NAYAN PARIKH & CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
OFFICE NO. 9, 2ND FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.
PHONE : (91-22) 2640 0358, 2640 0359

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gammon India Limited

Report on the StandaloneInd AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **Gammon India Limited**("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 Statements").

Management's Responsibility for the Standalone Ind AS 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

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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 Ind AS 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.

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

Basis of Qualified Opinion

a. We invite attention to note no 37(c) relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 943.08.crores (net of provisions made) as at March 31 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2018.

b. We invite attention to note no 7, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Company has recognised further

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claims amounting to Rs. 140.35 crores. The aggregate amount of claims outstanding as at March 31, 2018 is Rs. 912.36 crores. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the year ended March 31, 2018.

c. We invite attention to note no 37(d) relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 192.88 crores net of impairment provisions of Rs. 230 crores made based on internal estimates of asset value. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.

d. We invite attention to Note 4(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 402.54 crores in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure

e. We invite attention to note no 31(iii) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of Rs. 100 crores against the exposure of Rs. 324.68 crores. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposureof Rs. 224.68 crores.

QualifiedOpinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph a to e, 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 under section 133, of the

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financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date

Material Uncertainty Related to Going Concern

We invite attention to the note no 38relating to the present financial situation of the Company detailingthe Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders have recalled all the loans and their present excess of Current Liabilities over Current Assets is Rs. 5019.72 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. Further due to the issues detailed in the note 38 the Company is continuously delayed in the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. However the Company has obtained stay subject to deposit of money with the NCLT. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 38 including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters;

a) We draw attention to Note no 4(a)(i) & 4(a)(ii) relating to recoverability of an amount of Rs.114.22 crores as at March 31, 2018 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs.7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

b) We draw attention to Note 4(a)(iv) relating to the projects of real estate sector where the exposure is Rs. 54.72 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

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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 section143 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 except for the possible effects of the matter described in Basis of Qualified Opinionparagraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph , 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;

   (d) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph , 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 paragraphs under the Basis for Qualified Opinion and Emphasis of Matter 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, 2018 and taken on record by the Board of Directors, all the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act except for Mr. Chayan Bhattacharjee

   (g) The matter described in the Basis for Qualified Opinion paragraph, Material Uncertainties Relating to Going Concern paragraph and Qualified Opinion paragraph of 'Annexure B' to this report, in our opinion,may have an adverse effect on the functioning of the Company.

   (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 34 to the financial statements;
   ii. The Company has provided for all material foreseeable losses arising out of long-term contracts including derivative contracts;
   iii. The Company has to transfer amount of Rs 0.32 crores to the Investor Education and Protection Fund during the year.

For Nayan Parikh& Co.
Chartered Accountants
Firm Registration No.107023W

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: November 28, 2018

ANNEXURE A

To the Independent Auditors' Report on the Standalone Ind AS Financial Statements Gammon India 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 period at reasonable intervals and no material discrepancies were identified on such verification except assets at some of their terminated sites where the access to the assets are presently prohibited and the matter is under dispute. The total value of assets at such sites is Rs. 18.66 crores (Net WDV).

(c) We are informed by the management that all the title deeds of immovable properties are in custody of IDBI trusteeship Services Limited as part of Corporate Debt Restructuring norms with the lenders. We have therefore not verified the physical documents of immovable property and relied on the management representation and correspondence of the IDBI trustees as on the date of submission of documents by the Company with them.

(ii) (a) Inventories, being project materials have been physically verified by the management at reasonable intervals during the year except for inventories at terminated sites valued at Rs. 1.34 crores. In our opinion, the frequency of such verification is reasonable.

(b) Inour opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The discrepancies noticed between the physical stocks and books stocks were not material and the valuation of stock has been done on the basis of physically verified quantity. Therefore Shortage / Excess automatically get adjusted and the same is properly dealt in the books of accounts.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 in respect of which

(a) The terms and condition of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

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(b) Since repayment of aforesaid loans is not due, there is no overdue amounts from parties covered under section 189 and therefore the requirements of clause 4(iii)(b) of the Companies (Auditors Report) Order, 2015 are not applicable.

(c) There are no overdue amounts as at the year-end in respect of principal and interest.

(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 by the Company.

(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. Accordingly the provision of clause 3(v) is not applicable to the Company.

(vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) (a)The company has several instances of delay in depositing undisputed statutory dues including Provident Fund, Professional Tax, Employees State Insurance, works contract tax, Service tax/VAT, Cess and sales tax dues with the appropriate authorities observed on a test check basis. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to Rs 0.05 crores in case of Provident Fund, Rs.0.18 croresin case of Professional tax, Rs 0.06 crores in case of Works Contract Tax, Rs 2.07 crores in case of Duty Drawback which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the details of Sales tax, Income Tax, Service Tax and Excise duty that have not been deposited on account of dispute are stated in the Statement of statutory dues outstanding attached herewith.

(c) The amounts to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund

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within timeexcept for Rs 0.32crores which is required to be transferred to Investor Education and protection funds.

(viii) According to information and explanations given to us, the company has defaulted in servicing interest and principal repayment due to debenture holders, financial institutions and banks. The borrowingshave become Non Performing Assets (NPA) and lenders have recalled all the loans. The total amount of recalled debts are disclosed as current liabilities aggregating to Rs. 3894.14. The amounts of delays in interest servicing in respect of Rupee Term Loan, FITL, Priority Loan, Working capital term loan, Short term Loan, NCD, NCD FITL, CC and OD were Rs 796.62 Crores for a period ranging from 1 to 366 days. The amounts of default on account of overdrawn of Cash credit facility were Rs.465.31 Crores as at March 2018. The amounts include the continuing defaults at balance sheet on repayment of interest and principal as disclosed in notes 12(h) 18(vi) and 20(b) of the Ind AS Financial statements.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Therefore the clause 3(ix) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.

(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) During the year the Company has not paid/ provided any remuneration to the Chairman and Managing Directors or any of the Directors excepting the sitting fees to Independent and non-executive directors. In respect of the previous periods remuneration attention is invited to Note no 28(a) of the IND AS financial statements. Excess Managerial remuneration aggregating to Rs. 30.54 crores for the Chairman and Managing Director has been reversed and disclosed as receivable (net off unpaid salary).Similar effects has been given for excess remuneration paid to another director aggregating to Rs. 0.60crores and disclosed as receivable.

(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) Based on the minutes and the secretarial compliance 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 theStandalone

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Ind ASFinancial 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 reviewexcept for allotment to lenders at the prescribed pricing norms prescribed by Securities and Exchange Board of India. The necessary compliances under the Companies Act have been carried out. Further since the same is conversion of loan into equity there are not purposes specified for the utilisation of the proceeds.

(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 Nayan Parikh& Co
Chartered Accountants
Firm Registration No.107023W

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: November 28, 2018

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Annexure - B

To the Independent Auditors' Report on the Standalone INDAS Financial Statements of Gammon India Limited

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

We have audited the internal financial controls with reference to Financial Statements of Gammon India Limited("the Company") as of March 31, 2018 in conjunction with our audit of the StandaloneInd AS Financial Statementof 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

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operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 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 with reference to Financial Statements.

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

a) The Company has laid down internal financial controls with reference to financial statements, however, its implementation and effectiveness in certain areas are

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b) Out test of transactions revealed instances of control weaknesses which have inter-alia resulted from manpower and liquidity issues

c) Internal Audit carried out by the Company was not adequate considering the size and operations of the Company and was required to be more extensive with timely follow up and actions to correct the issues promptly. The internal audit has also revealed weaknesses in the systems and processes.

Qualified Opinion

In view of what is stated in our basis of Qualified Opinion we cannot state that the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31,2018, 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 Nayan Parikh& Co.
Chartered Accountants
Firm Registration No.107023W

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: November 28, 2018

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Statement Of Statutory Dues Outstanding On Account Of Disputes, As On 31st March 2017, referred To In Para 4(VII)(b) of The Annexure To Auditors' Report

Name of the Statute	State	Nature of the dues	Amount in Crores	Period to which it relates	Forum where Dispute is pending
Direct Tax		Income Tax Assessment Order	306.04	A.Y. 2006-07 to A.Y. 2013-14	CIT Appeal
Direct Tax		TDS Intimation U/s 200A	8.67	A.Y. 2007-08 to A.Y. 2017-18	Not yet Filled
Direct Tax		TDS Intimation U/s 200A	0.18	A.Y. 2008-09 to A.Y. 2017-18	Not yet Filled
Direct Tax		Joint Venture Assessment	7.33	A.Y. 2010-11 to 2013-14	CIT Appeal
Direct Tax		Corporate Guarantee Disallowance	6.28	AY 2016-17	Not yet Filled
	Total		**328.5**		
Sales Tax	Andhra Pradesh	Reassessment matter	0.04	2001-02	High Court
Sales Tax	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	2.10	2002-03	Tribunal / High Court
Sales Tax	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	1.63	2003-04	Tribunal / High Court
Sales Tax	Andhra Pradesh	Disallowance of Interstate purchase	0.24	2005-07	High Court
Sales Tax	Andhra Pradesh	Levy of Penalty	1.89	2005-07	High Court
Sales Tax	Gujarat	Levy of Penalty under Amnesty	0.22	2003-04	J C Appeal

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Name of the Statute	State	Nature of the dues	Amount in Crores	Period to which it relates	Forum where Dispute is pending
Sales Tax	Uttar Pradesh	AS per clause no. 11 of the compounding scheme under the UP Trade Tax Act it is categorically made clear that no taxes shall be levied on sub-contractor where main contractor has opted for composition, no tax shall be levied to sub-contractor and benefit of sec 3G and 3F2 b (1) is available to us.	0.77	2003-04	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Same as above	1.88	2004-05	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Entry Tax on Vehicle, VAT levied on RMC rather than its components, whereas we have not purchased any RMC. Tax levied on structural steel which should be allowed as deduction.	0.29	2007-08	Additional Commissioner ,Appeal
Sales Tax	Maharashtra	Denial of deduction on Pre cost component	0.06	1993-94 to 1997-98	Tribunal / A C Appeal
Sales Tax	Maharashtra	Disallowance of WCT & BST	5.84	2000 to 2002	Jt. Appeal / Tribunal
Sales Tax	Maharashtra	Lease Matter	0.10	2005-06	Jt. Appeal II
Sales Tax	Maharashtra	Sales-In-Transit (I.E. 6(2) Sales disallowed)	4.72	2013-14	Jt. Appeal I
Sales Tax	Orissa	Lab. and Service Charges disallowed	0.11	1992-93 to 1999-00	A C Appeal
Sales Tax	Orissa	Various disallowance	0.11	2001-02	A C Appeal
Sales Tax	West Bengal	Arbitrary demand	0.98	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax	West Bengal	Arbitrary demand	5.65	2008-09 & 2009-10	Revision Board
Sales Tax	West Bengal	Arbitrary demand	2.39	2007-08	Tribunal
Sales Tax	West Bengal	Arbitrary order	0.63	2007-08 (CST)	Tribunal
Sales Tax	West Bengal	Arbitary demand based on prejudice about books of accounts is not reliable.	1.29	2012-13	JC Apeal

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(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2ND FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

Name of the Statute	State	Nature of the dues	Amount in Crores	Period to which it relates	Forum where Dispute is pending
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C T
Sales Tax	Assam	Arbitary Demand	0.60	2004-05 and 2006-07	Board of Revenue (GHC Ordered) / Appeal
Sales Tax	Rajasthan	Increase in EC Fees	0.05	2007-08	Tax Law Board – Ajmer
	Total		**31.63**		
Service Tax		Service Tax	0.86	August, 2012 to January, 2016	Supreme Court, New Delhi
Service Tax		Service Tax	6.44	August, 2008 to September, 2012	Supreme Court, New Delhi
Service Tax		Service Tax	0.25	July, 2006 to December 2007	
Service Tax		Service Tax	1.91	October, 2004 to August, 2008	
Service Tax		Service Tax	0.02	April 2007 to March, 2008	
	Total		**9.48**		

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

GAMMON
Builders to the Nation

GAMMON INDIA LIMITED

CIN:L74999MH1922PLC000997

Statement of Assets and Liabilities as at March 31, 2018

(₹ in Crore)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	450.74	451.28
(b) Capital work-in-progress	2B	10.38	20.05
(c) Intangible Asset	2B	-	-
(d) Financial assets			
(i) Investments	3	442.77	1,202.79
(ii) Trade receivable	4	207.71	294.86
(iii) Loans	5	1,283.86	2,009.01
(iv) Others	6	197.02	356.04
(e) Deferred tax assets (net)		-	-
(f) Other non-current assets	7	1,311.88	1,266.77
TOTAL NON-CURRENT ASSETS		**3,904.36**	**5,600.80**
CURRENT ASSETS			
(a) Inventories	8	123.82	146.27
(b) Financial assets			
(i) Investments	3	3.93	5.74
(ii) Trade receivables	4	132.00	60.46
(iii) Cash and cash equivalents	9	10.11	44.84
(iv) Bank balances	9	3.05	6.95
(v) Loans	5	8.65	15.63
(vi) Others	6	25.81	33.03
(c) Current tax assets (net)		-	-
(d) Other current assets	7	59.21	57.07
TOTAL CURRENT ASSETS		**366.58**	**369.99**
TOTAL ASSETS		**4,270.94**	**5,970.79**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	74.11	74.11
(b) Other equity	11	(1,413.42)	569.47
TOTAL EQUITY		**(1,339.31)**	**643.58**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	-	2,192.17
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	13	-	-
- Total outstanding dues to other than Micro and Small Enterprise	13	10.95	8.77
(iii) Other financial liabilities	14	12.00	12.00
(b) Provisions	15	0.35	0.90
(c) Deferred tax liabilities (net)	16	110.06	243.70
(d) Other non-current liabilities	17	90.58	101.92
TOTAL NON-CURRENT LIABILITIES		**223.94**	**2,559.46**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	-	949.14
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	19	0.44	0.63
- Total outstanding dues to other than Micro and Small Enterprise	19	137.13	199.08
(iii) Other financial liabilities	20	4,898.15	1,298.49
(b) Other current liabilities	21	116.25	67.72
(c) Provisions	15	232.01	250.37
(d) Current tax liabilities (net)	22	2.32	2.32
TOTAL CURRENT LIABILITIES		**5,386.30**	**2,767.75**
TOTAL EQUITY AND LIABILITIES		**4,270.94**	**5,970.79**

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

As per our report of even date
For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

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

NAYAN PARIKH & CO.
MUMBAI
Chartered Accountants

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated :

ABHIJIT RAJAN
Chairman
DIN No. 00177173

AJIT B. DESAI
Chief Executive Officer
DIN No. 00105836

Anurag Chaudhary
Director
DIN No. 00058456

GAMMON INDIA LTD.

GAMMON

Builders to the Nation

GAMMON INDIA LIMITED

CIN:L74999MH1922PLC000997

Statement of Profit and Loss for the year ended 31 March 2018

(₹ in Crore)

	Particulars	Note No.	April 2017 - March 2018	April 2016 - March 2017
I	**Revenue from Operations :**	23	242.44	761.68
II	**Other Income**	24	110.63	308.17
III	**Total Income (I +II)**		**353.07**	**1,069.85**
IV	**Expenses:**			
	Cost of material consumed	25	40.31	246.10
	Excise Duty		-	-
	Purchases of stock-in-trade		-	-
	Changes in inventories of finished goods, work-in progress and stock-in-trade	26	3.69	49.39
	Subcontracting Expenses		61.25	203.44
	Employee benefits expense	27	11.83	78.43
	Finance Costs	28	575.91	518.90
	Depreciation & amortization	29	11.77	32.65
	Other expenses	30	77.30	298.57
	Total Expenses		**782.06**	**1,427.48**
V	**Profit/(Loss) before exceptional items and tax**		**(428.99)**	**(357.63)**
VI	Exceptional items Income / (Expense)	31	(1,586.65)	(1,305.09)
VII	**Profit / (Loss) before tax**		**(2,015.64)**	**(1,662.72)**
VIII	**Profit/(Loss) from continuing operations**		**(2,015.64)**	**(1,614.82)**
IX	**Tax expenses**			
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	2.93
	Deferred Tax Liability / (asset)		(32.55)	(5.73)
	Total tax expenses		**(32.55)**	**(2.80)**
X	**Profit/(Loss) for the period from continuing operations (VIII-IX)**		**(1,983.09)**	**(1,612.02)**
XI	**Profit/(Loss) from discontinued Operations**		-	(47.90)
XII	**Tax expenses**			
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	-
	Deferred Tax Liability / (asset)		-	-
	Total tax expenses		-	-
XIII	**Profit/(Loss) from Discontinued Operations after Tax (XI-XII)**		-	**(47.90)**
XIV	**PROFIT FOR THE YEAR (X) + (XIII)**		**(1,983.09)**	**(1,659.92)**
XV	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss		0.20	(0.89)
	Income tax thereon			(1.14)
			0.20	**(2.03)**
XVI	**Total Comprehensive Income / (Loss) For The Period (XIV +XV)**		**(1,982.89)**	**(1,661.95)**
XVII	**Earnings per equity share of the face value of Rs. 2 each**			
	Basic		(53.76)	(45.10)
	Diluted		(53.66)	(45.01)

As per our report of even date

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated :

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

ABHIJIT RAJAN
Chairman
DIN No. 00177173

AJIT B. DESAI
Chief Executive Officer
DIN No. 00105836

Anurag Chaudhary
Director
DIN No. 00955456

GAMMON INDIA LTD.

