Date: 09th September, 2022

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.
BSE Code: 509550

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, 'G' Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.
NSE Code: GAMMONIND

Dear Sir,

Sub: Submission of the Notice of the 100th Annual General Meeting and the Annual Report of Gammon India Limited for the FY 2021-2022.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Notice of the 100th Annual General Meeting (AGM) along with the Annual Report of the Company for the financial year 2021-2022.

The Notice of 100th AGM and Annual Report of the Company for the financial year ended March 31, 2022 along with login details for joining the 100th AGM through VC/OAVM facility including e-voting has been sent on September 08th, 2022 through e-mail to all those members whose e-mail addresses were registered with the Company or Registrar and Share Transfer Agent or with their respective Depository Participants ("DP") in accordance with the MCA Circulars and SEBI Circular, and the same are also available on Company's website (www.gammonindia.com), Stock Exchange's website (www.bseindia.com and www.nseindia.com) and on the website of Link Intime India Pvt. Ltd ("LIIPL") (https://instameet.linkintime.co.in).

The AGM is scheduled to be held on Friday, September 30, 2022 at 2.30 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The Notice of the AGM along with the Annual Report for the financial year 2021-22 is also available on the website of the Company at www.gammonindia.com.

This is for your information and records.

Thanking You

For **Gammon India Limited**

Niki Shingade
Company Secretary

Gammon India Limited

GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997

Regd. Office: Floor 3rd, Plot No - 3/8, Hamilton House, J.N. Heredia Marg, Ballard Estate, Mumbai 400038.

Website: www.gammonindia.com; **Email:** investors@gammonindia.com; **Tel.:** +9122-22705562

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Hundredth Annual General Meeting** of Gammon India Limited will be held on Friday, the 30th day of September, 2022 at 2.30 pm via Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022, the Audited Consolidated Financial Statements for the said Financial Year and the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Statutory Auditors :

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modifications or re-enactments thereof from time to time) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Natvarlal Vepari & Co, Chartered Accountants (Firm Registration No. 106971W), be and are hereby appointed as Statutory Auditors of the Company for a period of 5(Five) years from the conclusion of the 100th Annual General Meeting until the conclusion of the 105th Annual General Meeting in place of the retiring auditors M/s. Nayan Parikh & Co, Chartered Accountants (Firm Registration No. 107023W), on such remuneration as may be decided by the Board of Directors from time to time .

   RESOLVED FURTHER THAT to give effect to the above resolution, the Board of Directors be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may be deemed necessary in this behalf."

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution;

   "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the payment of ₹ 70,000/- (Rupees Seventy Thousand only) (exclusive of reimbursement of conveyance expenses at actuals and service tax/GST as applicable) as approved by the Board of Directors to Mr. Pradip Damania, Cost Auditor (Regn. No: 101607) appointed by the Board of Directors in order to carry out audit of Company's Cost Records for the Financial Year ending 31st March, 2022."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution;

   "RESOLVED THAT pursuant to the provisions of Sections 152, 161 and Articles of Association of the Company Mr. Sandeep Sheth (DIN: 08781589), who was appointed by the Board of Directors as an Additional Wholetime Director designated, as Executive Director of the Company effective from 10th August, 2022 and who holds office up to the date of this Annual General Meeting and has consented to act as a Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

5. To consider and if thought fit, to pass the following resolution as a Special Resolution;

   "RESOLVED THAT in accordance with the provisions of Sections 196 and 197 of the Companies Act, 2013, including any amendment thereto or modification thereof read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules, approval of the Members be and is hereby accorded to the appointment of Mr. Sandeep Sheth (DIN: 08781589) as a Whole-time Director designated as Executive Director of the Company for a period of 3 (three) years with effect from 10th August, 2022 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including authorizing any Official of the Company to do all such acts, deeds and things as may be necessary to give effect to this resolution."

6.. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution;

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and all other rules, regulations, notifications and circulars (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time), and pursuant to the 'No Objection' received from the CDR Lenders, approval of the Members be and is hereby accorded for ratification of payment of remuneration to Mr. Sandeep Sheth (DIN: 08781589) erstwhile Executive Director as set out in the explanatory statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution."

By Order of the Board of Directors
For **Gammon India Limited**

Sd/-
Niki Shingade
Company Secretary

Registered Office:
Floor 3rd, Plot No - 3/8, Hamilton House,
J.N. Heredia Marg, Ballard Estate, Mumbai - 400038.

Date: 10th August, 2022
Place: Mumbai

ANNEXURE TO NOTICE

Item No. 2

This Explanatory Statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however the same is strictly not required as per Section 102 of the Companies Act, 2013.

Members are hereby informed that the Board members had appointed M/s. Nayan Parikh and Co, Chartered Accountants, (Firm Registration No: 107023W) as the Statutory Auditors of the Company at the 95th Annual General Meeting (AGM) of the Company, for a period of 5(five) years, i.e. from the conclusion of the 95th AGM, until the conclusion of the 100th AGM to be held for the financial year 2021-2022. Accordingly, the term of the existing Statutory Auditors i.e. M/s. Nayan Parikh and Co, Chartered Accountants, expires on the conclusion of the 100th Annual General Meeting.

Accordingly, the Board of Directors of the Company based on the recommendation of Audit Committee at its meeting held on 10th August, 2022 proposed the appointment of M/s Natvarlal Vepari and Co, Chartered Accountants (Firm Registration No. 106971W) as the Statutory Auditors of the Company in place of the retiring auditors for a period of 5 (five) consecutive years from the conclusion of this 100th AGM, till the conclusion of the 105th AGM at a remuneration of ₹ 18,00,000 p.a. for conducting Audit and Limited Review.

M/s Natvarlal Vepari and Company have consented to their appointment as the Statutory Auditors and have rendered their eligibility certificate in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Brief profile and credentials of M/s Natvarlal Vepari and Company as required under Regulation 36(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are stated below:

"Natvarlal Vepari & Co. ('the Firm') is registered with the Institute of Chartered Accountants of India ('ICAI') with Registration No. 106971W. The Head Office of the Firm is located at 903/904, Raheja Chambers ,Free Press Journal Marg, Nariman Point, Mumbai 400 021. The Firm has seven partners. The Firm was formed in 1959 and has been engaged in statutory and internal audits of different industry for more than six decades"

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 3, 4, 5 and 6 of the accompanying Notice dated 10th August, 2022.

Item No. 3

Members are hereby informed that the Board on the recommendation of the Audit Committee appointed Mr. Pradip Damania, Cost Accountant (Membership No. 101607) as the Cost Auditor of the Company for the financial year 2021-2022 in order to conduct audit of Cost Accounting Records maintained by the Company in respect of the Company's Civil Engineering, Procurement and Construction business at a remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) per annum exclusive of reimbursement of conveyance expenses at actuals and service tax/GST as applicable.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders.

The Board recommends the passing of the Ordinary Resolution at Item No. 3 of the accompanying notice for members approval. None of the Directors and/or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of the above resolution.

Item No. 4 & 5

Members are hereby informed that pursuant to Section 161 of the Companies Act, 2013 and on the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Sandeep Sheth as an Additional Wholetime Director of the Company designated as an Executive Director of the Company with effect from 10th August, 2022. Mr. Sheth holds as such until this Annual General Meeting.

Mr Sandeep Sheth is an eminent Chartered Accountant having post graduate degrees of Chartered Accountant (ICAI), Company Secretary (ICSI) and Masters in Finance (ICFAI).

