customers		-	-	-	-	665.20
Duties and Taxes payable		-	-	102.45	1.09	35.82
Total		**-**	**-**	**102.45**	**1.09**	**701.02**

11 Provisions

Particulars	As at March 31,2017	As at March 31,2016	As at October 1, 2014	As at March 31,2017	As at March 31,2016	As at October 1, 2014
	Non - Current			Current		
Provision for gratuity	0.41	0.27	-	0.79	0.63	0.44
Provision for leave encashment	1.73	0.28	0.23	1.11	2.01	2.61
Total	**2.14**	**0.55**	**0.23**	**1.89**	**2.64**	**3.05**

Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

i) **The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year is as follow:(Gratuity)**

Particulars	**As on March 31, 2017**	**As on March 31, 2016**
a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	0.90	0.71
Current Service Cost	0.26	0.39
Interest Cost	0.07	0.09
Actuarial (Gain) /Loss	(0.03)	(0.30)
Past employees Service	-	-
Benefits paid	-	-
Defined Benefit obligation at the year end	**1.20**	**0.90**
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain/ (Loss)	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	**-**	**-**
c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of Defined Benefit obligation	1.20	0.90
Liability recognized in Balance Sheet	**1.20**	**0.90**
d) Expenses recognized during the year (Under the head " Employees Benefit Expenses)		
Current Service Cost	0.26	0.39
Interest Cost	0.07	0.09
Expected Rate of return on Plan Assets	-	-
Past employees Service	-	-
Actuarial (Gain)/Loss		(0.30)
Net Cost	**0.33**	**0.18**

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ii) **Actuarial assumptions**

Particulars	As on March 31, 2017 (Rs. In lacs)	As on March 31, 2016 (Rs. In lacs)
Mortality Table (LIC)	**Gratuity 2006-08 (Ultimate)**	**Gratuity 2006-08 (Ultimate)**
Discount rate (per annum)	6.50%	7.75%
Expected rate of return on Plan assets (per	NA	NA
Rate of escalation in salary (per annum)	6%	6%
Withdrawal rate:		
- upto age of 34	3%	3%
- upto age of 35-44	2%	2%
- upto age 45 & above	1%	1%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan

iii) **Sensitivity analysis**

A quantitative Sensitivity analysis for significant assumption as on 31 March 2017

Particulars	Discount rate	Salary growth rate
Change in assumption		
March 31, 2017	1%	1%
March 31, 2016	1%	1%
Increase in assumption		
March 31, 2017	(2.60)%	2.83%
March 31, 2016	(2.51)%	2.80%
Decrease in assumption		
March 31, 2017	2.85%	(2.63)%
March 31, 2016	2.78%	(2.57)%

12 **Revenue from operations**

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Construction Revenue	2,547.22	3,504.70
Finance Income	12,546.37	10,956.10
Change of Scope	-	925.45
Total	**15,093.59**	**15,386.25**

In accordance with the principles laid down in Appendix A of Ind AS 11, the PPP concession agreement of the company with NHAI gets recognised as Financial Asset. The Finance income above is recognised on the basis of EIR of the project cash flows

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I Disclosures as required by Appendix B of Ind AS 11 relating to "Service Concession Arrangements: Disclosures"

(a) Description of the Arrangement along with salient features of the project:

The Company entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. In respect of the project on annuity basis of the Company, The Company has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the Company has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. Thus, the company is recognizing construction revenue and financial income as per the "Financial Asset Model" of Appendix A to Ind AS 11

(b) Obligations of Operations and maintenance

The Company is required to carry out operations and maintenance on the road annually with an obligation to carry out periodic maintenance in terms of the Concession at regular intervals.

(c) Changes to the Concession during the period

The Company will have cost overrun on account of issues beyond its scope and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. The Company has applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company.

(d) Classification of the Concession

The Company has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a Financial Asset resulting in recognition of an Financial Asset. Revenue is recognised during the construction period as revenue from construction services as well as financial income.

(e) Disclosure of Construction services revenue, cost and margin :

The Company has recognised the following Revenue, Cost and margin from construction services.