GAMMON INDIA LIMITED

CIN:L74999MH1922PLC000997

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Crore)

Particulars	Apr 2017 - Mar 2018		Apr 2016 - Mar 2017	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Extraordinary Items		(2,015.64)		(1,662.72)
Adjustments for :				
Depreciation	11.77		32.65	
(Profit) / Loss on Sale of Assets	(9.68)		(0.81)	
(Profit) / Loss on Sale of Investments	(0.91)		(1.02)	
(Profit) / Loss on Sale of Business	-		(26.75)	
Income recognised towards corporate guarantee	(9.65)		(12.01)	
Gain on Remeasurement of Loans to Subsidiary	(7.79)		(0.89)	
Dividend Income	(0.05)		-	
Interest Expenses	575.91		518.90	
Provision for Doubtful Debts and Advances	22.71		34.13	
Bad Debts Written off	8.80		20.94	
Interest Income	(18.52)		(265.98)	
Exceptional Items	1,586.65		1,305.09	
Sundry Balances Written off	0.06		38.08	
Asset written off	-		12.44	
Excess Provision Written Back	(49.67)		-	
Sundry Balances Written Back	(2.42)	2,107.30	(46.32)	1,608.45
Operating Profit Before Working Capital Changes		91.66		(54.27)
Trade and Other Financial Receivables	15.00		(720.63)	
Inventories	22.45		28.78	
Trade Payables and Provision	(76.24)		(31.49)	
Other Non Financial Assets	(49.05)		871.53	
Other financial liabilities	48.77		21.69	
Other non-financial liabilities	(0.88)	(40.84)	25.75	195.83
CASH GENERATED FROM THE OPERATIONS		50.82		141.56
Direct Taxes Paid		(6.81)		(15.94)
Net Cash from Operating Activities		44.01		125.62
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	(0.43)		(18.85)	
Fixed Assets and CWIP disposal	20.99		27.51	
Purchase of Investments	-		(0.25)	
Sale of Investments			-	
Subsidiary, Joint Ventures & Associates	-		-	
Others	2.72		9.26	
Dividend received	0.05		-	
Other bank balance	3.90		(0.05)	
Loans and Advances to subsidiary	(30.69)		(26.10)	
Loan repaid by Subsidiary	78.67		17.69	
Interest Received	7.77		34.08	
Net Cash from Investment Activities		80.99		34.48
C CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	-		4.91	
Movement in other Equity	-		(5.09)	
Interest paid	(108.75)		(137.53)	
(Repayment) from Long term Borrowings	-		(14.00)	
Net proceeds from Short term Borrowings	(50.96)		(38.93)	
Net Cash from Financing Activities		(159.71)		(191.64)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(34.72)		(31.54)
Opening Balance		44.84		113.63
Less: Cash and Cash Equivalent transferred on demerger of Business		-		37.25
Closing Balance		10.11		44.84
NET INCREASE IN CASH AND CASH EQUIVALENTS		(34.73)		(31.54)
Components of Cash and Cash Equivalents				
Cash on Hand		0.06		0.05
Balances with Bank		10.05		44.79
Total Balance		10.11		44.84

Note: Figure in brackets denote outflows

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

K N Padmanabhan
Partner
M No. 36410
Mumbai, Dated :

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

ABHIJIT RAJAN
Chairman
DIN No. 00177173

AJIT B. DESAI
Chief Executive Officer
DIN No. 00105836

Anurag Chaudhary
Director
DIN No. 00955456

GAMMON INDIA LTD.

Statement of Changes in Equity for the period ended March 31, 2018

A. Equity Share Capital

Particulars	March 31, 2018 Number of Shares	March 31, 2018 Rs. in crore	March 31, 2017 Number of Shares	March 31, 2017 Rs. in crore
Subscribed and Fully Paid up Capital				
Equity shares of INR 10 each				
Opening Balance	36,88,47,305	73.77	36,47,22,809	72.94
Changes in equity share capital during the year	-	-	41,24,496	0.83
Closing Balance	36,88,47,305	73.77	36,88,47,305	73.77
Share Forfeiture Account				
Money received in respect of Right Shares of Rs.10/- each forfeited	1,70,948	0.34	1,70,948	0.34
Total	36,90,18,253	74.11	36,90,18,253	74.11

B. Other Equity

Particulars	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	General Reserve	Foreign Currency Translation Reserve	Promoters Contribution	Treasury Shares	Total
Balance as at 1 April 2016	315.41	105.00	11.52	1,258.12	81.00	-	363.06	-	100.00	(1.69)	2,232.43
Profit for the year	(1,659.91)										(1,659.92)
Share allotted during the year				4.08							4.08
Re-measurement of net defined benefit plans	(0.89)										(0.89)
- Tax on above	(1.14)										(1.14)
Others	(5.08)										(5.08)
Balance as at 31 March 2017	(1,351.62)	105.00	11.52	1,262.20	81.00	-	363.06	-	100.00	(1.69)	569.47
Profit for the year	(1,983.08)										(1,983.08)
Re-measurement of net defined benefit plans	0.20										0.20
- Tax on above											-
Others											-
Balance as at 31 March 2018	(3,334.50)	105.00	11.52	1,262.20	81.00	-	363.06	-	100.00	(1.69)	(1,413.41)

(a) General Reserve
The General Reserve is created to comply with The Companies (Transfer of Profit to Reserve) Rules 1975.

(b) Securities premium reserve
Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

(c) Debenture Redemption Reserve
In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11.02.2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. In accordance with the Companies (Share Capital and Debenture) Rules, 2014 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. The Company has however not set aside or earmarked liquid assets of Rs.5.44 crore (P.Y March 2016 : Rs 5.35 Crore, October 2014: Rs. 0.82 Crore) being 15% of the amount of Debenture due for redemption before 31 March 2017 as required by the aforesaid Circular in view of the financial crunch faced by the Company.

GAMMON INDIA LTD.

(d) Capital Reserve

Pursuant to a Scheme of Arrangement between the company,TLL and their respective shareholders and creditors pursuant to Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 for transfer of the retained Transmission and Distribution Undertaking (as defined in the scheme) of GIL, comprising of engineering, procurement and construction business of the Company in the power transmission and distribution sector which includes the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the retired T&D Undertaking, to TLL,which was filed with the Hon'ble High Court of Bombay which was later transferred to the National Company Law Tribunal ("NCLT"), the competent judicial authority under the Companies Act 2013. The appointed date for the scheme was January 1, 2016. The Scheme was approved by the NCLT vide their order dated March 30, 2017. The said order was received by the company on April 18, 2017 and was filed with the Registrar of Companies on April 19, 2017. Pursuant to the scheme and in accordance with the directions of the NCLT the company has recorded the fair value of the consideration receivable from TLL by way of 725,000 Equity Shares to be issued by TLL to the company as Non-Current Non Financial Asset, pending allotment of said shares and the company has derecognized book values of the assets and liabilities of retained T&D Undertaking transferred to TLL and the resultant difference of Rs 11.52 crore has been credited to Capital reserve account.

(e) Promoters Contribution

The Company had pursuant to the Shareholders approval in May, 2015, issued Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD's") of upto RS.100 Crore to the promoters against their contribution made to the Company's Corporate Debt Restructuring ("CDR") package. However no allotment was made, since the in-principle approval for allotment was awaited from BSE Limited. On 26th April 2016 , BSE has directed the Company to modify the "relevant date" adopted by the Company for the pricing of the CCD's and seek shareholders approval afresh . The amount contributed by the Promoters continues to remain as debt in the Company.

(f) Treasury Shares

Pursuant to the Scheme of Amalgamation with ATSL in 2008, the Company owns 58,04,620 Equity Shares of itself through Gammon India Trust which was allotted the shares against the Company's holding in erstwhile ATSL in terms of the order of the Hon'ble High Court of Mumbai and Gujarat.

As per our report of even date
For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

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

K N Padmanabhan
Partner
M.No. 36410

ABHIJIT RAJAN
Chairman
DIN No. 00177173

AJIT B. DESAI
Chief Executive Officer
DIN No. 00105838

Anurag Chaudhary
Director
DIN No. 00865456

Mumbai, Dated :

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

GAMMON INDIA LTD.

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Gammon India Limited is a civil engineering construction company incorporated in the year 1922. It originated as a construction business in the year 1919 founded by John C. Gammon and was taken over by its present Managing Director Abhijit Rajan in the year 1991.

Prominently it is one of the largest infrastructure companies in India with several multifarious civil engineering projects to its credit. Broadly, its specific segments of specialisation in infrastructure are transportation, power projects, transmission & distribution, structural designs, irrigation projects, ground engineering & water supply. Having established its leadership in construction and turnkey projects, it is also accredited with expertise in roads, flyovers and bridges. Besides its large scale of operations in the Construction and Infrastructure domain, Gammon has a dominant presence in energy business in which it operates in the hydro, nuclear and thermal power segments- having India's first second generation nuclear power plant in Kalapakkam to its credit.

Gammon's projects cover businesses and projects involving highways, public utilities, environmental engineering and marine structures. Gammon's expertise also covers the design, financing, construction and operation of modern bridges, ports, harbours, thermal & nuclear power stations, viaducts, dams, high-rise structures, chemical & fertiliser complexes and metro rail, both on a Built-Operate–Transfer (BOT) basis as well as contract execution. Gammon is also active in the Social Infrastructure sector through its operations in the realty project segment.

2 SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of Preparation**

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values which are disclosed in the Financial Statements, the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

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

Accounting policies have been consistently applied except whereas 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 financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

ii) **Revenue Recognition:**

a) **Revenue from Construction Contracts:**

Long term contracts including joint ventures are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, revenue is recognized by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any are fully provided for in the respective accounting period, irrespective of stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at realizable value thereafter. Claims are accounted as income in the year of acceptance by client. Additional claims (including for escalation), which in the opinion of the management are recoverable on the contract, are recognized at the time of evaluating the job.

b) **Turnover**

Turnover represents work certified upto and after taking in to consideration the actual cost incurred and the profit evaluated by adopting the percentage of work completion method of accounting.

c) **Interest Income:**

Interest income for all financial instruments classified under the amortized cost category is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

d) **Dividend Income:**

Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

e) **Lease income:**

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals are recognized on straight-line basis as per the terms of the agreements in the statement of profit and loss.

f) **Income from insurance claim:**

Insurance claims are recognised only when there is reasonable certainty of receiving the claim.

iii) **Joint Ventures**

a) Joint Venture Contracts under Consortium are accounted as independent contracts to the extent of work completion.

b) In Joint Venture Contracts under Profit Sharing Arrangement, services rendered to Joint Ventures are accounted as income on accrual basis, profit or loss is accounted as and when determined by the Joint Venture and net investment in Joint Venture is reflected as investments or loans & advances or current liabilities.

GAMMON INDIA LTD.

iv) **Employee benefits**

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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 recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

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

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

v) **Property, plant and equipment**

Property, plant and equipment are stated at cost/deemed cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Property, plant and equipment are derecognised from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case maybe . Property, plant and equipment which are added / disposed off during the year, depreciation is provided on *pro-rata basis* with reference to the month of addition / deletion.

vi) **Leased assets**

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

vii) **Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

GAMMON INDIA LTD.

vii) **Impairment of Non-financial Assets**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

ix) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

x) **Inventories**

Material at Construction Site are valued at lower of cost and net realisable value. Costs are determined on Weighted Average Method.

Work In Progress on construction contracts are carried at lower of assessed value of work done less bill certified and net realisable value.

xi) **Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

xii) **Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

xiii) **Taxes on income**

Current Taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. 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 balance sheet approach on temporary differences at the reporting date 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 utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized 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 realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

xiv) **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. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

GAMMON INDIA LTD. *

Contingent liabilities and Contingent Assets

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

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.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

xv) **Earning Per Share**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

xvi) **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

xvii) **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 realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- 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 at least twelve months after the reporting period. Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

xviii) **Fair value measurement**

The Company measures financial instruments such as derivatives and certain investments, 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

GAMMON INDIA LTD.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xix) Financial instruments

a. Financial assets:

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(ii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- Cash flow characteristics test: 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- Cash flow characteristics test: 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary , joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

GAMMON INDIA LTD.

(iv) **Investment in associates, joint venture and subsidiaries**

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

(v) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b. Financial liabilities:

(i) **Initial recognition and measurement**
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(ii) **Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

(iii) **Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

(iv) **Loans and borrowings**
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

(v) **Financial guarantee contracts**
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

(vi) **Derecognition**
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

GAMMON INDIA LTD

c. **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

d. **Derivative financial instruments:**

The Company enters into derivative contracts to hedge foreign currency price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

e. **Trade Payables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

f. **Trade Receivable**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

GAMMON INDIA LTD.

Note 2

Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

Tangible Assets

(Rs in Crore)

Particulars	Freehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK							
As at 01 April 2016	502.11	105.13	1,329.31	66.16	7.67	30.13	2,040.51
Additions	-	-	17.69	0.99	0.18	-	18.86
Disposals/Adjustments	-	-	49.91	6.77	0.03	0.20	56.91
Transfer under Scheme and BTA (Refer No	108.97	63.42	1,197.72	57.12	7.04	29.47	1,463.74
As at 31 March 2017	**393.14**	**41.71**	**99.37**	**3.26**	**0.78**	**0.46**	**538.72**
Additions	-	-	0.42	-	0.01	-	0.43
Disposals/Adjustments	-	-	(11.84)	0.15	-	-	(11.69)
As at 31 March 2018	**393.14**	**41.71**	**111.63**	**3.11**	**0.79**	**0.46**	**550.84**
DEPRECIATION							
As at 01 October 2014	-	38.77	691.13	54.24	6.60	25.63	816.37
Charge for the Year	-	1.29	29.63	1.00	0.73	-	32.65
Disposals/Adjustments	-	-	10.68	6.38	-	0.09	17.15
Transfer under Scheme and BTA (Refer No	-	11.16	655.42	46.23	6.55	25.08	744.44
As at 31 March 2017	-	**28.90**	**54.66**	**2.63**	**0.78**	**0.46**	**87.43**
Charge for the Year	-	0.83	10.70	0.24	0.01	-	11.78
Disposals/Adjustments	-	-	(1.05)	0.15	-	-	(0.90)
As at 31 March 2018	-	**29.73**	**66.41**	**2.72**	**0.79**	**0.46**	**100.11**
NET BLOCK							
As at 31 March 2017	**393.14**	**12.81**	**44.71**	**0.63**	**(0.00)**	-	**451.29**
As at 31 March 2018	**393.14**	**11.98**	**45.22**	**0.39**	**(0.00)**	-	**450.73**

GAMMON INDIA LTD.