He has 26 years of rich experience in various industries, post qualification of CA and is associated with the Gammon group since last 15 years. He has also acted as the member of the management team for the Company's strategy, growth, and execution.

He has worked closely with the Board & top management in devising a financial strategy that supported the company's business strategy. He also has in depth knowledge in Accounts, Finance and various laws.

The Board has appointed Mr. Sheth as an Executive Director of the Company pursuant to Section 196 of the Act read with Schedule V on the following terms and conditions as recommended by the Nomination and Remuneration Committee:

I. Term : 3 (three)years w.e.f 10th August, 2022

II. Remuneration:

Consolidated Salary –

	Monthly Benefits	**Per Month** (in ₹)	**Per Annum** (in ₹)
A]	Assumed Basic	1,51,800	18,21,600
	HRA	1,51,800	18,21,600
	Education Allowance	200	2,400
	Special Allowance	66,782	8,01,384
Sub-Total(A)		**3,70,582**	**44,46,984**
B]	Conveyance Allowance	25,000	3,00,000
	Medical Allowance	1250	15,000
	Maintenance Allowance	25,000	3,00,000
Sub-Total (B)		**51,250**	**6,15,000**
C]	**Annual Benefits**		
	LTA	12,650	1,51,800
	Bonus/Ex-gratia	-	-
Sub-Total (C)		**12,650**	**1,51,800**
D]	**Retirement Benefits**		
	Provident Fund	18,216	2,18,592
	Gratuity	7302	87,624
Sub-Total (D)		**25,518**	**3,06,216**
Grand Total (A+B+C+D)		**4,60,000**	**55,20,000**

PART A:

(i) Perquisites shall be valued and taxed as per the provisions of the Income Tax Act, 1961.

(ii) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on remuneration as per Section 197 read with Schedule V of the Companies Act, 2013.

PART B:

(i) Reimbursement of expenses:

All expenses actually and properly incurred by him in the course of discharging official duties of the Company will be reimbursed.

Other terms:

Job Profile	:	During the period of his service with the Company, the Whole-Time Director designated as Executive Director shall:
	:	a) perform, observe and conform to such orders and instructions as may from time to time be reasonably given or communicated to him by the Board of Directors of the Company;
	:	b) in all respects carry out and use his best endeavors in carrying out the objects of the Company diligently and faithfully serve the Company, promote and protect its interest in all things to the best of his ability and judgment, and use his best endeavors to further its interests and to increase its business; and
	:	c) devote the whole of his time and attention to the business of the Company during the normal office and/or working hours of the Company and otherwise as in the opinion of the Board of Directors may be reasonably necessary for the diligent performance of his duties, and shall not in any way be engaged in, concerned directly or indirectly with any other company, business or trade (subsidiaries and associate companies excepted and otherwise than as the holder of shares or debentures in any company) without the consent of the Board of Directors of the Company
Other Terms	:	a) So long as Mr. Sandeep Sheth functions as the Whole-Time Director, he shall not be paid any sitting fees for attending the Meetings of the Board of Directors or the Committee(s) thereof
	:	b) He shall be liable to retire by rotation
	:	a) He shall be entitled to be compensated for loss of office to the extent permissible under the Companies Act, 2013 if, during the currency of this Agreement, the tenure of his office be determined for reasons other than due to change in the management or necessitated by Strategic Debt Restructuring or those specified in Section 202 of the Companies Act, 2013.
	:	c) His appointment, re-appointment, duties, responsibilities and remuneration shall be in conformity with the Companies Act, 2013 (including any amendment thereto), SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and all such other applicable laws.
		d) Such other terms and conditions as may be recommended by the Nomination and Remuneration Committee and as may be approved by the Board.

The aggregate of the remuneration and perquisites/benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to the Whole-time Directors of the Company taken together, shall be within the limit prescribed under the Companies Act, 2013, or any amendment thereto or modification thereof (‘the Act’).

The Company has received consent from Mr. Sheth (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The Board recommends the passing of the Ordinary Resolution at Item No. 4 & and Special Resolution at Item No. 5 of the accompanying Notice for Members approval.

Save and except Mr. Sandeep Sheth, none of the other Directors and/or Key Managerial Personnel of the Company, are interested in the resolutions at Item Nos. 4 & 5 of the Notice.

Item No. 6

Members are informed that on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Sandeep Sheth as an Additional Whole-time Director designated as Executive Director-Finance for a period of 3 (three) years effective from 15th April, 2021, subject to the approval of the CDR Lenders and the members.

Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Company also obtained a ‘No Objection’ from the CDR Lenders for payment of the remuneration of 46,00,008/- p.a. for a period of three years commencing from 15th April, 2021.

Members are further informed that the special resolution pertaining to the payment of remuneration of Mr. Sandeep Sheth was dissented by majority of the shareholders in the Annual General Meeting held on 30th September, 2021 wherein Lenders played a major role being the holder of majority of shares.

The Company had paid the remuneration of Rs. 46,00,008/- (Rupees Forty Six Lacs and Eight Only) per annum which includes perquisites (on a pro rata basis) to Mr. Sandeep Sheth, pending shareholders’ approval.

The above remuneration was paid to Mr. Sheth from 15th April, 2021 to 14th October, 2021, pursuant to Section 197 of the Companies Act, 2013 read with Part II of Schedule V of the Act on the terms and conditions as recommended by the Nomination and Remuneration Committee and is further required to be ratified by the members.

The Board recommends the passing of the Special Resolution at Item No.6 of the accompanying notice for members approval.

Save and except Mr. Sandeep Sheth, none of the other Directors and/or Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the passing of the above resolution.

NOTES:

1. VIRTUAL MEETING

In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has *vide* its General Circular no. 02/2022 dated 05.05.2022 read with General Circular Nos. 20/2020 dated 05.05.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021 permitted the holding of the Annual General Meeting ("AGM" or "meeting"), through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. Members participating through the VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013 ("Act").

Further, the Securities and Exchange Board of India ("SEBI") *vide* its Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ("SEBI Circular") has granted further relaxations to ensure the AGM is conducted effectively. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/ OAVM.

The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the meeting. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

2. ELECTRONIC COPY OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

a) In compliance with the MCA Circulars and SEBI Circular dated 05.05.2022 and 13.05.2022, notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories.

b) Members may note that the Notice and Annual Report for the financial year 2021-22 will also be available on the Company's website www.gammonindia.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and website of Link Intime India Private Limited ("LIIPL") i.e. www.instavote.linkintime.co.in.

3. STATEMENT UNDER SECTION 102 OF THE ACT

The Explanatory Statement in terms of the provisions of Section 102(1) of the Act, which sets out details relating to special business to be transacted at the meeting forms part of this notice.

4. PROXY

Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

5. AUTHORISED REPRESENTATIVE

Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to Mr. Mitesh Shah at team@mjshah.com with a copy marked to the Company Secretary at investors@gammonindia.com, not less than 48 (forty eight) hours before the commencement of the AGM i.e. by 2:30 p.m. on Wednesday, 28th September, 2022.

6. DOCUMENTS OPEN FOR INSPECTION

Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Act, are uploaded on the website of the Company at: www.gammonindia.com.

Documents required to be kept open for inspection by the members at the AGM in terms of the applicable laws, shall be made available on www.instameet.linkintime.co.in.

7. E-VOTING

Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the MCA Circulars, the Company is pleased to provide the facility to members to exercise their right to vote, on the resolutions proposed to be passed at AGM, by electronic means.

The Company has engaged the services of LIIPL to provide the remote e-voting facility on InstaVote and the e-voting system on the date of the AGM on InstaMeet.