Particulars	12 month period ended March 31, 2017	18 month period ended March 31, 2016
Revenue		
- Construction Revenue (including change of Scope)	2,547.22	4,430.15
- Finance Income	12,546.37	10,956.10
	15,093.59	**15,386.25**
Costs		
- Construction Cost	2,404.45	4,395.45
- Finance Cost	11,110.16	14,921.00
	13,514.61	**19,316.45**
Margin earned	**1,578.98**	**(3,930.20)**

13 Other Income

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Sundry Balances written back	-	0.08
Interest on Income Tax Refund	-	0.30
Total	**-**	**0.38**

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14 **Construction Cost**

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Sub contracting expenses	2,404.45	3,470.00
Change of Scope	-	925.45
Total	**2,404.45**	**4,395.45**

15 **Employee Cost**

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Salaries and wages	14.25	0.21
Total	**14.25**	**0.21**

16 **Administrative Expenses**

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Professional fees	91.61	-
Legal fees	6.40	-
Motor Car Expenses	8.49	-
Insurance expense	30.46	-
Stamping and franking charges	-	15.06
Filing fees	-	0.14
Interest Paid - Others	-	0.46
Remuneration to Auditors	-	
- Audit including tax audit	7.00	3.55
- Certification	0.05	-
Out of pocket	-	0.13
Travelling	4.64	-
Sundry expenses	11.07	-
Balances of loans and advances w/off	4.63	-
Liquidated Damages to NHAI	190.19	-
Total	**354.53**	**19.34**

17 **Finance Charges**

Particulars		12 months period ended March 31, 2017	18 months period ended March 31, 2016
Guarantee expenses on Holding Co. guarantee	-	530.54	448.86
Interest expense on financial liability at amortised cost		11,267.54	14,998.73
Other finance charges		21.63	-
Total		**11,819.72**	**15,447.59**

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18 Depreciation & Amortization

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Depreciation	2.15	-
Total	**2.15**	**-**

19 Tax Expense

Reconciliation of statutory rate of tax and effective rate of tax:

Particulars	12 months period ended March 31, 2017 (Rs. In lacs)	18 months period ended March 31, 2016 (Rs. In lacs)
Current taxes	161.00	-
Deferred taxes	-	-
	161.00	-
Accounting profit before income tax for 18 months		(4,475.97)
Accounting profit before income tax for 12 months	498.50	-
At India's statutory income tax rate	33.06%	33.06%
Tax on above	164.82	-
Effect of non-deductible expenses	0.85	-
Effect of deductible expenses	(1.16)	-
Effect of b/fd business loss	(11.23)	-
Income Tax expense (Net)	**153.27**	**-**
Tax liability as per MAT		
Book profit	498.50	-
Rate of MAT	20.38%	-
MAT on above	101.59	-
Effect of non-deductible expenses	0.52	-
Effect of IndAS impacts	58.40	-
Effect of deductible expenses	(0.44)	-
Other	0.92	
Minimum Alternate Tax on Book Profit	**161.00**	**-**

20 Earnings Per Share (EPS)

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings

Particulars	12 months period ended March 31, 2017 (Rs. In lacs)	18 months period ended March 31, 2016 (Rs. In lacs)
Net Profit / (Loss) as per Statement of Profit and Loss	337.50	(4,475.97)
Outstanding equity shares at period end	50,000,000	50,000,000
Weighted average Number of Shares outstanding during the period – Basic	50,000,000	50,000,000
Earnings per Share - Basic (Rs.)	0.68	(8.95)

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Reconciliation of weighted number of outstanding during the period:

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	50,000,000	50,000,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	50,000,000	50,000,000
Weighted average number of equity shares at the end of the period	50,000,000	50,000,000

Company has not issued any instrument which will dilute the earnings to equity shareholders, therefore Basic EPS and Diluted EPS both are the same.

21 **Capital Commitments**

Particulars	As on March 31, 2017	As on March 31, 2016	As on October 1, 2014
EPC contract - including Cost Overrun	29,725.00	15,463.72	6,681.36
	29,725.00	**15,463.72**	**6,681.36**

22 **Contingent Liabilities**

The company has computed interest on bank borrowings as per the contracted rates specified in the Common Loan Agreement (CLA). The lenders have computed and charged interest which is not in line with the CLA. The company has taken up the matter with the lenders and the settlement is pending. The differential amount on this account is Rs.332.57 Lacs/- which is disclosed as disputed interest demand.

23 **Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.**

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

24 **Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015 is provided in Statement 1 to the financials**

25 **Derivative Instruments and Unhedged Foreign Currency Exposure**

There are no derivative instruments outstanding as on March 31, 2017 and as on March 31, 2016. The Company has no foreign currency exposure towards liability outstanding as on March 31, 2017 and as on March 31, 2016.