(All the amounts are Rs in crore unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Non- Current		Current	
3 Financial Assets				
A Investment carried at amortised Cost				
1 Equity Instrument of Subsidiaries -Indian	1,657.39	1,657.39	-	-
2 Equity Instrument of Subsidiaries - Foreign	45.26	45.26	-	-
3 Equity Instrument - Others- India	75.95	10.41	-	-
4 Equity Instrument - Others- Foreign	19.70	19.70	-	-
5 Government Securities	0.54	0.54	-	-
6 Partnership Firm	0.00	0.00	-	-
7 Optionally fully Convertible Debenture (OFCD)	-	4.37	-	-
8 Consideration Receivable pursuant to Scheme	-	61.19	-	-
9 Provision for Impairment	(1,356.09)	(596.06)	-	-
Total	**442.77**	**1,202.80**	-	-
B Other Investments (At Fair value through P&L)				
1 Equity Shares	-	-	1.73	3.65
2 Liquid Mutual Funds	-	-	2.20	2.09
Total	-	-	**3.93**	**5.74**

Disclosure:

i) **Investment carried at Cost**

ii) **Investments carried at fair value through Profit and Loss**

I Details of Investments

A Non Current Investments:-

i) Investment in equity instruments of Subsidiaries (Indian)

Particulars	Face Value	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Ansaldocaldaie Boilers India Private Limited	10	3,67,00,000	43.00	3,67,00,000	43.00
ATSL Infrastructure Project Limited	10	25,500	0.03	25,500	0.03
Deepmala Infrastructure Private Limited	10	5,100	62.09	5,100	62.09
Franco Tosi Hydro Private Limited	10	10,000	0.01	10,000	0.01
Franco Tosi Turbines Private Limited	10	10,000	0.01	10,000	0.01
Gactel Turnkey Projects Limited	10	50,50,000	19.59	50,50,000	19.59
Gammon & Billimoria Limited	10	51,000	13.49	51,000	13.49
Gammon Power Limited	10	2,25,45,000	722.27	2,25,45,000	722.27
Gammon Realty Limited	10	1,50,49,940	59.85	1,50,49,940	59.85
Gammon Retail Infra Private Limited (Fully paid-up)	10	10,000	0.03	10,000	0.03
Gammon Retail Infra Private Limited (Partly paid Rs. 8 paid-up)	10	50,000	0.04	50,000	0.04
Metropolitan Infrahousing Private Limited	10	8,416	736.48	8,416	736.48
Patna Water Supply Distribution Network Private Limited	10	7,399	0.01	7,399	0.01
Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44	4,41,250	0.44
SAE Transmission India Limited	10	50,000	0.05	50,000	0.05
Tidong Hydro Power Limited	10	25,500	0.03	25,500	0.03
			1,657.42		**1,657.42**
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received			0.03		0.03
			1,657.39		1,657.39
Total			**1,657.39**		**1,657.39**

ii) Investment in equity instruments of Subsidiaries (Foreign)

Particulars	Face Value In Rs.	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Associated Transrail Structure Limited Nigeria	NGN 1	1,00,00,000	0.36	1,00,00,000	0.36
ATSL Holdings B.V. (Netherland)	EUR 100	180	2.29	180	2.29
ATSL Holdings B.V. (Netherland) (for SAE Power lines srl)	-	-	5.91	-	5.91
Campo Puma Oriente S.A.	USD 1	6,441	4.65	6,441	4.65
Gammon Holdings (Mauritius) Limited	USD 1	15,000	2.85	15,000	2.85
Gammon Holdings B.V.	EUR 100	180	12.28	180	12.28
Gammon Holdings B.V. (for Franco Tosi Meccanica S.p.A.)			2.73		2.73
Gammon International B.V.	EUR 100	180	12.09	180	12.09
Gammon International FZE	AED 150000	1	0.17	1	0.17
P.Van Eerd Beheersmaatschappij B.V.	EUR 453.78	35	1.92	35	1.92
Total			**45.26**		**45.26**

GAMMON INDIA LTD.

iii) Investment in equity instruments -Others- Indian

Particulars	Face Value in Rs.	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Airscrew (India) Limited (Rs.5 paid up)	100	200	0.00	200	0.00
Alpine Environmental Engineers Limited	100	204	0.00	204	0.00
Bhagirathi Bridge Construction Company Limited	100	300	0.00	300	0.00
Gammon Engineers and Contractors Pvt. Ltd.	10	1,41,85,714	49.05	-	-
Transrail Lighting Limited	10	87,50,000	26.08	77,50,000	10.18
Modern Flats Limited (Unquoted)	10	2,040	0.00	2,040	0.00
Planach Turnkeys Limited	100	600	0.01	600	0.01
Shah Gammon Limited	100	835	0.01	835	0.01
STFA Piling (India) Limited (Fully Provided)	10	2,17,321	0.22	2,17,321	0.22
Indira Container Terminal Private Limited	10	2,64,07,180	26.41	2,64,07,180	26.41
Less : Transfer of Beneficial Interest in SPV in lieu of Deposit received			(26.41)		(26.41)
			75.96		**10.41**

iv) Investment in equity instruments -Others- Foreign

Particulars	Face Value in Rs.	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 (under Liquidation) (Fully Provided)		1,142	0.18	1,142	0.18
Finest S.p.A. Italy (Associate)	EUR 1	7,80,000	19.52	7,80,000	19.52
Total			**19.70**		**19.70**

v) Government Securities

Particulars	Face Value in Rs.	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Unquoted					
Government Securities Lodged with Contractees as Deposit :					
Sardar Sarovar Narmada Nigam Ltd - Bonds			0.30		0.30
Others			0.12		0.12
Government Securities Others : (Indira Vikas Patras and National Savings Certificates)			0.12		0.12
Total			**0.54**		**0.54**

vi) Investment in Partnership Firm

Particulars	Face Value in Rs.	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Unquoted					
Gammon Shah (fully provided for)			0.00		0.00
Total			0.00		0.00

vii) Provision for Impairment of Investment

Particulars	March 31, 2018 Nos	March 31, 2018 Amount	March 31, 2017 Nos	March 31, 2017 Amount
Air Screw India Ltd.		0.00		0.00
Bhagirathi Bcc Ltd.		0.00		0.00
Shah Gammon Limited		0.01		0.01
STFA Piling India Ltd.		0.22		0.22
Gammon Midest Ltd.		0.18		0.18
Gammon Shah		0.00		0.00
PVAN Investment		0.05		0.05
ACBI Investment		37.15		37.15
ATSL HOLDING BV		0.12		0.12
ASSOCIATED TRANSRAIL STR LTD - NIGERIA		0.38		0.38
Others		0.00		0.00
Finest S.p.A. Italy		19.52		19.52
Gammon Power Limited		672.48		518.99
Gactel Turnkey Projects Limited		10.97		10.97
Gammon Billimoria Limited		8.49		8.49
Metropolitan Infrahousing Private Limited		606.63		-
Total		**1,356.09**		**596.08**

viii) Optionally fully Convertible Debenture (OFCD)

Particulars	FV	March 31, 2018		March 31, 2017	
		Nos	Amount	Nos	Amount
Transrail Lighting Limited	159	-	-	2,75,000	4.37
Total			-		4.37

In accordance with the Business Transfer Agreement , the company has been allotted 2,75,000 unsecured zero coupon Optionally fully convertible debentures(" OFCD") of Rs.159 each amounting to Rs 4.37 crore of Transrail Lighting Limited. Each OFCD is convertible in to 1 equity share of the company at the option of the OFCD holder upon one month of consummation of the scheme of Arrangement or 18 months from the execution of BTA, whichever is later. If the scheme of arrangement as detailed in Note 38 is not approved & the investor opts for redemption of OFCD to be issued to them, the said OFCD's shall be redeemed with a 11% yield on the subscribed amount. During the year pursuant to the scheme being approved the OFCDs have been converted to equity shares of Transrail Lighting Limited

ix) Consideration Receivable pursuant to Scheme	March 31, 2018 Amount	March 31, 2017 Amount
Equity Shares receivable from Gammon Engineers and Contractors Private Limited	-	49.65
Equity Shares receivable from Transrail Lighting limited	-	11.53
Total	-	61.18
Total Non-Current Investments	442.77	1,202.80

During the year 1,41,85,714 equity shares of Gammon Engineers & Contractors Private Limited and 10,00,000 equity shares of Transrail Lighting Limited have been issued by the respective companies against discharge of the respective receivable amount.

B Current Investments:-
Investment in Shares and Mutual Funds

Particulars	Face Value in Rs.	March 31, 2018		March 31, 2017	
		Nos/ Units	Amount	Nos/ Units	Amount
Quoted					
i) Investments carried at fair value through Profit and Loss					
Equity Shares					
Bank of Baroda	10	21,000	0.30	21,000	0.07
Cords Cable Industries Ltd	10	33,502	0.27	33,502	0.26
Gujarat State Financial Corporation	10	4,600	0.00	4,600	0.00
Technofab Engineering Limited	10	55,000	1.16	1,75,000	3.32
			1.73		3.65

Particulars	Face Value in Rs.	March 31, 2018		March 31, 2017	
		Nos/ Units	Amount	Nos/ Units	Amount
ii) Mutual funds					
SBI Dynamic Bond Fund		6,67,967	1.42	6,67,967	1.38
HDFC Balanced Fund		20,553	0.30	20,553	0.27
ICICI Liquid Plan		18,478	0.47	18,478	0.44
HDFC Floating Rate Income Fund		2,048	0.00	2,048	0.00
Total			2.20		2.09
Total current investments			3.92		5.74
Total Non - Current and Current Investments			446.69		1,208.54
Aggregate amount of quoted investments			2.20		2.09
Market Value of Quoted Investment			2.20		2.09
Aggregate amount of unquoted investments			444.50		1,206.45

C Disclosures u/s 186 (4) of The Companies Act, 2013:

Name of Party	Relation	Purpose	Period ended (Rupees in Crore) March 31, 2018	March 31, 2017
Equity Instrument				
Transrail Lighting Limited	Associate	Conversion of Optionally fully Convertible Debenture	4.37	-
Transrail Lighting Limited	Associate	Allotment against Consideration Receivable pursuant to Scheme	11.53	-
Gammon Engineers and Contractors Private Limited	Associate	Allotment against Consideration Receivable pursuant to Scheme	49.65	-

GAMMON INDIA LTD.

E. Other Notes

(a) During the previous period the Company has pledged the Equity Shares of the following Companies -
- 3,65,00,000 Ansaldocaldaie Boilers India Private Limited
- 5,100 Deepmala Infrastructure Private Limited
- 50,49,940 Gactel Turnkey Projects Limited
- 141,85,714 Gammon Engineers & Contractors Private Limited
- 10,49,940 Transrail Lighting Limited

(b) - Post balance sheet date out of total pledge shares of Gammon Engineers and Contractors Private Limited, 1,11,57,373 equity shares have been invoked by the Lenders.

- Similarly in the case of Transrail Lighting Limited 8,20,059 equity shares pledged have been invoked by the Lenders.

(c) The Company has made provision for diminution in the value of investments arising out of fall in value of equity shares of Gammon Infrastructure Projects Limited (GIPL) which is held through Gammon Power Limited and GACTEL Turnkey Projects Limited. The provision is made against carrying value of investments and the loans advanced to the companies. The provision is based on the rate at which the Company had sold its partial stake in GIPL during the year and since the balance sheet date.

GAMMON INDIA LTD.

4. Financial Assets - Trade Receivables

(Unsecured, at amortised cost)

(All the amounts are Rs. in Crore unless otherwise stated)

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Considered good	208.23	132.33	295.52	69.56
Considered Doubtful	-	202.45	-	172.97
Provision for Doubtful debts	-	(202.45)	-	(172.97)
	208.23	132.33	295.52	69.56
Less: Expected credit loss	(0.52)	(0.33)	(0.66)	(0.10)
	207.71	132.00	294.86	69.46
Total	207.71	132.00	294.86	69.46

(a) **In respect of the projects undertaken by the Company:**

(i) The Company in evaluating its jobs has considered an amount of Rs. 7.50 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

(ii) In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of Rs.114.22 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.

(iii) There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 402.54 Crore consisting of receivable of Rs. 164.29 crores, inventory 38.71 crore and other receivables Rs. 199.54 crores. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Client.

(iv) The Company has receivable including retention and work in progress aggregating to Rs. 54.72 Crore (inventory - Rs. 24.30 crores and receivables Rs. 30.42 crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.

(b) **Expected Credit Loss**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts.

Movement in the expected credit loss allowance

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	(0.66)	(0.10)	1.33	1.49
Reversal on account of Transfer of Business	-	-	0.15	1.58
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.14	(0.23)	(1.82)	0.26
Provision at the end of the period	(0.52)	(0.33)	(0.66)	(0.10)

5. Financial Assets: Loans (un secured at amortised cost)

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	1,272.50	1.06	1,985.86	1.03
Considered Doubtful	1,360.42	113.78	600.37	171.26
Less : Provision for Doubtful Loans	(1,360.42)	(113.78)	(600.37)	(171.26)
Deposits				
Considered Good	4.50	4.45	4.62	8.22
Unsecured Considered Doubtful	-	3.60	-	3.60
Less : Provision for Doubtful	-	(3.60)	-	(3.60)
Other Loans and Advances				
Unsecured Considered good	6.85	3.14	18.53	6.38
Unsecured Considered Doubtful	33.22	4.94	54.09	4.94
Less : Provision for Doubtful	(33.22)	(4.94)	(54.09)	(4.94)
Total	1,283.86	8.65	2,009.01	15.63

(i) **Details of Loans given to Related Parties**

Name of the Related Party	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Considered good:				
Deepmala Infrastructure Private Limited	152.47	-	214.19	-
Gammon Realty Limited	29.43	-	119.40	-
Metropolitan Infrahousing Private Limited	343.38	-	531.81	-
RAS Cities and Township Private Limited	2.00	-	9.84	-
Gactel Turnkey Projects Limited	1.53	-	-	-
Sikkim Hydro Power Ventures Limited	0.00	-	0.00	-
Haryana Biomass Power Limited (Harda's Projects)	0.07	-	0.07	-
Gammon International FZE	68.36	-	70.87	-
Gammon International B.V.	49.43	-	312.32	-
Campo Puma Oriente S.A.	155.22	-	264.26	-
Ansaldocaldaie Boilers India Private Limited	29.57	-	29.57	-
Gammon Holdings (Mauritius) Limited	106.19	-	100.85	-
Patna Water Supply Distribution Network Private Limited	51.44	-	51.15	-
Gammon Holdings B.V.	271.92	-	274.47	-
OSE Gammon Joint Venture	-	-	0.14	-
ATSL Holding B.V. (Netherland)	(2.52)	-	(1.36)	
Franco Tosi Meccanica S.P.A		0.11		
Gammon Retail Infrastructure Private Limited	-	0.27	-	0.24
Rajahmundry Godavari Bridge Limited	-	0.35	-	0.35
Tidong Hydro Power Limited	-	0.02	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	0.00	-	-
Franco Tosi Hydro Private Limited	-	0.01	-	0.01
Gammon Sew Joint Venture	-	0.09	-	0.06
Preeti Township Private Limited	-	0.01	-	0.01
SAE Transmission India Limited	-	0.20	-	0.20
Franco Tosi Turbine Private Limited	-	-	-	0.11
Total	1,272.51	1.06	1,985.86	1.03

GAMMON INDIA LTD.

Considered Doubtful

Deepmala Infrastructure Private Limited	61.77	-	-	-
Gammon Realty Limited	88.88	-	-	
Metropolitan Infrahousing Private Limited	209.03	-	-	-
Gammon & Billimoria Limited	39.87	-	40.37	-
Gactel Turnkey Projects Limited	66.79	-	65.54	-
Gammon International FZE	21.04	-	17.04	-
P.Van Eerd Beheersmaatschappij B.V.	0.10	-	9.11	-
Gammon International B.V.	266.61	-	2.55	-
Campo Puma Oriente S.A.	220.41	-	130.00	-
Gammon Holdings B.V.	183.87	-	171.77	-
Finest S.p.A.	0.52	-	0.52	-
ATSL Holding B.V. (Netherland)	115.67	-	114.51	-
SAE Power Lines S.r.l.	48.96	-	48.96	-
Gammon Power Limited	-	110.57	-	168.03
Associated Transrail Structure Limited Nigeria		3.21	-	3.21
Total	1,360.42	113.78	680.37	171.24

(i) Detail of Loans & Advances in the nature of loans
Disclosure of amounts outstanding at period end as per Schedule V of Listing Obligations and Disclosure Requirements 2018