The Company has appointed Mr. Mitesh Shah, Company Secretaries (FCS No. 10070), to act as the Scrutinizer and to scrutinize the entire e-voting process (i.e. remote e-voting and e-voting at the AGM) in a fair and transparent manner.

8. BOOK CLOSURE PERIOD

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 23rd September, 2022 to Friday, 30th September, 2022 (both days inclusive) for the purpose of Annual General Meeting.

9. TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AND RELATED SHARES TO IEPF

The Company did not pay any amount as dividend since the financial year 2012-13 onwards. Hence there is no pending dividend which is outstanding to be transferred to IEPF authorities pursuant to the provisions of Section 124 of the Companies Act, 2013.

10. E-VOTING

REMOTE E-VOTING: IMPORTANT DATES

Cut-off date : For determining the Members entitled to vote on the resolutions set forth in this notice.	Friday, 23rd September, 2022
Remote e-voting period During this period Shareholders of the Company, holding shares, as on the cut-off date (record date) of 23rd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.	Commence from: Tuesday, 27th September, 2022 at 9.00 am End at Thursday, 29th September, 2022 at 5.00 pm
URL for remote e-voting	https://instavote.linkintime.co.in

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

Remote E-Voting for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:

1. INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL:

1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select «Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon «Login» which is available under ‹Shareholder/Member› section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. **INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH CDSL:**

   1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
   2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
   3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.
   4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. **INDIVIDUAL SHAREHOLDERS (HOLDING SECURITIES IN DEMAT MODE) LOGIN THROUGH THEIR DEPOSITORY PARTICIPANTS:**

   You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM IS GIVEN BELOW:

INDIVIDUAL SHAREHOLDERS OF THE COMPANY, HOLDING SHARES IN PHYSICAL FORM AS ON THE CUT-OFF DATE FOR E-VOTING MAY REGISTER FOR E-VOTING FACILITY OF LINK INTIME AS UNDER:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

   A. User ID: Shareholders holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   * *Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

   - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   - Click "confirm" (Your password is now generated).
3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

CAST YOUR VOTE ELECTRONICALLY:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

GUIDELINES FOR INSTITUTIONAL SHAREHOLDERS:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE/ INSTITUTIONAL SHAREHOLDERS:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE HAS FORGOTTEN THE PASSWORD:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders are having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

<u>User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate)</u>: Your User ID is Event No + Folio Number registered with the Company

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL/ CDSL HAS FORGOTTEN THE PASSWORD:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

InstaVote Support Desk

Link Intime India Private Limited

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the **"Company"** and **'Event Date'** and register with your following details: -
  - **A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
  - **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - **C. Mobile No.:** Enter your mobile number.
  - **D. Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

  Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on investors@gammonindia.com .
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

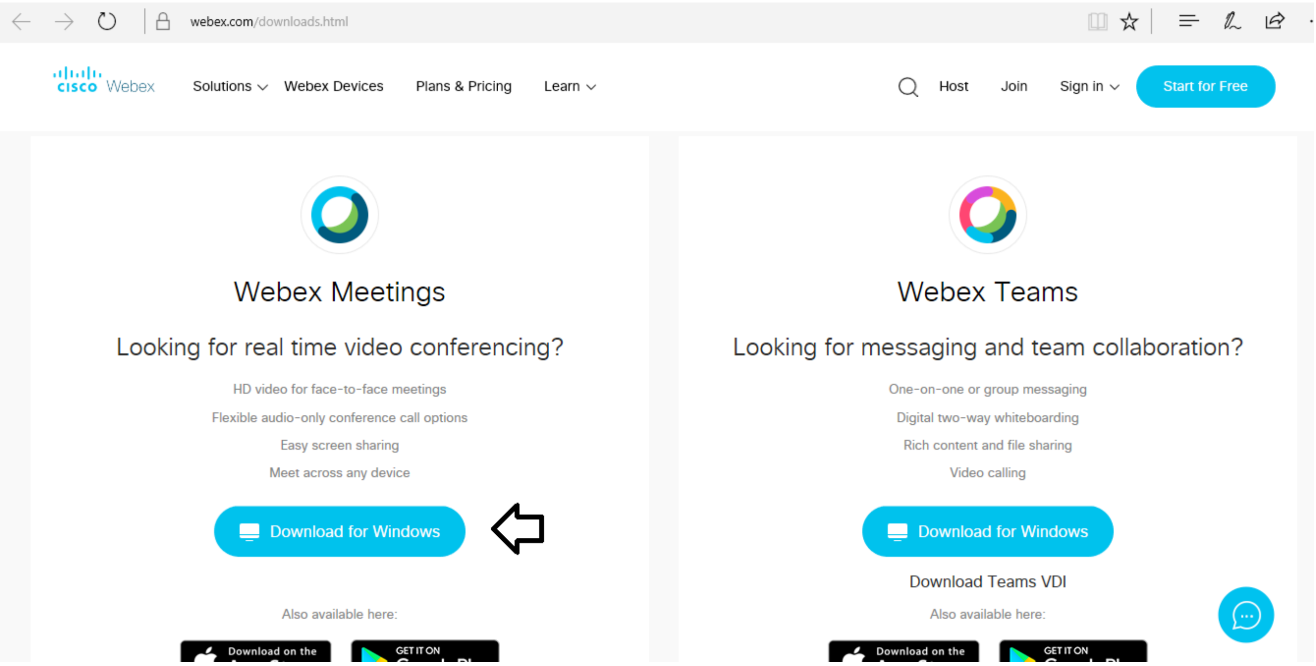
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

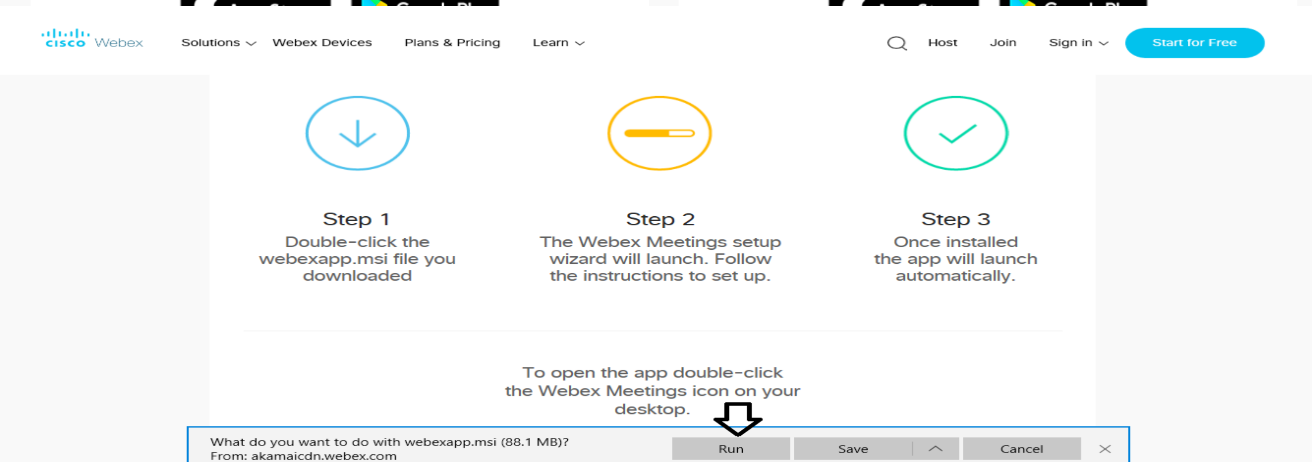
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