26 **Significant Accounting judgements, estimates & assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in

Judgements
In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

27 **First-time adoption of Ind AS**

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

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

The company has not availed of any exemption under Ind AS 101

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PATNA HIGHWAY PROJECTS LIMITED

28 Effect of IND AS adoption on the Balance Sheet as on March 31 ,2016 and October 1, 2014

A Reconciliation of Balance Sheet

Particulars	Note Ref	As at March 31, 2016 Previous GAAP	Effect of Transition to IND AS	IND AS	As at October 1, 2014 Previous GAAP	Effect of Transition to IND AS	IND AS
(1) Non-current assets							
(a) Property, Plant and Equipment		11.84	-	11.84	17.31	-	17.31
(b) Intangible Assets Under Development	(a)	112,933.01	112,933.01	-	94,542.38	94,542.38	-
(i) Trade receivables	(a)	-	(114,057.79)	114,057.79	-	(99,597.36)	99,597.36
(ii) Others		0.24	-	0.24	0.90	-	0.90
(c) Other Non-current assets	(b)	1,233.06	(6,103.77)	7,336.83	577.62	(757.57)	1,335.19
(2) Current Assets							
(a) Financial Assets							
(i) Cash and cash equivalents		312.33	-	312.33	59.05	-	59.05
(ii) Others		-	-	-	2.58	-	2.58
(b) Other current assets	(b)	31.47	(592.56)	624.03	35.60	(77.73)	113.34
Total Assets		**114,521.96**	**(7,821.10)**	**122,343.06**	**95,235.45**	**(5,890.27)**	**101,125.72**
EQUITY & LIABILITIES							
Equity							
(a) Equity Share capital		5,000.00	-	5,000.00	250.00	-	250.00
(b) Other Equity		(83.72)	(14,281.69)	14,197.97	9,377.83	(5,890.27)	15,268.11
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	(c), (d)	106,731.09	6,460.50	100,270.59	77,106.49	-	77,106.49
(b) Provisions	(h)	0.55	0.00	0.55	0.23	-	0.23
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		-	-	-	5,761.26	-	5,761.26
(ii) Trade payables		-	-	-	6.04	-	6.04
(iii) Other financial liabilities		2,870.22	-	2,870.22	2,029.54	-	2,029.54
(b) Other current liabilities		1.09	-	1.09	701.02	-	701.02
(c) Provisions	(h)	2.72	0.08	2.64	3.05	-	3.05
Total Equity and Liabilities		**114,521.96**	**(7,821.10)**	**122,343.06**	**95,235.45**	**(5,890.27)**	**101,125.72**

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B Reconciliation of Profit and Loss account

	Particulars	Note Ref	Previous GAAP	Effect of Transition to IND AS	IND AS
			(Rs.in lacs)	(Rs.in lacs)	(Rs.in lacs)
I	Revenue from Operations	(e), (f)	925.45	14,460.80	15,386.25
II	Other Income		0.38	-	0.38
III	**Total Revenue (I + II)**		**925.83**	**14,460.80**	**15,386.63**
IV	**Expenses:**				
	Construction Cost	(f)	925.45	3,470.00	4,395.45
	Employee Cost	(h)	-	0.21	0.21
	Administrative Expenses		19.34	-	19.34
	Finance Charges	(g)	-	15,447.59	15,447.59
	Depreciation & amortization				
	Total Expenses		**944.79**	**18,917.81**	**19,862.60**
VII	Profit Before tax		(18.96)	(4,457.01)	(4,475.97)
X	**Tax Expense**				
	1. Current Tax		-	-	-
XV	**Profit for the period (XIV+XI)**		**(18.96)**	**(4,457.01)**	**(4,475.97)**
	Other Comprehensive Income				
	Remeasurement of defined benefit plans		-	0.30	0.30
	Total Comprehensive Income		**(18.96)**	**(4,456.71)**	**(4,475.67)**

C Reconciliation of Other Equity

Particulars	Note Ref.	As on March 31, 2016	As on October 1, 2014
Total equity / shareholders' funds under previous GAAP		**4,916.28**	**185.33**
Adjustment on account of Ind AS			
Margin on construction cost & finance incom	(e), (f)	6,013.22	5,978.52
Net finance cost	(g)	(3,964.90)	
Amortization of upfront fees	(b)	(165.98)	(88.24)
Unsecured loan from GIPL considered as capital contribution	(c), (d)	6,460.50	9,442.50
Guarantee Obligation/ Commission considered as capital contribution	(b)	5,938.76	-
Gratuity - PL cost	(h)	(0.22)	-
Other comprehensive income/(loss) for the year on account of gratuity & leave	(h)	0.30	-
Total adjusted equity		**19,197.97**	**15,518.11**
Total equity under Ind AS		**19,197.97**	**15,518.11**