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Ansaldocaldaie Boilers India Private Limited	29.57	29.57	29.57	60.42
Associated Transrail Structure Limited Nigeria	3.21	3.21	3.21	3.29
Atlanta India Limited Gammon JV	-	-	-	0.06
ATSL Holding B.V. (Netherland)	113.15	113.15	113.15	115.48
BBJ Gammon JV	-	-	-	1.35
Campo Puma Oriente S.A.	395.63	384.38	397.52	384.38
Deepmala Infrastructure Private Limited	214.25	214.19	260.61	214.19
Finest S.p.A.	0.52	0.52	0.52	0.56
Franco Tosi Hydro Private Limited	0.01	0.01	0.01	0.01
Franco Tosi Turbines Private Limited	-	0.11	-	0.11
Gactel Turnkey Projects Limited	66.32	65.54	66.32	65.54
Gammon & Billimoria Limited	39.87	40.37	40.37	40.37
Gammon Archirodon Joint Venture	-	-	-	0.03
Gammon Cidade Tensacciai Joint Venture	-	-	-	63.09
Gammon CMC Joint Venture	-	-	-	7.50
Gammon Encee JV	-	-	-	4.85
Gammon Holdings (Mauritius) Limited	105.19	108.65	109.72	111.29
Gammon Holdings B.V.	455.79	446.24	455.79	459.56
Gammon International B.V.	336.03	314.66	336.03	325.83
Gammon International FZE	91.29	87.92	91.29	91.09
Gammon JMC Joint Ventures	-	-	-	0.00
Gammon Power Limited	110.57	168.05	168.05	168.05
Gammon Progressive JV	-	-	-	0.61
Gammon Realty Limited	118.31	119.46	123.10	119.46
Gammon Renewable Energy Infrastructure Limited	0.00	-	0.00	0.06
Gammon Retail Infrastructure Private Limited	0.27	0.24	0.27	0.24
Gammon Rizzani JV	-	-	-	0.44
Gammon Sew Joint Venture	0.09	0.08	0.09	0.08
Haryana Biomass Power Limited (Haredo Projects)	0.07	0.07	0.07	0.07
Jaeger Gammon Joint Venture	-	-	-	1.57
JV Gammon-FECP, Nigeria	-			14.75
Kosi Bridge Infrastructure Company	-	-	-	0.61
Metropolitan Infrahousing Private Limited	549.41	531.81	549.41	531.81
Mumbai Nasik Expressway Limited	-	-	-	0.01
OSE Gammon Joint Venture	-	0.14	0.14	0.14
P.Van Eerd Beheersmaatschappij B.V.	9.19	9.11	9.21	9.30
Patna Water Supply Distribution Network Private Limited	51.48	51.15	51.48	51.15
Preeti Township Private Limited	0.01	0.01	0.01	0.01
Rajahmundry Godavari Bridge Limited	0.35	0.35	0.35	0.35
RAS Cities and Township Private Limited	2.00	9.94	9.94	9.94
SAE Power Lines S.r.l.	48.96	48.66	48.96	49.08
SAE Transmission India Limited	0.20	0.20	0.20	0.20
Sikkim Hydro Power Ventures Limited	0.00	0.00	0.00	0.00
Tidong Hydro Power Limited	0.02	0.02	0.02	0.02
Transrail Lighting Limited	-	-	-	0.01
Youngthang Power Ventures Limited	-	-	-	0.00
Franco Tosi Meccanica S.P.A.	0.11	-	0.11	-
Total	2,747.76	2,758.52	2,847.63	2,916.97

(ii) Investment by loanee in the subsidiary Companies Shares

Name of the Company	Invested in Subsidiary Company	March 31, 2018	March 31, 2017
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A.	411.28	353.26
	Gammon Italy S.r.L.	0.14	0.12
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.l.	103.44	90.30
Gammon & Billimoria Limited	G & B Contracting LLC	0.61	0.61
Gammon Realty Limited	Preeti Township Private Limited	0.12	0.12
	Deepmala Infrastructure Private Limited	0.00	0.00
Gammon Power Limited	Gammon Infrastructure Projects Limited	488.94	714.10
Gactel Turnkey Projects Limited	Gammon Infrastructure Projects Limited	-	88.17
P.Van Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A.	58.51	51.97
Gammon Retail Infrastructure Private Limited	Gammon Power Limited	0.01	0.01

GAMMON INDIA LTD.

(ix) The balances of the project advances are subject to confirmation and consequent reconciliation, if any.

(x) The Company on prudent basis has stopped recognizing further interest on all the loans which are doubtful of recovery and for which provisions for impairment are made either in full or part

(xi) **Disclosure u/s 186 (4) of The Companies Act, 2013:**

Name of Party	Relation	Purpose	March 31, 2018	March 31, 2017
Campo Puma Oriente S.A.	Subsidiary	Advance towards Operations	-	349.35
Deepmala Infrastructure Private Limited	Subsidiary	-----do-----	0.14	0.01
Gactel Turnkey Projects Limited	Subsidiary	-----do-----	2.78	19.47
Gammon Holdings (Mauritius) Limited	Subsidiary	-----do-----	-	0.07
Gammon Holdings B.V.	Subsidiary	-----do-----	-	0.00
Gammon International B.V.	Subsidiary	-----do-----	0.50	0.06
Gammon Retail Infrastructure Private Limited	Subsidiary	-----do-----	-	0.24
Metropolitan Infrahousing Private Limited	Subsidiary	-----do-----	17.60	0.20
P.Van Eerd Beheersmaatschappij B.V.	Subsidiary	-----do-----	-	0.04
Patna Water Supply Distribution Network Private Limited	Subsidiary	-----do-----	0.30	0.44

6 **Other Financial Assets (at amortised cost)**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	197.02	0.65	356.04	32.70
Considered Doubtful	217.70	-	14.66	4.56
Less : Provision for Doubtful Interest	(217.70)	-	(14.66)	(4.56)
Other Receivable	-	0.63	-	0.33
Excess Managerial Remuneration Receivable	-	34.53	-	-
Total	197.02	35.81	356.04	33.03

Pursuant to the rejection of the waiver of recovery of managerial remuneration by the Members in General Meeting, the Company has reversed the managerial remuneration of the Chairman and Managing Director and another Executive Director aggregating to Rs. 31.13 crore and has shown the net recoverable amount (after reversal of unpaid salary) of Rs. 34.53 crores as excess managerial remuneration receivable

7 **Other Assets**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Unbilled Revenue (Refer note below)	912.36	-	871.01	-
Prepaid Expenses	-	0.01	-	-
Advance to Creditors/Subcontractors				
Unsecured Considered goods	10.20	51.70	12.97	55.29
Staff Advances	-	0.91	-	1.00
Balance with Tax Authority	-	6.06	0.28	-
Advance Tax Net of Provision	389.32	-	382.51	-
Others	-	0.53	-	0.78
Total	1,311.88	59.21	1,266.77	57.07

Unbilled Revenue
The Company has evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration have assess the likely amount of claims being settled in favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to Rs. 912.36 crores will be reasonably certain to be settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realisation

8 **Inventories**

Particulars	March 31, 2018	March 31, 2017
Material at Construction Site	28.66	50.89
Work In Progress - Real Estate	25.06	21.99
Work In Progress	69.96	73.59
Total	123.68	146.27

Inventory Valuation Policy

i)	Material at Construction Site and Stores & Spares	Material at Construction Site are valued at lower of cost and net realisable value. Costs are valued at net of Excise duty, Value Added Tax and Goods and service Tax wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average Method.
ii)	Work In Progress	Work In Progress on construction contracts are carried at lower of assessed value of work done less bill certified and net realisable value.
iii)	Work In Progress - Real Estate	Work In Progress on construction contracts reflects value of land, material inputs and project expenses.
iv)	Other -Scrap Material	At realisable value

9 **Cash and Bank Balance**

Particulars	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Cash on Hand	0.05	0.05
Balances with Bank	10.05	44.79
Total	10.11	44.84
Other Bank Balances		
Unpaid dividend	0.58	0.64
Other Bank Balance	2.00	2.00
Bank deposits (on margin account)	0.47	4.31
Total	3.05	6.95

Other Bank Balances
Other bank balances include Rs 2.00 Crore (P.Y. : Rs 2.00 Crore) with bank branches in foreign countries relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries.

Balance in Foreign Bank accounts are as per ledger and in case of some of the bank are subject to reconciliation.

GAMMON INDIA LTD.

10 Equity Share Capital

(a) Authorised, Issued, Subscribed and Fully Paid up :

Particulars	March 31, 2018		March 31, 2017	
	No of Shares in Lacs	Amount	No of Shares in Lacs	Amount
Authorised Capital :				
Equity Shares of Rs.2/- each	7,47,100.00	14,942.00	7,47,100.00	14,942.00
6% Optionally Convertible Preference Shares of Rs 350/- each	30.00	105.00	30.00	105.00
Issued, Subscribed and Fully Paid up Capital :				
Issued Capital				
Equity Shares of Rs.2/- each, fully paid	3,704.28	74.09	3,704.28	74.09
Subscribed and Fully Paid up Capital				
Equity Shares of Rs.2/- each, fully paid	3,688.47	73.77	3,688.47	73.77
Share Forfeiture Account				
Money received in respect of Right Shares of Rs.10/- each forfeited	1.71	0.34	1.71	0.34
Total		74.11		74.11

i Issued share capital includes 7,25,800 shares kept in abeyance

ii Share Forfeiture Account includes Rs 0.26 Crore of Share Premium collected on application in respect of forfeited shares.

(b) **Reconciliation of Number of Shares Outstanding**

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	36,88,47,305	73.77	36,47,22,809	72.94
Add: Issued during the year	-	-	41,24,496	0.83
As at the end of the year	36,88,47,305	73.77	36,88,47,305	73.77

In the previous year pursuant to the invocation to SDR scheme, the bankers have converted an amount of Rs 4.90 Crore being principal and interest outstanding in to Equity and have been allotted 41,24,496 Equity Shares of Rs 2 each at a premium of Rs 9.89 per equity share during the said period representing 1.12% of the Equity Capital.

(c) **Details of Shareholding in Excess of 5%**

Name of Shareholder	March 31, 2018		March 31, 2017	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,200	14.29%	5,28,16,200	14.29%
ICICI Bank	3,97,74,812	10.78%	3,97,74,812	10.78%
Punjab National Bank	2,42,09,101	6.55%	2,42,09,101	6.55%
Syndicate Bank	2,26,96,508	6.14%	2,26,96,508	6.14%
Bank Of Baroda	2,21,04,507	5.99%	2,21,04,507	5.99%
Allahabad Bank	1,96,02,216	5.30%	1,96,02,216	5.30%

(d) **Terms / rights attached to equity shares**

The Company has only one class of Equity Shares having a par value of Rs.2/- each. Each holder of Equity Share is entitled to one vote per share. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

11 Other Equity

Particulars	March 31, 2018	March 31, 2017
Capital Redemption Reserve	105.00	105.00
Capital Reserve	11.52	11.52
Securities Premium Account	1,262.20	1,262.20
Debenture Redemption Reserves	81.00	81.00
General Reserve	353.06	353.06
Perpetual Promoter Contribution	100.00	100.00
Retained earnings	(3,324.50)	(1,351.62)
Treasury shares	(1.69)	(1.69)
TOTAL	(1,413.41)	569.48

12 Non Current Financial Liabilities - Borrowings

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current Maturities	Non Current	Current Maturities
Non Convertible Debentures - Placed with Banks and Financial	-	-	228.45	36.28
Term Loans				
Priority Loan	-	-	346.43	157.67
Rupee Term Loan RTL	-	-	1,186.33	186.46
Funded Interest Term Loan (FITL)	-	-	48.80	8.93
Working Capital Term Loan (WCTL)	-	-	382.16	60.64
TOTAL	-	-	2,192.17	449.98
The above amount includes				
Secured Borrowings	-	-	2,192.17	449.98
Unsecured Borrowings	-	-	-	-

GAMMON INDIA LTD.

Note: **Classification of all credit facilities under Current Liabilities**

The facilities from the lenders have become Non Performing Assets in the month June'17. The Lenders have recalled all the loans and therefore all the long term loan facilities of Rs. 2922.99 crores are classified as current and disclosed under Current Liabilities. For the purposes of ease of disclosure and understanding the terms and conditions of each facilities before they were recalled are disclosed hereunder.

On account of the above a number of lenders have not shared their confirmations as at the year ended March 31, 2018 and to that extent the balances are unconfirmed

(a) The Company's Corporate Debt Restructuring (CDR) package was approved by the CDR Empowered Group (EG) in its meeting held on 24th June, 2013 and communicated to the Company vide its letter of approval dated 29th June, 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24th September, 2013. Substantial securities have been created in favour of the CDR lenders.

Key features of the CDR agreement are as follows :

- Reschedulement of Short Term Loans & Rupee Term Loans (RTL) and NCD payable over a period of ten years.
- Repayment of Rupee Term Loans (RTL) after moratorium of 27 months from cut off date being 1st January, 2013 in structured quarterly installments commencing from April 2015.
- Conversion of various irregular / outstanding / devolved financial facilities into Working Capital Term Loan (WCTL).
- Repayment of WCTL after moratorium of 27 Months from cut off date in structured quarterly installments commencing from April 2015, subject to mandatory prepayment obligation on realization of proceeds from certain asset sale and capital infusion.
- Restructuring of existing and fresh fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- Interest accrued but not paid on certain financial facilities till March 2014 is converted into Funded Interest Term Loan (FITL).
- Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.
- Contribution of Rs.100 Crore in the Company by promoters, in lieu of bank sacrifice, in the form of Promoters Contribution which can be converted to equity.

(b) **Securities for Term Loans and NCD :**

Rupee Term Loan (RTL) - 1 and FITL thereon -

1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

2) 2nd pari-passu charge on the Gammon House, entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

Rupee Term Loan (RTL) - 2 and FITL thereon -

1) 1st pari-passu charge on Gammon House.

2) 2nd pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

3) 2nd pari-passu charge on entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

Rupee Term Loan (RTL) - 3 and FITL thereon -

1) 3rd pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.

2) 3rd pari-passu charge on the Gammon House.

Working Capital Term Loan (WCTL) -

1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

2) 2nd pari-passu charge on the Gammon House, entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

Priority Loan -

1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

2) 2nd pari-passu charge on the Gammon House, entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

Non Convertible Debentures (NCD) and FITL thereon -

1) 1st pari-passu charge by mortgage of Gujarat Property and hypothecation over the pari-passu security with the Non Convertible Debentures.

2) 3rd pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.

3) 3rd pari-passu charge on the Gammon House.

4) In case of 9.95% NCD of Rs.50 Crore, being not part of CDR scheme, interest is not converted in to FITL. This redeemable NCD is secured by hypothecation of specific Plant and Machinery with pari-passu charge by mortgage of immovable property in Gujarat.

Funded Interest Term Loan (FITL) -

The interest amount on RTL - 1, RTL - 2, RTL - 3 and NCDs for the initial period of 15 months i.e. from cut off date till 31 March 2014 are converted to FITL.

(c) Interest on Term Loans -

Facility	Interest Rate	Remarks
OD	MCLR 6M + 5.55%	Spread including penal interest
WCTL	I Base + 10.25%	Spread including penal interest
PL	MCLR 1Y + 6%	Spread including penal interest
CC	MCLR 6M + 5.45%	Spread including penal interest

Non Convertible Debentures

Facility	Principal as on 31 March 2018	Rate	Principal as on 31 March 2017
10.50%	66.39	10.50%	66.39
11.05%	89.08	11.05%	89.08
9.50%	89.34	9.50%	89.34
9.95%	44.53	9.95%	44.53
Grand Total	**289.34**		**289.34**

GAMMON INDIA LTD.

(d) Repayment Term

Type of Loan	Repayment Schedule
RTL - 1, RTL - 2, RTL - 3, NCD, WCTL & FITL	Repayable in 31 quarterly instalments commencing 15 April 2015 and ending on 15 October 2022
Priority Loan	Repayable in 20 quarterly ballooning instalments commencing 15 April 2015 and ending on 15 January 2020

(e) **Collateral security pari-passu with all CDR lenders**

a) Pledge of entire unencumbered Equity Shares (present and future) of GIL held by Promoters subject to section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered Equity Shares as and when such shares are released by the respective existing lenders.

b) Personal guarantee of Mr Abhijit Rajan, Chairman & Managing Director

c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the Joint Venture agreement with developer

d) Corporate Guarantee provided by Nikhita Estate Developers Private Limited ("promoter entity")

e) Pledge over the following shares -

51% of Deepmala Infrastructure Private Limited
74% of Ansaldocaldaie Boilers India Private Limited
100% of Gactel Turnkey Projects Limited
25% of Transrail Lighting Limited
25% of Gammon Engineers and Contractors Private Limited
100% of Nikhita

(f) Maturity profile of Term Loans and NCD

Period	March 31, 2018	March 31, 2017
Credit facilities recalled by lenders	2,922.99	-
Principal Overdue	-	280.84
With in 1 years	-	449.98
2 - 3 years	-	1,004.13
4 - 5 years	-	778.05
6 - 10 years	-	409.99
TOTAL	**2,922.99**	**2,922.99**

(g) The Bankers have given effect to the Novation Agreement in the second fortnight of May 2017.

The continuing default on principal obligation is tabulated below:

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
The Entire credit facilities is in default and recalled, hence age-wise default is not disclosed.					
Rupee Term Loan (RTL)					1,497.78
Priority Loan (PL)					613.05
Funded Interest Term Loan (FITL)					64.51
Working Capital Term Loan (WCTL)					459.31
Non Convertible Debentures(NCD)					288.34
Total	-	-	-	-	**2,922.99**

(h) The continuing default on principal obligation is tabulated below:

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
Rupee Term Loan (RTL)	40.71	21.50	43.00	19.78	124.99
Priority Loan (PL)	42.20	22.35	32.68	11.72	108.95
Funded Interest Term Loan (FITL)	2.38	2.02	2.38	-	6.78
Working Capital Term Loan (WCTL)	14.64	0.87	-	-	15.51
Non Convertible Debentures(NCD)	6.10	6.10	12.42	-	24.62
Total	**106.03**	**52.84**	**90.48**	**31.50**	**280.84**

13 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2018	March 31, 2017
Retention / Deposits	10.95	8.77
Total	**10.95**	**8.77**

14 Other financial liabilities

Particulars	March 31, 2018	March 31, 2017
Margin Money Received	12.00	12.00
	12.00	**12.00**

15 Provisions

Particulars	March 31, 2018		March 31, 2017	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:				
Provision for Gratuity	0.05	0.23	0.05	0.12
Provision for Leave Encashment	0.30	0.46	0.85	0.63
Others:				
Provision for Risk and Contingencies	-	231.32	-	249.62
Total	**0.35**	**232.01**	**0.90**	**250.37**

GAMMON INDIA LTD.