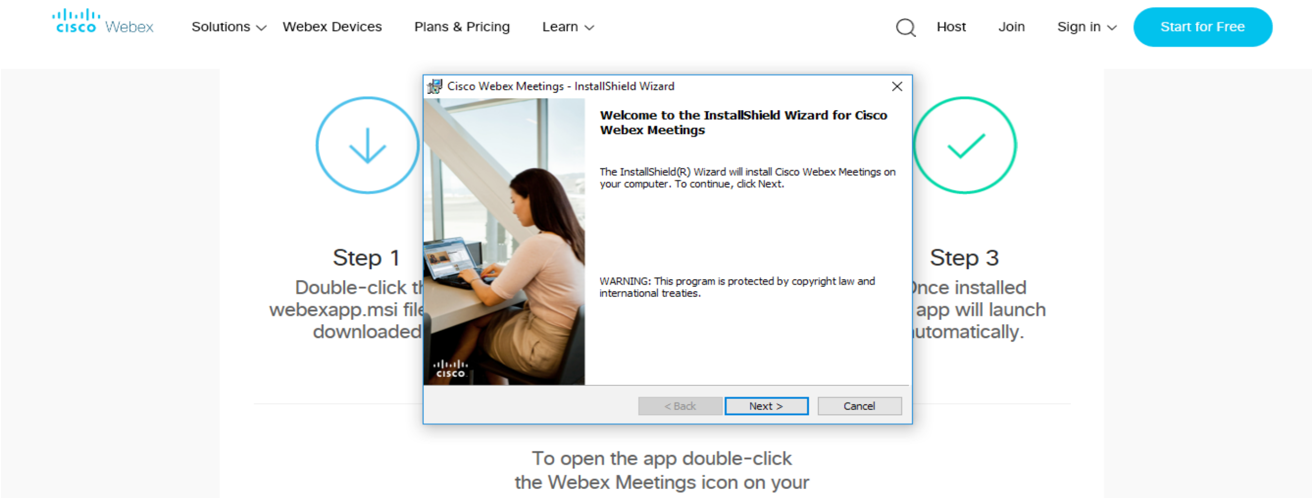
GUIDELINES TO ATTEND THE AGM PROCEEDINGS OF LINK INTIME INDIA PVT. LTD.: INSTAMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/



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Webex Devices
Plans & Pricing
Learn
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Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
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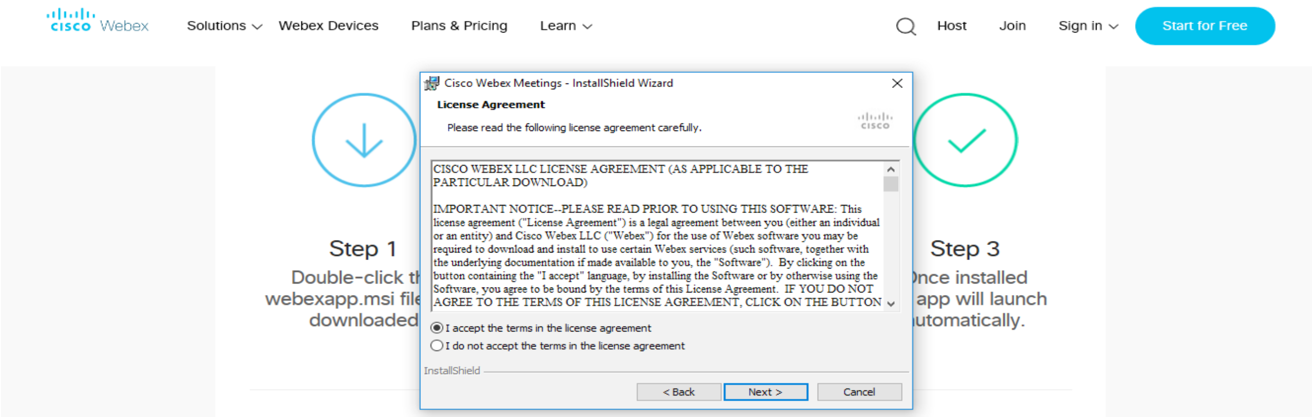
the Webex Meetings icon on your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Solutions
Webex Devices
Plans & Pricing
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Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
IMPORTANT NOTICE--PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON
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I do not accept the terms in the license agreement
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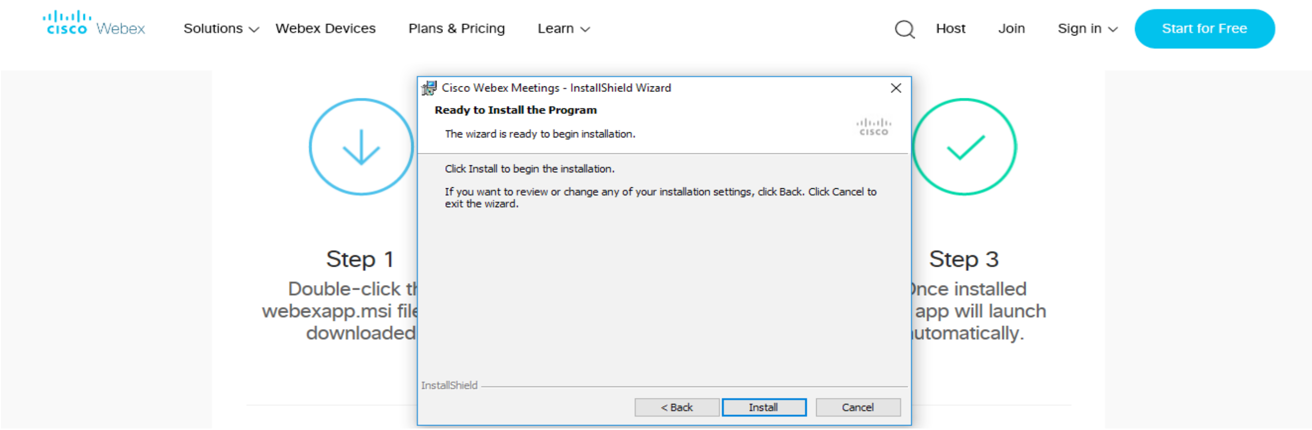
cisco Webex
Solutions
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Plans & Pricing
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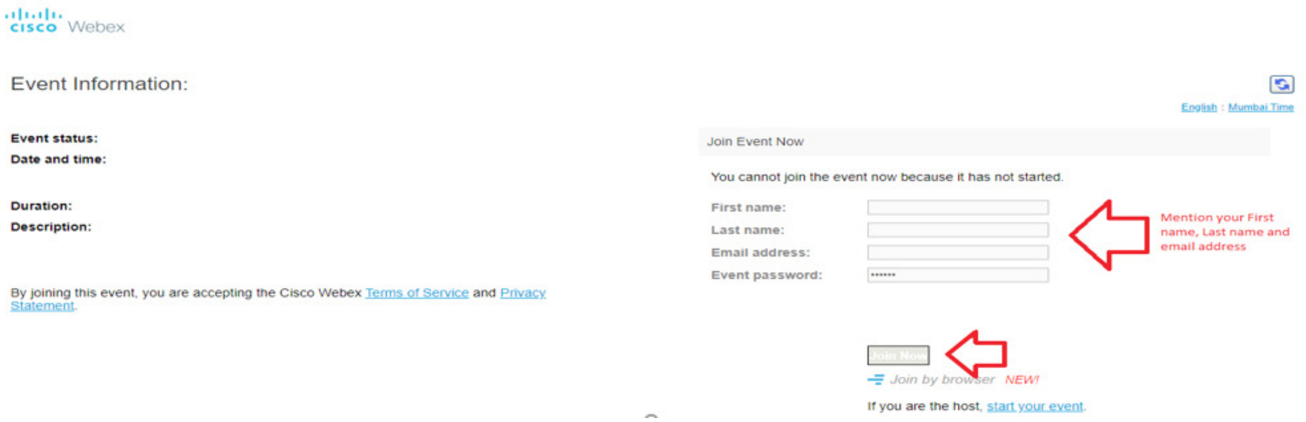
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Ready to Install the Program
The wizard is ready to begin installation.
Click Install to begin the installation.
If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.
InstallShield
< Back
Install
Cancel
Step 1
Step 3

or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u>. Click on <u>Run a temporary application</u>, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