D Notes to effect of First Time Adoption

(a) In accordance with principles laid down in Appendix A to Ind As 11, Construction Contracts, the project is classified as a financial asset. Accordingly the intangible asset under development classified as per previous GAAP is reclassified as Financial Asset under Trade Receivable. Thus Rs 1,12,933.01 lacs is reclassify to Trade receivable from Intangible Asset under development as at March 31, 2016 (Rs 94,542.38 lacs as at October 1, 2014)

(b) Other Non Current asset changes are on account of the unamortised portion of the guarantee Commission and upfront fees accounted in accordance with Ind As 109, Financial Instruments. Unamortised upfront fees and Guarantee commission as at March 31, 2016 is Rs 6696.33 lacs and Rs 835.30 lacs as at October 1, 2014.

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(c) The Holding Company loan is in the nature of quasi equity and the support in the form of corporate guarantee from holding co are classified as other equity. The Company has classified Loan and Guarantee support from Shareholders as Equity as per IND AS 32 " Financial Liabilities and Equity" and thus the same is added in Capital Contribution in Other Equity. Thus total amount shown under capital contribution amounts to Rs 12399.26 lacs as at March 31, 2016 and Rs 9442.50 lacs as at October 1, 2014.

(d) Changes in borrowings are on account of reclassification of the Holding Co loan as other equity

(e) The operating revenue changes are on account of the accrual of finance income as per the financial asset model, construction revenue recognized during the construction phase

(f) Construction cost changes in Statement of Profit & loss account are on account of the cost relating to construction services which are recognized as revenue on cost plus margin.

(g) Finance charges are the finance cost which were debited to the Intangible Asset under progress under the previous GAAP now taken to Statement of Profit & Loss as the project is classified as financial asset as per IndAS

(h) Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Accordingly 0.30 lacs has been adjusted in other comprehensive income from retained earnings as at March 31, 2016. As a result of this change, the profit for the year ended March 31, 2016 has been adjusted.

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29 **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

Amendment to Ind AS 102:
The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

30 **Financial Instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and October 1, 2014 is as follows:

Particulars	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Financial Assets						
Amortized Cost						
Loans and advances	70.73	-	-	70.73	-	-
Trade receivables	128,776.79	114,057.79	99,597.36	128,776.79	114,057.79	99,597.36
Cash and bank balances	97.70	312.33	59.05	97.70	312.33	59.05
Others	16.41	0.24	3.48	16.41	0.24	3.48
Financial Liabilities						
Amortized cost						
Long term borrowings	107,809.25	100,270.59	77,106.49	107,809.25	100,270.59	77,106.49
Short term borrowings	651.57	-	5,761.26	651.57	-	5,761.26
Trade payable	170.07	-	6.04	170.07	-	6.04
Others	4,076.53	2,870.22	2,029.54	4,076.53	2,870.22	2,029.54

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that the Long term trade receivable and long term borrowing carried at amortised Cost have the realisability approximately to their carrying value.

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31 **Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

i) Recognised and measured at fair value

The Company has recognised outstanding financial instrument as on March 31, 2017 , March 31, 2016 and October 1, 2014 at fair value.

ii) Measure at amortized cost for which fair value is disclosed.

The Company has determined fair value of all its financial instruments measured at amortized cost by using Level 3 inputs.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

32 **Financial risk management objectives and policies**

The Company is in the business of development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Annuity basis. The nature of the business is capital intensive and the Company is exposed to traffic volume risks. BOT projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Business / Market Risk

Since the project is on annuity basis, the biggest business risk is ensuring the concession terms are adequately adhered to and the project is completed as per the business plan to ensure cash flow from annuity is recorded on time

Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the company has sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

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Interest rate sensitivity
Interest cost on borrowings is the single largest cost for the company

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax. (Rs in Lacs)
March 31, 2017	+100	(1,084.61)
	-100	1,084.61
March 31, 2016		
	+100	(1,002.71)
	-100	1,002.71

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. In case of the company, the credit risk is minimal as the customer is NHAI, a Government of India Undertaking

Trade & other Receivables
The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.1,28,776.79 lacs as at March 31, 2017 and Rs 1,14,057.79 lacs as at March 31, 2016 , which is from NHAI, the Government Undertaking Company.