(a) Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Provision for Risk and Contingencies

As at	Opening Balance	Addition during the period	Paid/ Reversed during the period	Closing Balance
March 31, 2017	237.49	17.80	5.67	249.62
March 31, 2018	249.62	-	18.30	231.32

(b) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits- Gratuity

Table Showing Change in the Present Value of Projected Benefit Obligation	As at March 31, 2018	As at March 31, 2017
Present Value of Benefit Obligation at the Beginning of the Period	0.50	7.21
Interest Cost	0.04	0.20
Current Service Cost	0.05	0.23
Liability transferred out - on scheme and BTA	0.28	-6.97
Benefit Paid Directly by the Employer	-0.02	-0.03
Benefit Paid From the Fund	-0.07	-1.03
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-0.01	0.03
Actuarial (Gains)/Losses on Obligations - Due to Experience	-0.18	0.84
Present Value of Benefit Obligation at the End of the Period	**0.56**	**0.50**
Fair Value of Plan Assets at the Beginning of the Period	0.32	1.24
Interest Income	0.02	0.06
Contribution by Employer	0.00	1.42
Assets transferred out - on scheme and BTA	0.00	-1.34
Benefit Paid from the Fund	(0.07)	-1.03
Return on Plan Assets, Excluding Interest Income	(0.00)	-0.02
Fair Value of Plan Assets at the End of the Period	**0.28**	**0.32**
Present Value of Benefit Obligation at the end of the Period	(0.56)	-0.50
Fair Value of Plan Assets at the end of the Period	0.28	0.32
Funded Status (Surplus/ (Deficit))	(0.28)	-0.17
Net (Liability)/Asset Recognized in the Balance Sheet	**-0.56**	**-0.35**
Expenses Recognized in the Statement of Profit or Loss for Current		
Current Service Cost	0.05	0.23
Net Interest Cost	0.01	0.14
Past Service Cost	0.28	
Expenses Recognized	**0.34**	**0.37**
Expenses Recognized in the Other Comprehensive Income (OCI) for		
Actuarial (Gains)/Losses on Obligation For the Period	(0.20)	0.88
Return on Plan Assets, Excluding Interest Income	0.00	0.02
Net (Income)/Expense For the Period Recognized in OCI	**-0.20**	**0.90**
Balance Sheet Reconciliation		
Opening Net Liability	0.17	5.96
Expenses Recognized in Statement of Profit or Loss	0.34	0.37
Expenses Recognized in OCI	(0.20)	0.90
Net Liability/(Asset) Transfer Out	0.00	-5.62
Benefit Paid Directly by the Employer	(0.02)	-0.03
Employer Contribution	(0.00)	-1.42
Net Liability/(Asset) Recognized in the Balance Sheet	**0.28**	**0.17**
Category of Assets		
Insurance fund	0.28	0.32
Total	**0.28**	**0.32**

Assumptions	**2017-18**	**2016-17**
Expected Return on Plan Assets	7.65%	7.09%
Rate of Discounting	7.65%	7.09%
Rate of Salary Increase	4.00%	4.00%
Rate of Employee Turnover	30% for LMR, 10% and 2% for HO	30% for LMR, 10% and 2% for HO
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

Sensitivity Analysis	**2017-18**	**2016-17**
Projected Benefit Obligation on Current Assumptions	0.56	0.50
Delta Effect of +1% Change in Rate of Discounting	(0.02)	-0.03
Delta Effect of -1% Change in Rate of Discounting	0.02	0.04
Delta Effect of +1% Change in Rate of Salary Increase	0.02	0.04
Delta Effect of -1% Change in Rate of Salary Increase	(0.02)	-0.04
Delta Effect of +1% Change in Rate of Employee Turnover	0.00	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	-0.01

GAMMON INDIA LTD

Note :

1 Gratuity is payable as per company's scheme as detailed in the report

2 Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

3 The Company's Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities. The Company's Gratuity Liability is entirely funded except LMR employees.

4 During the previous year transfer out of Liability Rs 6.97 Crore and Plan Assets Rs 1.34 Crore represents transfer to Gammon Engineers and Contractors Private Limited as at 30-09-2016

5 Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

6 Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

7 In the absence of data of experience adjustments, the same is not disclosed

8 The Company's Leave Encashment Liability is entirely unfunded

9 **Risk Factors / Assumptions**

a) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

d) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

e) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

f) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

16 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2018		March 31, 2017	
Deferred Tax Liability:				
Property, Plant and Equipment	(81.61)		(114.16)	
Non Current Investments	(28.45)		(129.55)	
		(110.06)		(243.70)
Deferred Tax Asset:		-		-
Deferred Tax (Liabilities) / Assets (Net)		**(110.06)**		**(243.70)**

<u>**Deferred Tax Assets:**</u>
Since it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised in current year.

17 Other Non-Current Liabilities

Particulars	March 31, 2018	March 31, 2017
Client Advances	45.98	58.49
Advance received against Real Estate Joint development	43.00	33.50
Unamortised Guarantee Commission	1.60	9.93
Total	**90.58**	**101.92**

18 Current Financial Liabilities - Borrowings

Particulars	March 31, 2018	March 31, 2017
Loans Repayable on Demand :		
Cash Credit from Consortium Bankers	-	946.37
Loans and Advances from Related Party	-	0.11
Other Loans and Advances :		
Buyers Credit	-	2.66
Bill Discounting	-	-
TOTAL	-	**949.14**
The above amount includes		
Secured Borrowings	-	**946.37**
Unsecured Borrowings	-	**2.77**

Note: The entire credit facilities of Rs. 971.16 crores is recalled by the lenders and hence disclosed under current liabilities

(i) **Securities - Cash Credit from Consortium Bankers :**
a) 1st pari-passu charge on the entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.
b) 2nd pari-passu charge over the entire Fixed Assets (immovable and movable) of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
c) 2nd pari-passu charge on Gammon House.

(ii) The rate of interest on above loan is linked to MI base rate + 175 bps to 225 bps

(iii) Buyers Credit are secured by guarantee of consortium bankers.

(iv) Short term loan from consortium Bankers

GAMMON INDIA LTD.

a) BOB -Security - Short Term Loan V - INR

1st Charge on investments, Loans & Advances, LT Receivables (claims) of Gammon India Limited Residual
2nd charge on Gammon House
2nd charge of Canara Bank on Dombivali Metropolitan Infra Housing Private Limited Land (only on RTL-1 portion)
Pledge on shares of Metropolitan Infra Housing Private Limited (Dombivali)
Pledge on shares of Deepmala Infra Private Limited (76%)
Pledge on shares of Ansaldocaldaie Boilers India Private Limited (73%)
Pledge on sahres and corporate gurantee of Nikhita Estate Developers Private Limited (100%)
Pledge on Promoters holding in Gammon India Limited
Personal Guarantee of Mr.Abhijit Rajan
Pledge on Gammon India Limited's holding in EPC
Pledge on Gammon India Limited's holding T&D
Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

2nd Charge on Investments, Loans & Advances, Long Term Receivables (claims) of Gammon India Limited Residual
Second charge on shares of Metropolitan Infra Housing Private Limited (Dombivali)
pledge on shares of Deepmala Infra Private Limited (76%)
pledge on shares of Ansaldocaldaie Boilers India Pvt Ltd (73%)
Pledge on sahres and corporate guarantee of Nikhita Estate Developers Pvt Ltd (100%)
pledge on Promoter's holding in Gammon India Limited
Personal Guarantee of Mr.Abhijit Rajan
Other contractual comforts and undertakings taken at the time of CDR

c) IDBI - STL

Primary Security

pari-passu charge on the entire current assets, loans & advances investments, long term trade receivables and other assets of Gammon India Limited by way of deed of hypothecation
2nd pari passu charge on the entire fixed assets (immovable and movable) of Gammon India Limited excluding the fixed assts charged exclusively to Non Convertible Debenture holders
2nd pari passu charge on Gammon House
STL-I & II are allowed by way of interchangeability from the existing NFB limits for which the security has already been created

Collateral Security

Pledge of 16,27,54,100 unencumbered shares of Gammon Infrastructure Project Limited (GIPL) with duly executed Power of Attorney for sale of shares.

d) ICICI -STL

The performance BG facility and therefore the proposed OD facility is already secured by way of various securities as part of the CDR Package.
The OD facility shall be additionally collateralised by way of :

Exclusive pledge of 16,99,99,900 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 17.94% of the total paid up equity shares of GIPL. The same shall be Subject section 19 (2) & (3) of the Banking Regulation Act.

NDU- PoA over the remaining 16,99,99,900 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 17.94% of the total paid up equity shares of GIPL which shall bereleased in favour of IDBI Bank / Other Bank who shall be sanctioning the remaining OD facility

vi) Facility overdrawn as at March 31, 2018:

Facility	Rs in Crore
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	971.16
Total	**971.16**

Facility overdrawn as at March 31, 2017:

Facility	Rs in Crore	Default period
Cash credit other than BG encashment	66.05	> 365 days
Cash credit - BG encashment	399.26	> 365 days
Total	**465.31**	

19 Current Financial Liabilities - Trade Payables

Particulars	March 31, 2018	March 31, 2017
Trade Payables		
- Total outstanding dues to Micro and Small Enterprises	0.44	0.65
- Total outstanding dues to other than Micro and Small Enterprises	137.13	199.06
Total	**137.57**	**199.71**

(i) As per the information / intimation / documentation available with the Company, Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, have been identified by the Company to whom the Company owes dues on account of principal amount together with interest and accordingly additional disclosures under section 22 of The Micro small and Medium Enterprises development Act 2006 have been made.

(ii) The above information regarding Micro, Small and Medium Enterprises have 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.

(iii) The balances of the trade payables are subject to confirmation and consequent reconciliation, if any.

GAMMON INDIA LTD.

(iv) **Disclosure in accordance with Section 22 of The Micro Small and Medium Enterprises Development Act 2006.**

Particulars	31-Mar-18	31-Mar-17
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.44	0.75
Principal amount due	0.30	0.65
Interest due on the above	0.14	0.10
The amount of interest paid in terms of section 16 of the MSMED Act, 2006	-	-
Principal amount paid beyond appointed day	-	-
Interest paid thereon	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest under MSME Act where payment has been made beyond appointed day during the year.	0.30	0.65
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.14	0.10

20 Other Current Financial Liabilities

Particulars		March 31, 2018		March 31, 2017
Current Maturities of Term Loan		-		449.98
Credit facilities recalled by lenders - Secured (Refer Security details in note 12 & 18)		3,894.14		-
Others - Overdue Principal (Refer Note (a) below)		-		280.84
Interest Accrued and Due (Refer Note (b) below)		641.66		427.07
Interest Accrued (Refer Note (d) below)		186.83		7.23
Unpaid Dividend (Refer Note (c) below)		0.58		0.64
Payable for Capital Goods		-		2.25
Other Payables				
- Related Party	151.38		113.59	
- Others	23.56		16.89	
		174.94		130.48
Total		**4,898.15**		**1,298.49**

(a) Principal Overdue includes -
Principal Overdue includes -
March 2018: RTL- Rs 316.57 Crore , NCD- Rs 62.08 Crore, FITL- Rs 16.61 Crore, PL- Rs 281.89 Crore and WCTL- Rs 80.65 Crore. (disclosed as part of credit facilities recalled)
March 2017: RTL- Rs 124.98 Crore , NCD- Rs 24.62 Crore, FITL- Rs 6.78 Crore, PL- Rs 108.95 Crore and WCTL- Rs 15.50 Crore

(b) **The continuing default on interest obligation is tabulated below:**

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	34.40	14.39	75.33	176.32	300.45
PL	23.53	16.40	42.37	65.62	147.92
FITL	0.89	0.05	5.55	16.91	23.40
WCTL	16.80	11.17	40.43	32.79	103.19
NCD	7.33	7.49	14.91	31.60	61.34
STL	5.24	5.18	15.10	21.26	46.78
WCDL	0.18	0.24	0.98	0.62	2.02
Cash credit	27.86	19.74	44.75	19.18	111.52
Total	**116.24**	**74.68**	**239.42**	**364.28**	**796.62**

The continuing default on interest obligation relating to short term facilities including CC is part of the recalled debt

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	51.61	33.58	64.07	42.55	191.81
PL	19.05	18.02	29.29	6.48	72.75
FITL	5.21	4.52	8.49	5.31	23.53
WCTL	13.70	10.73	20.29	2.05	46.78
NCD	9.32	7.00	15.29	-	31.62
STL	9.03	5.44	10.38	-	24.84
WCDL	3.97	1.87	3.10	0.60	9.54
Cash credit	10.64	3.94	7.87	3.57	26.01
Total	**122.52**	**85.10**	**158.69**	**60.57**	**426.88**

(c) Unpaid dividend includes Rs. 0.32 Crore (P.Y March 2017: Rs 0.37 Crore) to be transferred to the Investor Education & Protection Fund
(d) Interest accrued includes Rs. 174.94 crore on account of NPA Interest accrued in the books

(d) **Other Payable Related Party:**
The amount of Rs 107.16 crores payable as at March 31, 2017 to GECPL relates to the payments made from the common pool of funds during the period from July 1, 2016 till the effective date towards obligations of Gammon India Limited out of money received on GECPL account. This amount has increased further to Rs. 130.88 crores as at March 31, 2018. During the subsequent year till the date of signing of these financials the Company has paid an amount of Rs. 45.22 crores. In respect of the balance amount GECPL has asked to earmarked the same against the assignment of specific claims and awards. Company has written to the clients for the assignment of the specific awards. No interest is accrued on the aforesaid amount.

21 Other Current Liabilities

Particulars	March 31, 2018	March 31, 2017
Client Advances	102.31	55.27
Duty & Taxes Payable	6.78	3.98
Others	0.01	-
Unamortised Guarantee	7.15	8.47
Total	**116.25**	**67.72**

GAMMON INDIA LTD.

22 Current Tax Liabilities

Particulars	March 31, 2018	March 31, 2017
Provision for taxation (net of taxes paid)	2.32	2.32
Total	**2.32**	**2.32**

23 Revenue from Operations

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Turnover		233.43		712.02
Other Operating Revenue:				
Sale of Scrap	4.68		-	
Equipment Rental Income	1.91		-	
Miscellaneous Operating Income	-		3.34	
Sundry Balances Written Back	2.42		46.32	
		9.01		49.66
Total		**242.44**		**761.68**

(a) **Disclosure as required by Indian Accounting Standard (Ind AS) 11 Construction Contracts:**

Particulars	April 2017 - March 2018
Method use to determine the contract revenue	% of Completion method
Method use to determine the stage of completion of contract	Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete.

Particulars	April 2017 to March 18	April 2016 to March 17
Contract revenue for the year	233.41	712.02
Aggregate amount of cost incurred and recognized profits less recognised losses upto the reporting on contract under progress	5,739.79	11,617.29
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end.	401.87	970.26
Advances received from contractees	102.89	105.94
Retention money	57.31	5.79
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,190.46	1,400.06
Gross amount due to customers for contract work	44.04	7.82

24 Other Income

Particulars	April 2017 -March 2018	April 2016 -March 2017
Interest Income on EIR on Financial Assets at amortised cost	18.52	265.98
Profit on Sale of Business (Refer note 35)	-	26.75
Miscellaneous Income	1.65	0.46
Excess provision written back	18.53	-
Excess Managerial remuneration reversed (refer Note: 9)	31.14	-
Profit on Sale of Assets	9.68	0.81
Profit on Sale of Investments	0.45	-
Gain on Fair Valuation of Current Investments	0.46	1.27
Corporate Guarantee Commission	9.65	12.01
Exchange Gain	12.71	-
Gain on remeasurement of Loan to Subsidiaries	7.79	0.09
Dividend on Current Investments	0.05	-
Total	**110.63**	**308.17**

25 Cost of Materials Consumed

Particulars	April 2017 -March 2018	April 2016 -March 2017
Opening Stock	50.69	285.70
Add : Purchases (Net of Discount)	18.48	228.88
Less : Transferred under BTA	-	217.79
Less : Closing Stock	28.86	50.69
Total	**40.31**	**246.10**

GAMMON INDIA LTD.