75th Year of

Indian

Independence

GAMMON

BUILDERS TO THE NATION

CENTENARY YEAR

ANNUAL REPORT

2021-2022

"Celebration of over 2000 Projects"

BOARD AND MANAGEMENT TEAM

Mr. Anurag Choudhry
Executive Director & Chief Financial Officer

Mr. Sandeep Sheth
Executive Director

Mr. Soumendra Nath Sanyal
Independent Director

Mr. Ulhas Dharmadhikari
Independent Director

Ms. Vinath Hegde
Independent Director

Mr. Kashi Nath Chatterjee
Independent Director

Mr. Ajit B. Desai
Chief Executive Officer

Mr. Abhijit Rajan
Promoter

Ms. Niki Shingade
Company Secretary

AUDITORS

M/s. Nayan Parikh & Co.
Firm Reg No. 107023W

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited,
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
E-mail: mumbai@linkintime.co.in

Foundation and Pier across mighty Brahmaputra

CONTENTS

REGISTERED OFFICE

Floor 3rd, Plot No - 3/8,
Hamilton House, J.N. Heredia Marg,
Ballard Estate, Mumbai 400038, Maharashtra, India.
Telephone: +91-22-22705562
E-mail Id: investors@gammonindia.com
Website: www.gammonindia.com

BANKERS/FINANCIAL INSTITUTIONS

IDBI Bank Limited

Bank of Baroda

Canara Bank

ICICI Bank Limited

Union Bank of India

Life Insurance Corporation of India

Bank of Maharashtra

Punjab National Bank

United India Insurance Corporation

DBS Bank Limited

General Insurance Corporation

Central Bank

Indian Bank Limited

Karnataka Bank

CHAIRMAN'S STATEMENT:

I am pleased to present the 100th Annual Report of Gammon India Limited for the Financial Year ended 31st March 2022.

Gammon has travelled a long journey of hundred years, wherein it has seen succession of waxing and waning times. 100 years ago Mr. J.C. Gammon left his employment to execute the construction of the iconic monument of the Country "*the Gateway of India'*.

Gammon has a rich history of completing over 2000 projects of all scales which averages to 20 projects per year. Gammon had imposed a mark of construction of civil engineering projects in all types of structures like bridges, tunnels, roads, jetties, ports, dams, canals, all types of power plants, chimneys, silos, water towers, residential projects, industrial projects like cement and steel plants, cooling towers, religious structures etc.

With the economic slow-down impacted the order booking of the company during 2011-2012 which resulted in a slow-down on the execution of some of the projects. Sluggish growth in order book, lower production and turnover significantly leading to continued losses during 2012-13. As a result of various factors internal and external Gammon posted a loss for the first time in several decades. The working capital cycle of Gammon was also stretched due to non-achievement of milestones and delayed recovery of receivables leading to restructuring of Gammon.

RESTRUCTURING OF GAMMON:

- An Inter-creditor Agreement (ICA) was executed in July 2019 wherein the ground rules for finalsation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender was be provided;
- The Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, Seven lenders including the lead monitoring institution provided their in-principle sanction to the company and the company is pursuing for the approval with other lenders as well.
- Due to delay in approval of resolution plan by other Bankers the fund through which Everstone (Investor) was intended to invest was closed. However, Everstone has shown a keen desire to invest with next available fund.
- Due to time constraint, Gammon has proposed an alternate investor with the same terms and conditions for the revival of the Company which is accepted by the Bankers. The lenders discussed the above matter at the Joint Lenders meeting dated 5th March 2022 and while accepting the offer were willing to take up with their higher management for resolution plan of the Company.

During these challenging times Gammon focus was to retain the value of the Company, interest of the lenders, comfort of the clients and at the same time to maintain the employees' first policy. To meet this, Company has vigorously pursued arbitration matter and also progress on the on-going projects without any outside financial support. The Company has been making every effort in settling the outstanding Secured lenders dues.

GOING FORWARD

The Company is in its advanced stage of resolution process and is confident to receive the majority sanction of the consortium of lenders shortly. Further post sanction of resolution plan and subsequent to the investor infusing further funds in the company, the company is sure to revive as an EPC Company. Although realization of the arbitration awards continues to remain a big challenge, the company and its management strives its best to obtain the awards proceeds expeditiously to enable the lenders and its other customer endeavour its faith back in the company.

PERFORMANCE REVIEW

The year under review is a period of 12 (twelve) months commencing from 1st April, 2021 and ending on 31st March, 2022. During the Financial Year under review the Turnover of the Company on a Standalone basis stood at ₹ 27.66 crores, as compared to ₹ 52.84 crores during the previous F.Y. ended 31st March, 2021. The Company posted a Net Loss after Tax of ₹ 1085.75 crores during the year ended 31st March, 2022, as against a Net Loss after Tax of ₹ 716.85 crores during the previous FY ended 31st March, 2021.

On a Consolidated basis, the Turnover of Gammon Group during the year under review stood at ₹ 27.85 crores as compared to ₹ 54.52 crores for the previous financial year ended 31st March, 2021. The Group posted a Net Loss after Tax of ₹ 1180.51 crores during the F.Y. ended 31st March 2022, as against a Net Loss after Tax of ₹ 794.72 crores during the previous F.Y. ended 31st March, 2021. Interest and finance costs continue to be high. The turnover/income is from the residual EPC business, post carve out of the operating business. During the year under review the finance cost which includes the interest costs was ₹ 721.90 crores.

ACKNOWLEDGEMENTS

I would like to extend my heartfelt gratitude to all our stakeholders, our lenders and bankers, suppliers, employees, and shareholders for their continued support and the faith reposed in us.

We look forward to better times ahead and will continue to focus on achieving our stated goals with sincerity and dedication.

Vidyasagar Setu

Bringing geographies closer…

Over 600 Projects consisting of around 1000 Bridges of all types

Pamban Bridge

Zuari Bridge

Few of the First in India to introduce

- Pre-Cast Concrete
- Pre Stressed Concrete
- Segmental Construction
- Extradose Bridge
- Cable Stay Bridge
- Arch Bridge

Bridges across all major rivers and creeks of the country

Signature Bridge

MANAGEMENT DISCUSSION AND ANALYSIS

Conquering a milestone of hundred years is a matter of great pride for any organisation. For Gammon, this achievement is of great significance, especially because we live in an era of tough competition characterised by the theory: 'Survival of the fittest'. Apart from the onslaught of severe competition in the industry, especially in the last few decades, Gammon has also withstood many external adversities during this journey of hundred years. This itself speaks volumes about the organisation's resilience.