Liquidity risk

The company has outstanding borrowings of Rs 1,08,460.82 lacs as at March 31, 2017 and Rs.1,00,270.59 lacs as at March 31, 2016.

Timely completion of the project and receipt of annuity payment on time has a major impact on the liquidity of the company. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the company.

Exchange risk
Since the operations of the company are within the country, the company is not exposed to any exchange risk directly. The company also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal.

However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

33 **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	As on October 1, 2014 (Rs.)
Long term borrowings including ICD	107,809	100,271	77,106
Less: cash and cash equivalents	98	312	59
Net debt	**107,712**	**99,958**	**77,047**
Equity including reserve	23,536	19,198	15,518
Capital and net debt	131,247	119,156	92,566
Gearing ratio	82%	84%	83%

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In order to achieve this overall objective, the Company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

34 **Comparative period**

Previous period was for 18 months from October 1, 2014 to March 31, 2016 and therefore those figures are not strictly comparable to the figures for the current period of 12 months from April 1, 2016 to March 31, 2017

35 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes form an integral part of the financial statements of the Company for the year ended March 31, 2017.

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No.- 136667

Place: Mumbai
Date: June 17, 2017

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

For and on behalf of the Board of Directors
Patna Highway Projects Limited

Sanjay Chaudhary
Director
DIN: 05157682

Place: Mumbai
Date: June 17, 2017

Mineel Mali
Director
DIN: 06641595

Place: Mumbai
Date: June 17, 2017

PATNA HIGHWAY PROJECTS LIMITED
CIN : U74999DL2009PLC197265
STATEMENT I
For the period ended March 31, 2017

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) **Names of the related parties and related party relationships**
Related parties where control exists :

1. Gammon India Limited	Ultimate holding company
2. Gammon Infrastructure Projects Limited	Holding company
3. Patna Buxar Highways Limited (upto March 31, 2016)	Fellow subsidiary
4. Pravara Renewable Energy Limited	Fellow subsidiary
5. Sikkim Hydro Power Venture Ltd	Fellow subsidiary

b) **Related party transactions**

Transactions	Rs in lacs
Equity shares issued	
Gammon Infrastructure Projects Ltd	-
(IGAAP transaction value)	(4,750.00)
Inter-corporate loan taken	
Gammon Infrastructure Projects Ltd	4,000.00
(IGAAP transaction value)	(1,768.00)
Advance given	
Gammon Infrastructure Projects Ltd	-
(IGAAP transaction value)	(1,221.98)
EPC expenditure booked	
Gammon India Limited	2,427.85
(IGAAP transaction value)	(3,154.57)
EPC expenditure booked (Change of Scope)	
Gammon India Ltd.	-
(IGAAP transaction value)	(925.45)
Guarantee commission on Corporate Guarantee by:	
Gammon Infrastructure Projects Ltd	530.54
(Ind AS Adjustment Value)	(448.86)
Expenses Incurred by the company on behalf of:	
Gammon Infrastructure Projects Ltd	100.50
	(358.87)
Pravara Renewable Energy Ltd	53.00
	-
Patna Buxar Highways Limited	-
	(0.08)
Sikkim Hydro Power Venture Ltd	17.65
(IGAAP transaction values)	-
Balances payable waived	
Patna Buxar Highways Limited	-
(IGAAP transaction value)	(0.08)
Expenses incurred on behalf of the company by:	
Gammon Infrastructure Projects Ltd Paid	201.25
(IGAAP transaction value)	-

Transactions	Rs in lacs
O&M Advance	
Gammon Infrastructure Projects Ltd	1,221.98
	(1,221.98)
(IGAAP transaction value)	
Outstanding loan balances payable	
Gammon Infrastructure Projects Ltd	16,848.12
	(12,848.12)
(IGAAP transaction value)	
Outstanding balances payable	
Gammon India Ltd	904.30
	(850.74)
Gammon Infrastructure Projects Ltd	411.87
	(311.12)
(IGAAP transaction values)	
Outstanding interest payable	
Gammon Infrastructure Projects Ltd	19.33
	(19.33)
Outstanding Balances Receivable	
Pravara Renewable Energy Ltd	53.00
	-
Sikkim Hydro Power Venture Ltd	17.65
	-

(Previous year's figure in brackets)

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