26 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Work in progress				
Opening				
- Construction	73.59		724.17	
		73.59		724.17
Less : Closing				
- Construction	(69.90)		(73.59)	
		(69.90)		(73.59)
Stock transfer on account of business transfer (Refer note 39)				
Work in progress	-		(601.19)	
Finished	-		-	
		-		(601.19)
Total		**3.69**		**49.39**

27 Employee Benefits

Particulars	April 2017 -March 2018	April 2016 -March 2017
Salaries, Bonus, Perquisites etc	10.73	71.89
Contribution to Employees Welfare Funds, Gratuity	0.76	4.40
Staff Welfare Expenses	0.34	2.08
Other Expenses	-	0.06
Total	**11.83**	**78.43**

(a) The Ministry of Corporate affairs vide its letter dated 24th November, 2016 had rejected the Company's application for payment of remuneration to Mr. Abhijit Rajan-Chairman for the period from 1st April,2012 – 31st December, 2014. The Company sent a Representation Letter dated 20th December, 2016 to Mr. Navneet Chouhan- Director, MCA stating the facts of the case. On the recommendation of the Nomination and Remuneration Committee (NRC), the Board in its meeting held on 20th September, 2017 (subject to members and Central Government approval) approved to seek waiver from recovery of excess remuneration paid to Mr. Rajan. In the 95th Annual General Meeting held on 21st March, 2018, the Company sought Shareholders approval for waiver from recovery of excess remuneration paid to Mr. Abhijit Rajan but the said resolution was dissented by the Shareholders. The actual remuneration paid to Mr. Rajan since 1st April, 2012 to 30th September, 2014 is recoverable from Mr. Rajan and the same is shown under the head 'Other Receivables'. However the Company is proceeding to seek shareholders and such other approvals for waiver from recovery of excess remuneration paid to Mr. Abhijit Rajan as per the provisions of Section 197 of the Companies Act, 2013. Mr. Rajan in his personal capacity is also seeking recourse in the Courts of Law.
Similarly the Company's application for waiver of recovery of excess remuneration paid to its erstwhile Executive Director Mr. Himanshu Parikh for an aggregate amount of Rs. 0.60 crores was also rejected by the Ministry of Corporate Affairs vide its letter dated 6th February, 2017. The Company made a representation letter to the Ministry on 11th September, 2017 to re-consider the application and grant the approval for the recovery of excess remuneration paid to Mr. Parikh for the period from 1st July, 2011 to 31st March, 2012 and 1st April, 2012 to 31st march, 2013. The Company is awaiting a response from the ministry.

In view of the aforementioned facts the Company has shown Rs. 24.53 crore receivable from managerial personnel.

28 Finance Cost

Particulars	April 2017 -March 2018	April 2016 -March 2017
Interest Expense	575.11	517.64
Other Borrowing Costs	0.80	1.26
Total	**575.91**	**518.90**

29 Depreciation & Amortisation

Particulars	April 2017 -March 2018	April 2016 -March 2017
Depreciation	11.77	32.65
Amortisation	-	-
Total	**11.77**	**32.65**

30 Other Expenses

Particulars	April 2017 - March 2018	April 2016 - March 2017
Plant Hire Charges	1.84	6.49
Consumption of Spares	1.49	7.95
Outward Freight	-	-
Power & Fuel	4.15	33.41
Fees & Consultations	11.70	12.01
Rent	1.63	10.75
Rates & Taxes (incl indirect taxes)	1.66	38.13
Travelling Expenses	1.70	5.87
Communication	0.02	0.58
Insurance	0.65	6.42
Repairs to Plant & Machinery	0.24	2.17
Repairs to Building	-	-
Other Repairs & Maintenance	0.05	2.12
Bank Charges & Guarantee Commission	1.86	3.94
Other Site Expenses	3.08	0.09
Sundry Expenses	1.93	2.91
Loss on Overseas Project	13.19	-
Sundry Balance Written Off	0.06	38.08
Bad debts	8.89	20.94
Provision for Doubtful Debts and Advances	22.71	18.33
Provision for Risks & Contingency	-	17.80
Loss on sale of Current Investments	-	0.25
Loss on Joint Venture	-	0.10
Foreign Exchange Loss (net)	-	59.14
Asset written off	-	12.44
Branch Auditors' Remuneration	-	0.09
Audit Fees	0.30	0.85
Total	**77.30**	**298.57**

GAMMON INDIA LTD.

(a) **Remuneration to Statutory Auditors**

Particulars	April 2017 -March 2018	April 2016 -March 2017
Audit Fees	0.30	0.49
Tax Audit Fees	-	0.05
Limited Review	0.05	0.14
Certification & Other Attest Services	0.04	0.17
Total	**0.39**	**0.85**

(b) **Remuneration to Branch Auditors**

Particulars	April 2017 -March 2018	April 2016 -March 2017
Branch Audit fees including Tax Audit	-	0.09
Limited Review	-	-
Taxation and Certification	-	-
Total	-	**0.09**

31 **Exceptional Items**

Particulars	April 2017 -March 2018	April 2016 - March 2017
Impairment provision of investment (net of Deferred Tax)	658.93	557.97
Impairment provisions of Loans	940.90	606.26
Impairment provisions of Trade Receivable	-	119.28
Impairment provision of Other Receivable	-	28.55
Loss on Foreclosure	44.80	-
Write back of Provision of Loans	(57.98)	-
Write back of Diminution in the value of Investment	-	(6.98)
Total	**1,586.65**	**1,305.09**

Notes related to Exceptional Items:

i) One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali since the Balance Sheet date. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. Therefore the company has made a provision for impairment of its investment in the subsidiary of Rs. 505.44 Crores net of the reversal of the provision of deferred tax liability recognised on transition date of Rs. 101.69 Crores. Further provision of Rs. 268.90 Crores has been made against its exposure as loan & interest receivable as on March 31, 2018.

ii) One of the subsidiary ("Gammon Realty Limited) has sold its stake in its subsidiary ("Preeti Township Private Limited) since the Balance sheet date. Pursuant thereto the company has made a provision of Rs. 120 Crores against its exposure considering the value of its residuary assets.

iii) The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is Rs 324.68 crores. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management has on a conservative basis made a provision of Rs. 100 crores against its exposure based on internal estimates of the realizable value. The management is confident that there will be no further provision required towards impairment.

iv) During the previous period, the Company sold 75% of its stake in TLL to the Investor at a loss of Rs 20.92 Crore and on the balance 25% the Company has made provision for diminution in value of investment of Rs 6.98 Crore. During the current year considering the financial performance of the said TLL after the transfer of undertaking and infusion of investment by the investors the companies performance has improved necessitating the reversal of provision of diminution in the value of investments.

v) The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited and Gactel Turnkeys Project Limited, the companies through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is Rs.153.49 crores for the year ended March 31, 2018 (Rs. 529.98 crores for the year ended March 31, 2017). The impairment provision is made based on the market price of the said shares of GIPL.
During the previous year similarly the Company has made provisions towards the exposures in the form of investments and loans in Finest Spa, Italy, Gammon and Billimoria Limited, exposure towards FTM and Campo puma and other companies not in the same group after an evaluation of the possibility of recovery in the current business environment.

vi) Since the Balance Sheet date the Court of Monza inrespect of one of the step down Subsidiary SAE Powerlines S.r.L. (Held through ATSL Holdings BV) has declared the bankruptcy. The company has made full provision against the receivables of Rs. 22.6 crores, which is included in Provision for doubtful advances.

vii) The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1112.34 crores of which Gammon International BV is Rs. 826.14 Crores and Gammon Holding Mauritius Limited is Rs. 286.20 Crores. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that the diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is Rs. 125 Crores. However on the prudent basis Company has provided Rs. 350 crores during the year against its exposure to GIBV.

viii) The Company has foreclosed one of the projects under dispute amicably with the customer by booking a loss of Rs. 44.80 crores on the said project which has been shown as exceptional item.

32 **Tax Expense**

Particulars	April 2017 -March 2018	April 2016 - March 2017
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Excess short provision for tax	-	2.83
Deferred tax	(32.55)	(5.73)
Income tax recognised in statement of profit or loss	**(32.55)**	**(2.89)**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit

A	Current Tax		
	Accounting profit before income tax for 12 months	(2,015.64)	(1,662.72)
	Enacted tax rates in India (%)	31.20%	34.61%
	Computed expected tax expenses	(628.88)	(575.43)
	Effect of non- deductible expenses	639.79	629.03
	Effect of tax losses and deductable expenses	(10.91)	(53.60)
	Net Tax Effects	0.00	-0.00

GAMMON INDIA LTD.

B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2018
Property, Plant and Equipment	(197.77)	83.61	-	(114.16)
Non Current Investments	(129.55)	-	-	(129.55)
Trade Receivable- Provision for doubtful debts	14.34	(14.34)	-	-
Disallowances u/s 43B	42.20	(42.20)	-	-
Employee benefits	6.63	(6.63)	-	-
ICDS Adjustments	14.72	(14.72)	-	-
Remeasurement gain/(loss) on defined benefit plans	1.14	-	(1.14)	0.00
Mar-17	(248.29)	6.73	(1.14)	(243.70)
Property, Plant and Equipment	(114.16)	32.54	-	(81.61)
Non Current Investments (*)	(129.55)	101.10	-	(28.45)
Trade Receivable- Provision for doubtful debts	-	-	-	-
Disallowances u/s 43B	-	-	-	-
Employee benefits	-	-	-	-
ICDS Adjustments	-	-	-	-
Remeasurement gain/(loss) on defined benefit plans	0.00	-	-	-
Mar-18	(243.70)	133.64	-	(110.06)

(*) Adjusted in Exceptional Items

33 **Earning Per Share**

Earnings Per Share (EPS) = Net Profit attributable to Shareholders / Weighted Number of Shares Outstanding

Particulars	April 2017 -March 2018	April 2016 - March 2017
Net Profit attributable to the Equity Share holders	(1983.05)	(1659.92)
O/s number of Equity Shares at the end of the year	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Basic	36,88,47,305	36,80,45,006
Weighted Number of Shares during the period –	36,95,73,105	36,87,70,806
Earning Per Share – Basic (Rs.)	(53.78)	(45.10)
Earning Per Share – Diluted (Rs.)	(53.68)	(45.01)

Reconciliation of weighted number of outstanding during the year :

Particulars	April 2017 -March 2018	April 2016 - March 2017
Nominal Value of Equity Shares (Rupee Per Share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	36,88,47,305	36,47,22,809
Add : Issue of shares	-	41,24,496
Outstanding Equity shares at the year end	36,88,47,305	36,88,47,305
Weighted Average of Equity Shares at the end	36,88,47,305	36,80,45,006
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic	36,88,47,305	36,80,45,006
Add : Shares kept in abeyance	7,25,800	7,25,800
Weighted Avg no. of shares in calculating Dilutive	36,95,73,105	36,87,70,806

34 **Contingent Liability**

	Particulars	March 31, 2018	March 31, 2017
i	Liability on contracts remaining to be executed on Capital Account	-	1.68
ii	Corporate Guarantees and Counter Guarantees given to Bankers towards Guarantees given by them for Client of the Company *The above does not include the Corporate and Bank Guarantees which are in the process of being transferred in the name of GECPL under the Scheme (amounting to Rs 2394.65 Crore).*	1,829.45	2,197.16
iii	Disputed Sales Tax Liability for which the Company has gone into appeal	31.63	26.52
iv	Claims against the Company not acknowledged as debts	294.41	280.42
v	Disputed Excise Duty Liability	-	0.10
vi	Disputed Service Tax Liability	9.48	7.31
vii	Outstanding Letters of Credit Pending Acceptance	-	2.88
viii	In respect of Income Tax Matters of Company and its Joint Ventures	328.38	334.81
ix	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
x	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
xi	Other Matter	-	6.42
xii	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96

xiii There is a disputed demand of UCO Bank pending since 1988, of USD 436251 i.e. Rs.1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. Rs.0.12 Crore, which adjustment has not been accepted by the Company.

xiv Counter Claims in arbitration matters referred by the Company – liability unascertainable.

xv The Disputed Service Tax Liability disclosed above is after considering legal advice on the probability of the liability materialising being remote.

xvi The Company is in the process of regularising various non- compliances under FEMA by compounding and other process. The liability on account of the said non - compliance is presently not ascertainable.

GAMMON INDIA LTD.

35 **Segment Reporting as per IND AS108 " Operating Segments"**

The Company is engaged mainly in "Construction and Engineering" segment. The Company also primarily operates under one geographical segment namely India.

The Company is engaged mainly in "Construction and Engineering" segment. The Company also primarily operates under one geographical segment namely India. Revenue of Rs 89.99 Crore (PY: 180.77 Crore) arising from three (PY two) major customer each contributing more than 10% of the total revenue of the Company.

36 **Effect of BTA and Slump Exchange Scheme**

A **EPC Business:**

In the previous year, The Company as part of the restructuring exercise sought to carve out the Civil Engineering business of the Company in two phases i.e by way of a slump sale through a Business Transfer Agreement between the Company and Gammon Engineers and Contractors Private Limited ("GECPL"), then a wholly owned subsidiary of the Company and secondly by way of a slump exchange through a Scheme of Arrangement ("Scheme") between the Company and GECPL and its respective shareholders and creditors . The Civil EPC business essentially comprises of Civil Engineering, Procurement and Construction business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. as a going concern, which shall include all the pre-qualifications, properties, rights and powers and all debts, liabilities, duties and obligations comprised in and pertaining to the Civil EPC business which includes the portions being transferred under the BTA and the balance portions being transferred under the scheme. The Business Transfer Arrangement (BTA) was entered into on 21st July 2016 for transferring certain identified business forming part of the EPC business into the said GECPL to speed up the process of transfer of the business. The BTA and the Scheme were within the overall restructuring exercise of transferring the entire Civil EPC business into a separate Company with the objective of inviting strategic investors. The Company and GECPL also entered into an Investment cum Shareholders Agreement on 21st July, 2016 with C.P Group of Thailand to acquire 75% stake in GECPL for a consideration of RS.150.01 Crore wherein the civil EPC Business together with its associates and affiliates will acquire 75% controlling interest and the balance 25% will be with the Company.

The approvals for the BTA from the lenders were finally received only in March 2017 and the BTA transaction was completed on March 21, 2017. The National Company Law Tribunal (NCLT) in its hearing held on March 22, 2017 also approved the Scheme of Arrangement and the Order became operational from 31st March,2017

The approvals for the BTA from the lenders were finally received only in March 2017 and the BTA transaction was completed on March 21, 2017. The National Company Law Tribunal (NCLT) in its hearing held on March 22, 2017 also approved the Scheme of Arrangement and the Order became operational from 31st March,2017

In terms of the Scheme of Arrangement and also the BTA, the Civil EPC business of the Company was transferred to GECPL on a going concern basis with effected from an appointed date of July 1, 2016 against an aggregate consideration of Rs. 49.65 Crore (Rs. 8.05 Crore against the BTA and Rs. 41.60 Crore against the scheme).

Based on the above approvals and consummation of the transactions under BTA and the Scheme, the Company has transferred as a going concern the Civil EPC business as identified in the BTA and the Scheme of Arrangement to GECPL with effect from the appointed date of July 1, 2016. Accordingly all the income, expenditure, assets and liabilities have been transferred to the said GECPL w.e.f July 1, 2016 during the previous year ended March 31, 2017.

The following assets and liabilities have been transferred to the said GECPL as on July 1, 2016 and profit on the sale of the said Civil EPC business of Rs. 26.75 Crore has been recognised in the statement of Profit and Loss account during the previous year ended March 31, 2017.

Particulars	Rs in Crore	Rs in Crore
Assets:		
Fixed Assets	718.68	
Current assets, loans and advances	2,499.39	3,218.07
Less: Liabilities:		
Secured and Unsecured Borrowings	1,647.54	
Current liabilities and Provisions	1,547.64	3,195.18
Net Assets		22.90
Consideration Receivable		49.65
Profit on Sale of Business		26.75

The equity shares have been alloted during the year and have been reflected as long term investment as Associates.

B **Transmission and Distribution business:**

During the previous year, The Transmission and Distribution business (T & D) of the Company was also carved out in two phases effective from 1st January,2016 i.e by way of a slump sale through a Business Transfer Agreement between the Company and Transrail Lighting Limited ("TLL") and a Slump exchange by way of a Scheme of Arrangement ("Scheme") between the Company and TLL and their respective shareholders and creditors("The Scheme") . The objective of the carve out was inter-alia to attract strategic investors to invest in the T & D Business. The BTA was executed on October 27, 2015 as amended by the First Amendment to the BTA dated February 12, 2016 pursuant to which the manufacturing facilities at Deoli and Silvassa were transferred along with all assets , and liabilities, including secured debt.

The Company also entered into an Investment cum Shareholders Agreement with Ajanma Holdings Pvt Limited ("Investor") and TLL wherein the Investor will invest Rs.50 Crore for acquiring 75% stake in TLL through primary and secondary acquisition .