Over the past hundred years, Gammon Group has grown into a giant conglomerate, with its flagship construction arm attaining a tag of 'Builders to the Nation'. Providing innovative solutions and incredible service to its esteemed customers, Gammon has earned an enviable reputation. Encompassing almost all sectors, including roads and bridges, dams, tunnels, power projects, buildings etc.; Gammon is truly the Builder to the Nation.

Gammon family has grown from a handful of expatriates in 1922 to over 5000 people based in India and other parts of the world.

These hundred years are full of exemplary achievements. Over these 100 years, we have found the most creative and cost-effective technical solutions for the challenges thrown at us and created several monuments and temples depicting modern India. Such landmark structures are present across the length and breadth of the country. Popularly referred to as India's best Bridge Company, Gammon has bridged almost all major rivers of India, including mighty rivers like Brahmaputra, Kosi and Ganga, which were once considered unbridgeable. Similar is the case with building roads which have covered inaccessible and remotest areas in Arunachal Pradesh, Jammu and Kashmir and other parts of the country. Gammon has always helped provide much-needed power for the Nation's growth since 1932 by building various Hydro, Nuclear and Thermal Power projects making a giant contribution to the country's GDP.

While the Company's services and operations have expanded by leaps and bound, our underlying core principles and values have remained unchanged.

Throughout this journey of hundred years, a laser-like focus has been maintained on four basic pillars of the organisation: Customer, Technology & Innovations, Human Resources and Interest of stake holders.

1. CUSTOMER FOCUS

'Customer is the King' has been the philosophy of Gammon. In Gammon, we not only satisfy our esteemed customers; we delight them. Customer focus is the common thread that ties together all employees of Gammon. We have been consistently delivering more than what the customer expects. This philosophy has paid us a rich dividend by way of multiple repeat orders from the customers. There are many examples where a site established for a single project of three/four-year duration has remained active for two to three decades and catered to multiple projects in that area.

Even devastating natural calamities like unprecedented floods, cyclones, and earthquakes, have not deterred us from our commitment to serving our customers.

2. FOCUS ON TECHNOLOGY AND INNOVATION

Gammon has always remained at the forefront of technology. Gammon is accredited with many firsts in the country and has been a pioneer in bringing state-of-art technology from Europe and other parts of the world to India and converting it suitably to meet Indian requirements. Whether it is slipforming for tall chimneys or prestressed concrete for bridges, Gammon has been the pioneer. This gave us a competitive edge over other contractors.

Innovations are an integral part of Gammon's DNA. This has been the biggest strength of Gammon. We are known for providing innovative and creative solutions to our customers. Whether it is designing a permanent structure or a temporary enabling structure, Gammon has always been ahead of others.

3. FOCUS ON HUMAN RESOURCE

A reservoir of dedicated and motivated human resources has been the biggest strength of Gammon. Empowering employees to make decisions, encouraging them to innovate etc. have provided them with much-needed job satisfaction resulting in very low attritions. These hundred years could not have been possible without the never-die spirit of Gammonites, their hard work, dedication, ownership, and commitment.

There are many examples where a young graduate engineer takes his first job in Gammon immediately after his graduation and serves the organisation for over forty years till his retirement despite various ups and downs during this period of forty years. So is the case with non-engineering employees. There are over dozens of Gammonities who have served in the Company for more than 50 years.


Almatti Dam

Tapping Natural Resources for Nation Building…

Over 150 Projects


Vyasi HEP


Kopili Dam

- Aquaducts
- Dams
- Canals
- Tunnels
- Hydro Power House

First Longest Railway Tunnel

First Largest Dia Tunnel

First Tunnel with TBM in India

First inclined Tunnel(300 & 1.54km) with TBM

Bajoli Holi Hydro Project

4. FOCUS ON STAKE HOLDERS

Gammon is the only Construction Company who has paid dividend for a continuous period of more than 30 years of its existence.

Even during the crisis to safeguard the interest of all the stake holders, the Company took a bold step to hive off the major business safeguarding the interest of the bankers and other stake holders. The major part of the last decade has been a fight to maintain the value of the Company to meet the lenders expectation.

INDIAN ECONOMY

The Indian construction industry recorded growth of 17.1% in 2021, which was supported by a continued relaxation of restrictions and improving construction activity in the road and highways sector.

In December 2021, the Ministry of Road Transport and Highways of India (MoRTH) announced investment worth INR7 trillion ($92.4 billion) for infrastructure projects to be spent over the next 2-3 years. The industry's growth will also be supported by the government's plan to significantly increase the stock of affordable housing units for low- and middle-income cohorts, under the 'Housing for All' programme by 2022. Between 2023 and 2026, the construction industry is expected to register an average annual growth of 6.2%, supported by investment under the 'Pradhan Mantri Gati Shakti Master Plan'. The industry's output will also be supported by investment of INR111 trillion ($1.5 trillion) under the National Infrastructure Pipeline (NIP), between the fiscal years FY 2020-2025 (April 2019 to March 2025).

To raise additional finance to implement infrastructure development, the government launched the National Monetisation Pipeline (NMP) in August 2021. The plan focuses on raising financing from the private sector by leasing out state-owned infrastructure assets from FY 2022-2025, and investing the revenue generated on new infrastructure projects. Forecast-period growth will also be supported by the government's plan to complete the construction of 23 new highway and expressway projects by FY 2024-2025, with an estimated investment of INR3.3 trillion ($46 billion).

Furthermore, as a part of the SagarMala project, the government plans to invest INR5.8 trillion ($82 billion) on port infrastructure and modernization projects between the years 2015 and 2035.

GOVERNMENT INITIATIVES

Honourable Prime Minister's ambitious vision that India would become a 5 trillion economy by 2025 is the catalyst for the growth of Indian Infrastructure Sector. The allocation and spending in the infrastructure sector provides employment, thereby improving the living standards of the citizens and above all has also helped in increasing the GDP of the country. The express way, ESIS hospitals, educational institutes, airports, railway network, dedicated freight corridors, Har Ghar Bijli yojana, tap water for every house etc. are the great boosters for infrastructure sectors. The recent pandemic is a history now. Indian Government and its infrastructure sectors are aggressively following the path drawn by Honourable Prime Minister. The Government on its part is allocating required funds and directives to fulfil its vision and plan.

OPERATION OF THE COMPANY

The Company is in the last leg of its resolution plan which had a setback due to pandemic, the Company is trying its best to come out of the setback and the liquidity crunch faced in the last couple of years. The Company's main focus continues to be regularizing their accounts along with progress of the current project.

Arbitration process persists at a slow pace. However, the Company remains focused to ensure timely proceedings of the on-going arbitration matters. As an austerity measure, the Company has substantially scaled down its establishment and man power cost and adopted a lean and thin organization structure. The Company is in the process of gearing up to accept the opportunities thrown open by the Government of India.

REVIEW OF FINANCIAL PERFORMANCE:

During the financial year under review the Turnover of the Company on a Standalone basis stood at ₹ 27.66 crores, as compared to ₹ 52.84 crores during the previous F.Y. ended 31st March, 2021. The Company posted a Net Loss after Tax of ₹ 1085.75 crores during the year ended 31st March, 2022, as against a Net Loss after Tax of ₹ 716.85 crores during the previous FY ended 31st March, 2021.

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Following are details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor:

Ratio	Numerator/ Denominator	Ratio (2021-22)	Ratio (2020-21)	% of Variation	Reason for variance
Return on Equity ratio (ROE)	Net Profits after taxes / Preference Dividend Average Shareholder's Equity	19.92%	15.76%	26.42	Loss on recognition of project award
Trade Receivables turnover ratio	Net Credit Sales / Average Accounts Receivable	0.10	0.15	(33.88)	Loss on recognition of project award
Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables	0.23	0.32	(29.72)	Loss on recognition of project award
Net capital turnover ratio	Net Sales / Average Working Capital	(0.00)	(0.01)	(51.99)	Loss on recognition of project award
Net profit ratio	Net Profit after Tax / Net Sales	(3925.34)	(1356.64)	189.34	Loss on recognition of project award
Return on Capital employed (ROCE)	Earning before interest and taxes / Capital Employed	17.48	10.98	59.21	Loss on recognition of project award

MANAGING RISK

The Construction Industry in general has risk on many accounts such as:

1) Right of way
2) Geological condition variance
3) Law and Order Situation of the Location
4) Lack of fund allocation and subsequent delay in collection
5) Time overrun due to force majeure conditions
6) Increased working capital cycle due to above
7) Delay in dispute resolutions with the Client etc.

Those risks are mitigated by:

1) Restricted business is limited to in-house expertise
2) Sub-letting the projects on back to back basis
3) Restricting the role to Project Management only
4) Early contractual and legal actions for all contract related matters
5) Periodic structured review of the projects on on-going basis to identify the challenges and the risks and to find the possible solution to mitigate the losses.

On the occasion of Centennial celebrations, we take this opportunity to thank our esteemed customers, associates and partners, bankers, vendors and subcontractors, friends, well-wishers and our large fraternity of Gammonites for their untiring support bestowed upon us.

STATEMENT CAUTIONARY

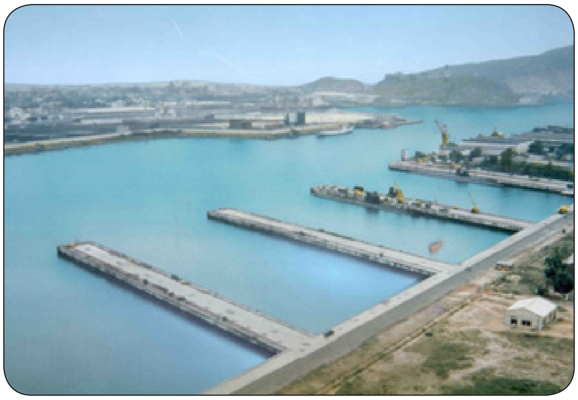
Statements made in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied.

Important factors that could make a difference to the Company's operation include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax law and other statutes and other incidental factors.


Kandla Oil Jetty

Enabling Ease of Foreign Trade....

Over 25 Projects


Vizag Jetties


Indira Container Terminal

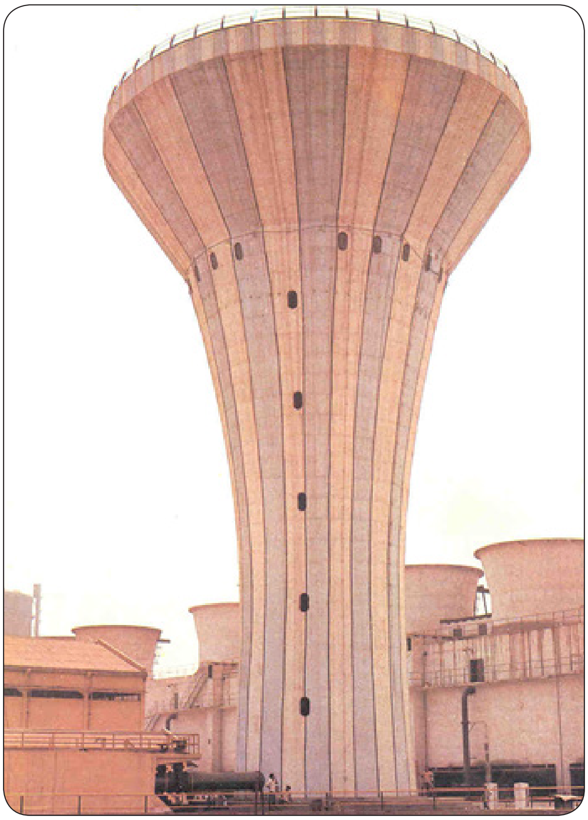
- **Jetties**
- **Ports**
- **Slipway**
- **Intake Well**

Pioneer to Government Initiatives on Public Private Partnership and Built Operate Transfer Mode


Hinduja Sea Water Intake

Raichur Cooling Towers

Towards Better Environment….



Rourkela Water Towers

Badarpur Chimney

Over 700 projects

- **Natural Draught Cooling Towers**
- **Induced Draught Cooling Towers**
- **Water Tower**
- **Single & Multi Flue Chimney**
- **Silos**

Nhava Sheva Bulk Handling Facility

Directors' Report

To,

The Members of Gammon India Limited,

Your Directors have pleasure in presenting their 100th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Statutory Auditors Report thereon.

1. Review of Financial and Operational Performance: -

(₹ in crores)

Particulars	Standalone		Consolidated	
	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Profit before Other Income, Depreciation and Interest	(384.31)	(137.58)	(318.63)	(155.14)
Add:				
Other Income	25.27	33.38	13.61	120.72
Less:				
Depreciation	3.61	9.01	3.70	9.10
Interest	721.90	605.96	870.56	751.95
Profit/(Loss) before Tax	**(1084.55)**	**(719.17)**	**(1179.71)**	**(795.47)**
Less:				
Provision for Taxation	1.20	(2.32)	1.23	(0.75)
Profit/(Loss) after Tax	**(1085.75)**	**(716.85)**	**(1180.51)**	**(794.72)**
Transferred to Minority Interest	-	-	(12.63)	(13.04)
Profit/(Loss) for the year	**(1085.75)**	**(716.85)**	**(1167.88)**	**(781.68)**
Add:				
Profit brought forward from the previous year	(6904.93)	(6188.19)	(7095.66)	(6314.08)
Available for Appropriation	**(7990.68)**	**(6905.04)**	**(8263.54)**	**(7095.76)**
Appropriations:				
On Divestment of Subsidiary				
Dividend (Proposed) Equity Shares				
Tax on Dividend				
Other Adjustments	0.02	0.10	0.04	0.10
Balance carried to Balance Sheet	**(7990.66)**	**(6904.93)**	**(8263.50)**	**(7095.66)**

- *The Financial Statements for the year ended 31st March, 2022 have been restated in accordance with Ind-AS for comparative information.*
- *The Financial Statements are in compliance with Ind-AS, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India.*

The year under review is a period of 12 (twelve) months commencing from 1st April, 2021 and ending on 31st March, 2022. During the Financial Year under review the Turnover of the Company on a Standalone basis stood at ₹ 27.66 crores, as compared to ₹ 52.84 crores during the previous F.Y. ended 31st March, 2021. The Company posted a Net Loss after Tax of ₹ 1085.75 crores during the year ended 31st March, 2022, as against a Net Loss after Tax of ₹ 716.85 crores during the previous FY ended 31st March, 2021.

On a Consolidated basis, the Turnover of Gammon Group during the year under review stood at ₹ 27.85 crores as compared to ₹ 54.52 crores for the previous financial year ended 31st March, 2021. The Group posted a Net Loss after Tax of Rs. 1180.51 crores during the F.Y. ended 31st March 2022, as against a Net Loss after Tax of ₹ 794.72 crores during the previous F.Y. ended 31st March, 2021. Interest and finance costs continue to be high. The turnover/income is from the residual EPC business, post carve out of the operating business. During the year under review the finance cost which includes the interest costs was ₹ 721.90 crores. The loss was primarily due to the provisions made for the Company's funded and non-funded exposure of loans and investments, the details of which is provided in note no. 26 of the standalone financial statements.