The National Company Law Tribunal (NCLT) vide its Order dated 30th March , 2017 approved the Scheme . The Scheme came into operation on 10th April, 2017. On the Scheme becoming operational , the Transmission and Distribution Undertaking of the Company essentially comprising of the engineering, procurement and construction business of the Company in the power transmission and distribution sector, the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the T&D Undertaking is transferred to TLL with effect from 1st January,2016 during the previous year ended March 31, 2017.

Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said TLL w.e.f January 1, 2016 during the previous year ended March 31, 2017.

The following assets and liabilities relating to the T & D Business have been transferred to the said GECPL and profit on the sale of the said Civil EPC business of Rs. 6.14 Crore has been recognised as capital reserve in terms of the accounting mentioned in the scheme. The BTA had been accounted in the year ended March 31, 2016 and the Scheme has been accounted during the previous year ended March 31, 2017.

Particulars	Rs in Crore (BTA)	Rs in Crore (BTA)	Rs in Crore (Scheme)	Rs in Crore (Scheme)
Assets:				
Fixed Assets	78.37		113.79	
Current assets, loans and advances	390.50	468.87	633.77	747.56
Less: Liabilities:				
Secured and Unsecured Borrowings	301.27		285.54	
Current liabilities and Provisions	169.36	470.64	450.50	736.04
Net Assets		(1.76)		11.52
Consideration Receivable		4.37		11.52
Profit on Sale of Business		6.14		0.00

GAMMON INDIA LTD.

The equity shares have been alloted during the year and have been reflected as long term investment as Associates.

37 Foreign & Domestic Venture

(a) The Company through its Special Purpose Investment Vehicle holds the following stakes:

- Sofinter S.p.A, Italy
- Franco Tosi Meccanica S.p.A, Italy (FTM)
- Sadelmi S.p.A, Italy
- SAE Power Line S.r.l, Italy

(b) The process of transferring the ownership of Sofinter in favour of the transferee company was completed during the year ended March 31, 2017 and the Group now owns 67.50% of the total equity capital of Sofinter through two of its wholly owned overseas subsidiaries. However to facilitate continued support on lines of credit, the Board of Sofinter S.p.A has been reconstituted effective from November 2016 with majority vesting with the lending banks of Sofinter group. In view of what is stated above, the Company contends that it is not able to exercise any influence on the said Sofinter although it holds 67.50% of the Equity. The CEO is also appointed by the Banks and the Bank nominees are controlling the day to day operations and management of the Group. The sole representative of the shareholders on the Board has no vested powers excepting that of the Legal Representative of the Company. In view of what is stated above, the Company contends that it is not able to exercise any influence on the Group although it holds 67.5% shareholding in Sofinter S.p.A and therefore the said Sofinter is neither accounted as a Subsidiary nor as an Associate at group level.
The exposure of the Company in Sofinter S.p.A through two subsidiaries Gammon International BV is Rs. 526.14 Crores and Gammon Holding Mauritius Limited is Rs. 288.20 Crores. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is Rs. 126 Crores. However on the prudent basis Company has provided Rs. 350 crores during the year.

(c) The Company's funded and non-funded exposure towards Franco Tosi Meccanica S.p.A (FTM) group is Rs. 943.08 crores (net of provisions made) as at March 31, 2018 including investments and guarantees towards the acquisition loan taken by the SPV.

The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. has already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystalised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear. Despite these factors the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM.

(d) The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 192.88 crores (net of provisions of Rs. 230 crores made). The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has already made a provision of Rs 130 crores in March 2017 against its exposure based on internal estimates of the realisable value and further provision of Rs. 100 crores is made in March 2018.

(e) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the investment in Sadelmi of Rs 25.72 Crore and has charged the same as an exceptional item. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV. The Company has made provision as risks and contingencies aggregating to Rs.77.54 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said subsidiary for making investment into Sadelmi, in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets considering the net worth and operations of the said Sadelmi.

(f) Since the Balance Sheet date the Court of Monza in respect of one of the step down Subsidiary SAE Powerlines S.r.l. (Held through ATSL Holdings BV) has declared the bankruptcy. The company has made full provision against the receivables of Rs. 22.60 crores, which is included in other expenses. The other exposure is fully provided for.

38 **Material Uncertainty Relating to Going Concern**

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. As on 31st March, 2018 the Company's current liabilities exceed the current assets by Rs. 5019.72 crores. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy Code.

ICICI bank has invoked pledge of shares of Gammon Infrastructure Projects Limited which were pledged as security by one of the Company's wholly owned subsidiary towards recovery of its dues. As on 31st March, 2018 the Company's wholly owned subsidiary held 362,909,700 equity shares (38.54%) in GIPL.

The CDR lenders also invoked pledge of Company's holdings of 17.38% in Gammon Engineers and Contractors Private Limited and 17.38% holding in Transrail Lighting Limited for recovery of its dues apart from invoking the personal guarantee of the promoter Mr. Abhijit Rajan and the Corporate Guarantee given by a "promoter Group Company".

The Company has been making every effort in settling the outstanding CDR dues.

The demerger of the transmission and distribution business and part of the Civil EPC business in the previous year has resulted in the reduction of CDR lenders exposure by Rs. 10,352 crores including funded and non-funded exposures. After the carve out of businesses the total exposure of the lenders in the Company is RS. 4285.14 crores (Fund based-Rs. 3894.14 crores (excluding interest) and Non-Fund Based - Rs. 391 crores).

The Company's subsidiaries have sold 16,50,00,300 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of Rs. 65.52 crores.

Post the balance sheet date, the Company has repaid term loan of Canara bank aggregating to Rs. 285 crores (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited.

GAMMON INDIA LTD.

During the year under review as part of its plan of revival under the CDR/SDR mechanism, the Company also undertook the demerger of residual EPC Business through a combination of slump sale and slump exchange to its wholly owned subsidiary Gammon Transmission Limited and also approved the investment by a strategic Investor in GTL with a change of management which is pending approval of lenders, shareholders and the regulatory authorities. It is proposed that a debt of Rs. 70 crore fund based and Rs. 52crores non fund based will be transferred as part of the residual EPC undertaking.

The Company has recently been in talks with an Investor who has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are;
(i) The Investor upon satisfactory completion of the due diligence and conditions precedent (as may be specified in the Definitive Agreements), will invest INR 50 crore as primary investment into Gammon for a minimum of 60% stake and management control.
(ii) Gammon India would be revived as a construction company primarily in the EPC business.
(iii) The claims from various EPC projects are around INR 3,600 crore and will continue to remain in the Company.
(iv) The Total Debt to be assumed= INR 500 crore The assumed debt would be restructured with a new maturity and repayment profile having an IRR of 8%. To facilitate this restructuring and retire this restructured debt, the investor proposes that the following package of assets would be collateralized to the lenders:

Gammon House:
Gammon House asset will be developed and sold by entering into a development agreement with leading developers. For this a debt of INR 200 crore will be repaid by the Investor over a period of 4 years at an IRR of 8%.
CDR lenders having exclusive charge on Gammon House will continue to retain the charge and Rs 200 crore will be paid to them. Alternatively Gammon House can be sold & entire proceeds can be given to the two lenders.
Apart from Gammon House the company has other assets like claims, investments & other assets. The Investor expects to repay approx. Rs 500 crores over a period of 4 years to the lenders after deducting arbitration & legal costs.
The aforementioned proposal is subject to further negotiations between the Company, its lenders and the Investor.
The company is also actively exploring various options for monetisation of various assets to repay the debt. The above action plan of the Company for repaying the debts and servicing the same is exposed to material uncertainties including the necessary value of the balance stake being available and realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Compo Purna and other investments and also the acceptance of the Investors proposal by the lenders. The management is however hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status. Therefore in the view of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis.

39 Disclosure of Discontinuing operations as per IND AS 105 " Non-current Assets Held for Sale and Discontinued Operations"

There are no Assets held for sale which satisfies the requirement of INDAS 105" Non-current Assets Held for Sale and Discontinued Operations". As detailed in note No 38 the Company proposes to carry out further restructuring for which it has obtained shareholders approval since the balance sheet date and lenders approval is pending. The same does not qualify for disclosures as discontinued operations and non-current assets held for sale. The effects would be disclosed as and when the plans are formalised.

40 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Statement B.

41 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 is as follows:

	Particulars	Carrying Value		Fair Value	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
A	**Financial Assets**				
(i)	Amortised Cost				
	Loans	1,292.51	2,024.64	1,292.51	2,024.64
	Others	222.83	389.07	222.83	389.07
	Trade receivables	339.71	355.32	339.71	355.32
	Cash and cash equivalents	10.11	44.84	10.11	44.84
	Bank Balance	3.05	6.95	3.05	6.95
(ii)	FVTPL			-	
	Mutual Funds & Equity Instrument	3.93	5.74	3.93	5.74
	Total Financial Assets	**1,872.14**	**2,826.56**	**1,872.14**	**2,826.56**
	Financial Liabilities				
(i)	Amortised Cost				
	Borrowings	-	3,141.31	-	3,141.31
	Trade payables	-	208.48	-	208.48
	Others	4,910.15	1,310.49	4,910.15	1,310.49
	Total Financial Liabilities	**4,910.15**	**4,660.28**	**4,910.15**	**4,660.28**

(ii) 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.

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

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and floating interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

The fair values of the financial assets and liabilities are 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.

GAMMON INDIA LTD.

Particulars	Date of Valuation	Fair Value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Valuation Technique
Financial assets measured at fair value					
Investment in Current Investments					
Shares	March 31, 2018	1.73			Market Value of Shares
Mutual Funds	March 31, 2018	2.20			Market Value of Mutual Funds
Total financial assets		**3.93**	-	-	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2018	-			Valuation from Banks
Total financial Liabilities		-	-	-	
Financial assets measured at fair value					
Investment in Current Investments					
Shares	March 31, 2017	3.65			Market Value of Shares
Mutual Funds	March 31, 2017	2.09			Market Value of Mutual Funds
Total financial assets		**5.74**	-	-	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2017	2.66			Valuation from Banks
Total financial Liabilities		**2.66**	-	-	

(iii) **Financial Risk Management Objectives And Policies**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of

(a) **Market Risk :**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Unhedge	March 31, 2018		March 31, 2017	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	24,84,08,000	-	24,77,92,191	2,903
EUR - Euro	4,70,82,339	1,83,059	4,61,92,613	1,83,059
AED - UAE Dirham	1,14,905	-	1,14,905	-
ETB - Ethiopian Birr	4,18,10,175	48,53,733	4,18,10,175	48,53,733

Receivable :- As at March 31, 2018- Rs 2005.53 Crore , March 31, 2017 - Rs. 1937.82 Crore.
Payable : As at March 31, 2018- Rs 1.48 Crore, March 31, 2017 - Rs 2.65 Crore

Hedge	March 31, 2018		March 31, 2017	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	-	-	-	4,10,000

Receivable :- As at March 31, 2018 and March 31, 2017 is Rs. NIL
Payable : As at March 31, 2018- Rs NIL, March 31, 2017 - Rs 2.68 Crore

Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	March 31, 2018		March 31, 2017	
Increase/(decrease) in profit	**1 % increase**	**1 % decrease**	**1 % increase**	**1 % decrease**
USD - US Dollar	16.16	(16.16)	16.07	(16.07)
EUR - Euro	3.80	(3.80)	3.19	(3.19)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.10	(0.10)	0.10	(0.10)

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in inactive markets or inputs that are directly or indirectly observable in the market place.

GAMMON INDIA LTD

(b) **Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 339.71 crore and Rs. 355.32 crore as of March 31, 2018 and March 31, 2017 respectively, unbilled revenue amounting to Rs. 912.36 crore and Rs. 871.01 crore as of March 31, 2018 and March 31, 2017, respectively. To manage this, the Company monitors whether the collections are made within the contractually established deadlines. In addition to this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same counterparty,
(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(c) **Interest rate risk**

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
March 31, 2018	Plus 100 basis point	(38.94)
	Minus 100 basis points	38.94
March 31, 2017	Plus 100 basis point	(38.69)
	Minus 100 basis points	38.69

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly

(d) **Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Working Capital Position of the Company :

Particulars	March 31, 2018	March 31, 2017
Cash and Cash Equivalent	10.11	44.84
Bank Balance	3.05	6.95
Current Investments in mutual Funds and Shares	3.93	5.74
Inventory	123.82	148.27
Trade Receivable Current	132.00	-
Loans & Advances Current	8.65	15.63
Other Financial Assets Current	25.81	33.03
Total	**307.37**	**252.46**

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Within One year	One - Five year	Total
As at March 31, 2018			
Long term Borrowing	-	-	-
Short term borrowings	-		-
Trade payables	-	-	-
Other financial liabilities	4,898.15	12.00	4,910.15
Total	**4,898.15**	**12.00**	**4,910.15**

Particulars	Within One year	One - Five year	Total
As at March 31, 2017			
Long term Borrowing	730.82	2,192.17	2,922.99
Short term borrowings	949.14		949.14
Trade payables	199.71	8.77	208.48
Other financial liabilities	1,298.49	12.00	1,310.49
Total	**3,178.16**	**2,212.94**	**5,391.10**

(e) **Competition Risk:**

The Company is operating in a highly competitive environment with various Companies wanting a pie in the project. This invariably results in bidding for projects at low margins to maintain a steady flow of the projects to enable the group to retain the projects team and to maintain sustainable operations for the Company and the SPVs. The ability of the Company to build the infrastructure at a competitive price and the ability to start the tolling operations is very important factor in mitigating the competition risk for the group.

(f) **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 group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

GAMMON INDIA LTD.

42 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and expects no impact on profit before tax.

Amendment to Ind AS 115:

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. This will have no significant effect on the financial statements on adoption of Ind AS 115.

43 Capital Management

For the purpose of the Group'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 Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2018	March 31, 2017
Gross Debt	3,894.14	3,872.13
Less		
Cash and Cash Equivalent	10.11	44.84
Bank Balance	3.06	6.95
Marketable Securities -Liquid Mutual Funds	3.93	5.74
Net debt (A)	3,877.05	3,814.60
Total Equity (B)	(1,339.31)	843.59
Gearing ratio (A/B)	**(2.89)**	**6.93**

44 Significant Accounting Judgments, Estimates And 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 future periods.

Judgments

In the process of applying the company's accounting policies, management has made the following judgments, 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 judgment 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.

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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

45 Details of Rounded Off Amounts

The Financial Statements are represented in Rupees Crore. Those items which were not represented in the financial statement due to rounding off to the nearest Rupees Crore are given below:

GAMMON INDIA LTD.

Particulars	March 31, 2018	March 31, 2017
Non Current Investment		
Airscrew (India) Limited	1,000	1,000
Alpine Environmental Engineers Limited	20,000	20,000
Bhagirathi Bridge Construction Company Limited	30,000	30,000
Modern Flats Limited (Unquoted)	22,100	22,100
Neptune Tower Properties Private Limited	-	-
Investment in Partnership-Capital Contribution-Gammon Shah	25,000	25,000
Current Investment		
HDFC Mutual Fund - Floating Rate Income Fund	23,578	23,578

Contingent Liability:

Contingent Liability on Partly Paid Shares

46 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 forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

As per our report of even date

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated :

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

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

ABHIJIT RAJAN
Chairman
DIN No. 00177173

AJIT B. DESAI
Chief Executive Officer
DIN No. 00105836

Anurag Chaudhary
Director
DIN No. 00053456

GAMMON INDIA LTD.

Apr 17 - Mar 18

A Related Party Disclosure

SUBSIDIARIES

1 Ansaldocaldai Boilers India Private Limited
2 ATSL B.V., Netherland
3 ATSL Infrastructure Projects Limited
4 Associated Transrail Structures Limited, Nigeria
5 Campo Puma Oriente S.A.
6 Deepmala Infrastructure Private Limited
7 Franco Tosi Hydro Private Limited
8 Franco Tosi Turbines Private Limited
9 Gactel Turnkey Projects Limited
10 Gammon & Billimoria Limited
11 Gammon Holdings (Mauritius) Limited
12 Gammon Holdings B.V.
13 Gammon International B.V.
14 Gammon International FZE
15 Gammon Power Limited
16 Gammon Realty Limited
17 Gammon Retail Infrastructure Private Limited
18 Metropolitan Infrahousing Private Limited
19 P.Van Eerd Beheersmaatschappaji B.V.
20 Patna Water Supply Distribution Network Pvt Ltd
21 SAE Transmission India Limited
22 Gammon Infrastructure Projects Limited (up to September 2017)

STEPDOWN SUBSIDIARIES

1 Franco Tosi Meccanica S.p.A
2 Gammon & Billimoria LLC
3 Gammon Italy S.r.l
4 Preeti Township Private Limited
5 SAE Powerlines S.r.l

JOINT VENTURE

1 Gammon OJSC Mosmetrostroy
2 Gammon OSE
3 Gammon SEW
4 Gammon Srinivasa
5 Haryana Bio Mass Power Limited
6 Hyundai Gammon
7 OSE Gammon
8 Sofinter S.p.A
9 Gammon FECP JV Nigeria
10 Consortium of Jyoti Structure & GIL
11 GIPL GIL JV
12 Gammon Construtora Cidade Tensaccia (up to July 1,2016)
13 Gammon Singla (up to July 1,2016)

ASSOCIATES

1 Eversun Sparkle Maritime Services Private Limited
2 Modern Toll Roads Limited
3 Finest S.p.A Italy
4 Transrail Lighting Limited (TLL)
5 Gammon Engineers and Contractors Private Limited
6 Gammon Infrastructure Projects Limited (w.e.f September 2017)

Step Down Subsidiaries up to September 2017:

7 Birmitrapur Barkote Highway Private Limited
8 Chitoor Infra Company Private Limited
9 Earthlink Infrastructure Projects Private Limited
10 Gammon Logistics Limited
11 Gammon Projects Developers Limited
12 Gammon Renewable Energy Infrastructure Limited
13 Gammon Renewable Energy Private Limited
14 Gammon Road Infrastructure Limited
15 Gammon Seaport Infrastructure Limited
16 Ghaggar Renewable Energy Private Limited
17 Haryana Biomass Power Limited
18 Jaguar Projects Developers Limited
19 Lilac Infrastructure Developers Limited
20 Marine Projects Services Limited
21 Pravara Renewable Energy Limited
22 Ras Cities And Townships Private Limited
23 Satluj Renewable Energy Private Limited
24 Sidhi Singrauli Road Project Limited
25 Segue Infrastructure Projects Private Limited
26 Tada Infra Development Company Limited
27 Tangri Renewable Energy Private Limited
28 Tidong Hydro Power Limited
29 Vijaywada Gundugolanu Road Projects Private Limited
30 Vizag Seaport Private Limited
31 Yamuna Minor Minerals Private Limited
32 Yamunanagar Panchkula Highway Private Limited
33 Youngthang Power Ventures Limited
34 Cochin Bridge Infrastructure Company Limited
35 Patna Highway Projects Limited
36 Rajahmundry Godavari Bridge Limited
37 Sikkim Hydro Power Ventures Limited
38 Indira Container Terminal Private Limited

Key Managerial Personnel

1 Mr Abhijit Rajan
2 Mr Rajul A Bhansali (up to March 2018)
3 Mr D C Bagde (Up to May 2017)
4 Mr Ajit B. Desai- Chief Executive Officer

Independent Director

1 CC Dayal
2 Naval Choudhary
3 Urvashi saxena
4 Atul Kumar Shukla

1 **Relatives of Key Managerial Personnel**
Mr Harshit Rajan

GAMMON INDIA LTD.

Statement B

Apr 17 - Mar 18

Rs. in Crore

Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
Subcontracting Income	-	-	-	-	-
	(18.29)	(20.71)	-	-	(38.87)
Patna Water Supply Distribution Network Pvt Ltd	-	-	-	-	-
	(18.29)				(18.29)
Gammon Constructora Cidade Tensacola	-	-	-	-	-
	-	(21.28)			(21.28)
Gammon Singla	-	-	-	-	-
	-	(3.55)			(3.55)
Subcontracting Expense	-	-	0.32	-	0.32
	-	-	-	-	-
Transrail Lighting Limited (TLL)	-	-	0.32	-	0.32
	-	-	-	-	-
Rajahmundry Expressway Limited	-	-	-	-	-
	-	-	-	-	-
Guarantee Income	8.21	-	-	-	9.85
(INDAS Adjustment)	(7.03)	-	-	-	(12.01)
Gammon Holdings BV	2.02	-	-	-	2.02
	(2.02)	-	-	-	(2.02)
Gammon International BV	1.97	-	-	-	1.97
	(1.97)	-	-	-	(1.97)
Campo Puma Oriente S.A.	-	-	-	-	-
	(1.27)	-	-	-	(1.27)
Ansaldo Caldaie Boilers India Pvt Ltd	1.04	-	-	-	1.04
	-	-	-	-	-
Franco Tosi Meccanica SpA	-	-	-	-	-
	(1.05)	-	-		(1.05)
SAE Power Lines s.r.l	1.18	-	-	-	1.18
	(1.18)	-	-	-	(1.18)
Remeasurement Gain and Loss	1.33	-	-	-	1.33
(INDAS Adjustment)	(0.87)	-	-	-	(0.87)
Gactel Turnkey Projects Limited	-	-	-	-	-
	(0.61)	-	-	-	(0.61)
Gammon Realty Limited	-	-	-	-	-
	(0.26)	-	-	-	(0.26)
RAS Cities and Townships Pvt Ltd	1.33	-	-	-	1.33
	-	-	-	-	-
Purchase of Goods	-	-	19.58	-	19.58
	-	-	-	-	-
Gammon Engineers and Contractors Private Limited			19.58		19.58
					-
Sale of Goods	-	-	2.08	-	2.08
Gammon Engineers and Contractors Private Limited	-		2.08		2.08
					-
Rendering / Receiving of Services	-	-	-	-	-
	-	(0.06)	-	-	(0.06)
Gammon OJC	-	-	-	-	-
	-	(0.06)	-	-	(0.06)
Finance provided for Loans, expenses & on a/c payments	37.18	-	18.99	-	56.17
	(349.82)	(2.97)	-	-	(352.79)
Gammon International BV	19.58				
Metropolitan Infrahousing Private Limited	17.60	-	-	-	17.60
	-	-	-	-	-
Transrail Lighting Limited (TLL)	-	-	18.99		18.99
	-	-	-	-	-
Patna Water Supply Distribution Network Pvt Ltd	-	-	-	-	-
	(0.44)	-	-	-	(0.44)
Campo Puma Oriente S.A.	-	-	-	-	-
	(349.38)	-	-	-	(349.38)
Gammon Constructora Cidade Tensacola	-	-	-	-	-
	-	(2.97)	-	-	(2.97)
Amount liquidated towards the finance provided	0.76	-	-	-	0.76
	(17.10)	(10.74)	-	-	(27.84)
Gammon Constructora Cidade Tensacola	0.68	-	-	-	0.68
	-	(10.74)	-	-	(10.74)
ATSL BV Netherland	-	-	-	-	-
	(7.94)	-	-	-	(7.94)
Deepmala Infrastructure Private Limited	0.08	-	-	-	0.08
	-	-	-	-	-
SAE Powerlines S.r.l	-	-	-	-	-
	(9.16)	-	-	-	(9.16)
Interest income during the year	15.23	-	-	-	15.23
	(180.71)	-	-	-	(214.15)
Deepmala Infrastructure Private Limited	-	-	-	-	-
	(27.85)	-	-	-	(27.85)
Gammon Power Limited	-	-	-	-	-
	(17.12)	-	-	-	(17.12)
Patna Water Supply Distribution Network Pvt Ltd	4.62	-	-	-	4.62
	(4.51)	-	-	-	(4.51)
Gammon International BV	-	-	-	-	-
	(27.09)	-	-	-	(27.09)
Gammon Holding BV	-	-	-	-	-
	(38.71)	-	-	-	(38.71)
Gammon International FZE	-	-	-	-	-
	-	-	-	-	-
Gammon Holdings (Mauritius) Ltd	9.65	-	-	-	9.65
	-	-	-	-	-
Metropolitan Infrahousing Private Limited	-	-	-	-	-
	(65.43)	-	-	-	(65.43)

GAMMON INDIA LTD.

Statement B
Apr 17- Mar 18

Rs. In Crore

B Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
Finance received for expenses & on a/c payments	10.68	-	49.99	-	117.11
	(0.02)	-	(107.16)	-	(8.82)
Gammon Power Limited	57.48	-	-	-	57.48
	-	-	-	-	-
RAS Cities and Townships P Ltd	10.6				10.60
	-				-
Transrail Lighting Limited (TLL)	-	-	14.23	-	14.23
	-	-	-	-	-
Gammon International FZE	-	-	-	-	-
	(0.02)	-	-	-	(0.02)
Gammon Engineers and Contractors Private Limited	-	-	31.72	-	31.72
	-	-	(107.16)	-	(107.16)
Amount liquidated towards the above finance	10.00	-	-	-	10.00
	(2.57)	-	-	-	(2.57)
RAS Cities and Townships P Ltd	10.00				10.00
					-
SAE Powerlines S.r.l	-	-	-	-	-
	(2.57)	-	-	-	(2.57)
Interest expenses during the year	0.02	-	-	-	0.02
	(0.74)	-	-	-	0.75
Franco Tosi Turbines Private Limited	-	-	-	-	-
	(0.74)	-	-	-	(0.74)
Gammon Road Infrastructure Ltd	0.02	-	-	-	0.02
	-	-	-	-	-
Contract Advance Received	(0.07)	-	-	-	0.07
	(0.07)	-	-	-	(0.07)
SAE Powerlines S.r.l	-	-	-	-	-
	(0.07)	-	-	-	(0.07)
Contract Advance Given / Refund of Advance	(0.43)	-	-	-	0.42
	(0.43)	-	-	-	(0.43)
SAE Powerlines S.r.l	-	-	-	-	-
	(0.43)	-	-	-	(0.43)
Guarantees and Collaterals Outstanding	1,013.21	-	-	-	2,408.44
	(1,198.48)	-	-	-	(2,574.38)
Gammon Holdings B.V.	495.85	-	-	-	495.85
	(702.03)	-	-	-	(702.03)
Gammon International B.V.	517.36	-	-	-	517.36
	(496.45)	-	-	-	(496.45)
Pledge of Shares (Number of shares)	-	-	-	-	-
	(1.70)	-	(0.77)	-	(2.47)
Gazal Turnkey Projects Limited	-	-	-	-	-
	(0.50)	-	-	-	(0.50)
Ansaldocaldaie Boilers India Private Limited	-	-	-	-	-
	(1.20)	-	-	-	(1.20)
Transrail Lighting Limited (TLL)	-	-	-	-	-
	-	-	(0.77)	-	(0.77)
Key Managerial Personnel	-	-	-	1.36	1.36
Managerial Paid	-	-	-	(5.26)	(5.26)
Mr. Abhijit Rajan	-	-	-	-	-
	-	-	-	(4.00)	(4.00)
Mr. Digambar C. Bagde	-	-	-	-	-
	-	-	-	-	-
Mr. Rajul A. Bhansali	-	-	-	0.80	0.80
	-	-	-	(0.81)	(0.81)
Mr. Ajit B. Desai	-	-	-	0.56	0.56
	-	-	-	(0.45)	(0.45)
Director Sitting fees and Commission	-	-	-	0.09	0.09
	-	-	-	(0.15)	(0.15)
Chandrahas C. Dayal	-	-	-	0.02	0.02
	-	-	-	(0.04)	(0.04)
Naval Choudhary	-	-	-	0.03	0.03
	-	-	-	(0.05)	(0.05)
Urvashi saxena	-	-	-	0.03	0.03
	-	-	-	(0.02)	(0.02)
Atul Kumar Shukla	-	-	-	0.02	0.02
	-	-	-	(0.04)	(0.04)
Short-Term / Long-Term Benefits to KMP	-	-	-	(0.83)	(0.83)
	-	-	-	(0.83)	(0.83)
Mr. Abhijit Rajan	-	-	-	-	-
	-	-	-	(0.76)	(0.76)
Mr. Rajul A. Bhansali	-	-	-		(0.03)
	-	-	-	(0.03)	(0.03)
Mr. Ajit B. Desai	-	-	-	-	-
	-	-	-	(0.04)	(0.04)

GAMMON INDIA LTD.

Statement B

Apr 17- Mar 18

Rs. In Crore

B Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
Movement in Quasi Investment (Net)	- (1.85)	- -	- -	- -	- 2.12
Gactel Turnkey Projects Limited	- (1.82)	- -	- -	- -	- (1.82)
Metropolitan Infrahousing Private Limited	- (0.03)	-	-	-	- (0.03)
Outstanding Balances Receivables **Loans & Advances**	1,736.87 (1,736.25)	- -	- -	- -	2,767.79 (2,756.81)
Metropolitan Infrahousing Private Limited	549.41 (531.81)	- -	- -	- -	549.41 (531.81)
Gammon Holdings B.V.	455.79 (446.24)	- -	- -	- -	455.79 (446.24)
Gammon International B.V.	336.03 (314.86)	- -	- -	- -	336.03 (314.86)
Campo Puma Oriente S.A.	395.63 (394.36)	- -	- -	- -	395.63 (394.36)
SAE Powerlines S.r.l	- (49.96)	- -	- -	- -	- (49.96)
Loans and Guarantee u/s in the nature of Equity	154.12 (154.12)	- -	- -	- -	234.61 (234.61)
Gammon Realty Limited	44.80 (44.80)	- -	- -	- -	44.80 (44.80)
Deepmala Infrastructure Private Limited	62.09 (62.09)	- -	- -	- -	62.09 (62.09)
Gammon Power Limited	47.23 (47.23)	- -	- -	- -	47.23 (47.23)
Guarantee Obligation Outstanding	7.26 (15.14)	- -	- -	- -	7.26 (15.40)
Gammon Holdings BV	1.02 (3.04)	- -	- -	- -	1.02 (3.04)
Gammon International BV	0.99 (2.56)	- -	- -	- -	0.99 (2.56)
SAE S.r.l	1.16 (2.30)	- -	- -	- -	1.16 (2.30)
Ansaldo Caldaie Boilers Private Limited	1.55 (2.59)	- -	- -	- -	1.55 (2.59)
Metropolitan Infrahousing Private Limited	1.31 (2.19)	- -	- -	- -	1.31 (2.19)
GACTEL Turnkey Project Ltd	1.29 (2.00)	- -	- -	- -	1.29 (2.00)
Provision made for doubtful debts	1,151.82 (407.96)	- -	- -	- -	1,517.10 (408.03)
Metropolitan Infrahousing Private Limited	268.90 -	- -	- -	- -	268.90 -
Gammon Holdings B.V.	183.87 (71.77)	- -	- -	- -	183.87 (71.77)
Gammon International BV	352.99 -	- -	- -	- -	352.99 -
ATSL B.V., Netherland	115.67 (114.55)	- -	- -	- -	115.67 (114.55)
GACTEL Turnkey Project Ltd	- -	- -	- -	- -	- -
Campo Puma Oriente SPA	230.41 -	- -	- -	- -	230.41 -
SAE Powerlines S.r.l	- (221.64)	- -	- -	- -	- (221.64)
Interest Receivable	257.92 (284.84)	- -	- -	- -	485.88 (372.58)
Gammon Realty Limited	- (31.12)	- -	- -	- -	- (31.12)
Deepmala Infrastructure Private Limited	38.35 (38.34)	- -	- -	- -	38.35 (38.34)
Metropolitan Infrahousing Private Limited	63.15 (63.15)	- -	- -	- -	63.15 (63.15)
Gammon Holdings B.V.	90.06 (88.13)	- -	- -	- -	90.06 (88.13)
Gammon International B.V.	66.35 (64.10)	- -	- -	- -	66.35 (64.10)
Trade & Other Receivable	195.08 -	772.69 (778.84)	- -	- -	1,083.95 (983.22)
SAE Power Lines s.r.l	195.08 -	- -	- -	- -	195.08 -
Gammon OJSC Mosmetrostroy	- -	772.69 (778.84)	- -	- -	772.69 (778.84)
Outstanding Balances Payable **Trade & Others Payable**	8.04 (12.68)	29.56 (19.06)	155.08 (107.16)	- -	306.20 (139.90)
Transrail Lighting Limited (TLL)	- (12.68)	- -	7.64 -	- -	7.64 (12.68)
Franco Tosi Meccanica SpA	8.04 -	- -	- -	- -	8.04 -
Gammon OJSC Mosmetrostroy	- -	29.56 (19.06)	- -	- -	29.56 (19.06)
Gammon Engineers and Contractors Private Limited	- -	- -	147.44 (107.16)	- -	147.44 (107.16)
Assets Transfer Under BTA & Scheme	- -	- -	- (3,216.07)	- -	- (3,216.07)
Gammon Engineers and Contractors Private Limited	- -	- -	- (3,216.07)	- -	- (3,216.07)
Liabilities Transfer Under BTA & scheme	- -	- -	- (3,155.18)	- -	- (3,155.18)
Gammon Engineers and Contractors Private Limited	- -	- -	- (3,155.18)	- -	- (3,155.18)
Aggregate Consideration for transfer of business	- -	- -	- (49.65)	- -	- (49.65)
Gammon Engineers and Contractors Private Limited	- -	- -	- (49.65)	- -	- (49.65)

(Previous Period figures are in brackets)

Transactions pertaining to contract revenue and contract expenses with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

GAMMON INDIA LTD.