GAMMON CELEBRATES HUNDRED YEARS OF EXCELLENCE

100 years ago Mr. J.C. Gammon a Mathematical Scholar and Civil Engineer was assigned a job to construct the Gateway of India while he was employed as an Assistant Engineer in the Public Works Department. He left his current employment and formed M/s. J.C. Gammon to carry out the task of the 1st Monument Structure the 'Gateway of India' and thus the Company was formed. He had a vision and foresight for the need of the country. Mr. Gammon an excellent Engineer, Innovator and Entrepreneur responsible for solid foundation of the great Institute which was later known as Gammon India Ltd.

Most of the Architectural structures in the fort area of Mumbai City were the early landmark achievements of Gammon India Ltd. The work which was accomplished by the precasting concrete was introduced by Gammon in the country, due to which the Company was aptly called the Sculptor of Concrete in India.

Gammon is known for its innovative design and slowly the reign of the Company gradually fell in the hands of Indian, Late Dr. T.N. Subba Rao, a Legend in the Civil Engineering who has carried forward technology and the innovation in civil engineering and gave Gammon a very respectable place in the history of Indian Construction Industry in 70s.

GAMMON SPREADS ITS WINGS

Around 1990 a young Entrepreneur of around 30 years namely Mr. Abhijit Rajan took the reigns of Gammon in his professional hands. Realizing the potential of the Company and understanding the magnitude, he carried forward aggressively the expansion of the Company. Till the time Mr. Rajan commenced the Company's concentration was only on Civil Engineering projects. Post Mr. Rajan acquiring the command, the Company expanded in the field of manufacturing, transmission, oil business and cross country pipeline in addition to core civil engineering business.

By 2000, the Company's CAGR exceeded 25% and ROCE by 20% and resulted in Gammon being the only Company with a consistent dividend payout for over 30 years. By 2008, Gammon was among the largest infrastructure companies in India with a revenue of over ₹ 2500 crore, networth of over ₹ 1000 crore, a debt/equity ratio of just 0.39:1 and a market cap of more than ₹ 4200 crores. Gammon was looking at opportunities to expand its presence in burgeoning Indian power sector. Gammon had a strong legacy of credentials in power sector across thermal, hydro and nuclear power plants in the field of civil work including tunnels, intake well, dams, and specialized work like cooling towers, chimneys, etc., Gammon decided to become a "one stop energy shop" in power sector by expanding presence across entire energy value chain. This was done by combining existing civil EPC capability in power with manufacturing and supply of power equipment, transmission & distribution and operations and maintenance capabilities across thermal, hydro, nuclear and non-conventional forms of energy. By doing this Gammon would become eligible for bidding and executing mega turnkey projects in rapidly growing and large supercritical thermal power projects.

Gammon had a footprint in Civil Engineering projects in all types of structures like bridges, tunnels, roads, jetties, ports, dams, canals, all types of power plants, chimneys, silos, water towers, residential projects, industrial projects like cement and steel plants, cooling towers, religious structures etc.

AMONG THE MANY FIRSTS OF GAMMON

Among the many first to the credit of Gammon the following are a few:

- 1st Company to complete over 35 km. of Elevated Metro Corridor one of the fastest execution of the Metro projects;
- 1st Company to construct chimney with slipform and cable-stayed bridge;
- 1st Company to carry out steep inclined tunnel with Tunnel Boring Machine (TBM);
- 1st Company to use pump for concrete placer boom for more than 250 M of height;
- 1st Company to produce high performance concrete and so on…..

GAMMON – BUILDERS TO THE NATION

Gammon has completed over 2000 projects of small, medium and large scale covering majority states and districts of the country. It has successfully completed projects internationally as well. It is Gammon which has acquired the title of *'Builders to the Nation'* by developing all types of infrastructure projects from Kashmir to Kanyakumari and Kutch to Arunachal Pradesh.

SLOWDOWN IN INDIAN INFRASTRUCTURE

During FY2012 and FY2013, Gammon's financial performance suffered on account of slowdown in the economy, delay in award of new projects and project execution delays. The working capital cycle of Gammon was also stretched due to non-achievement of milestones and delayed recovery of receivables. Gammon also invested in overseas subsidiaries and non-core assets by way of loans and advances or equity. The subdued market conditions could not yield the desired returns on overseas investments and the interest cost on acquisitions added to the stress of Gammon. Due to above mentioned issues, GIL was not able to meet its debt obligations to its lenders. Hence, GIL referred itself under the aegis of CDR Cell for restructuring of its debt in March 2013.

RE-STRUCTURING OF THE COMPANY

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. Also the Company's current liabilities exceed the current assets by ₹ 8871.17 Crore as at March 31, 2022. The facilities of the Company with the Secured 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 liquidity crunch is affecting the Company's operation with increasing severity. The Secured 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

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

Pursuant to the execution of the ICA the lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequent to the abovementioned appointment the representatives of Deloitte attended one of the Joint Lenders Meeting held on 13th January, 2020, wherein the plans regarding the way forward on the resolution process were presented. Subsequently on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company and on such terms and conditions as directed by IDBI Bank.

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, Seven lenders including the lead monitoring institution provided their in-principle sanction to the company and the company is pursuing for the approval with other lenders as well.

Due to delay in approval of resolution plan by other Bankers the fund through which Everstone (Investor) was intended to invest was closed. However, Everstone has shown a keen desire to invest with next available fund.

Due to time constraint, Gammon has proposed an alternate investor with the same terms and conditions for the revival of the Company which is accepted by the Bankers. The lenders discussed the above matter at the Joint Lenders meeting dated 5th March 2022 and while accepting the offer were willing to take up with their higher management for resolution plan of the Company.

The Company is awaiting the sanction of the lenders. The resolution process is in the advanced stage and the management is hopeful that the sanctions will be received soon.

Meanwhile the company has received a notice from Union Bank of India and Punjab National Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, (SARFAESI) taking over the possession of the Gammon House property including the land appurtenant to it, the company has been restrained from parting with the rights over the said property. The total demand raised by this notice is ₹ 1136.71 Cr. Pursuant to SARFAESI Union Bank of India has also issued e-auction notice on July 11, 2022.

The Company's management is hopeful of obtaining approval of all the lenders to the above plan and to that effect is continuously engaged with the lenders for a solution.

Last couple of years of the century of Gammon was spent on salvaging all possible value of the Company to bounce back afresh for its 2nd century. The pillars of Gammon are strong to withstand all adversities.

These pillars are:

1) Customer Focus
2) Technology & Innovation
3) Human Resources
4) Interest of Stake Holders

We salute them all for their trust on us on this centenary year.

OVERSEAS SUBSIDIARIES

Group Sofinter, Italy

Established in 1979, Group Sofinter, Italy comprises four principal Companies viz. Sofinter S.p.A., A.C. Boilers S.p.A (formerly AnsaldoCaldaie S.p.A), Europower SpA, ITEA SpA. The Group is engaged in the manufacture/EPC of packaged industrial boilers/utility/ power generation boilers respectively, catering to the oil and gas industry, industrial manufacturing and power utility plants worldwide. The Group has modern manufacturing facilities in Italy, Romania and India and a dedicated R&D facility in Italy.

Sofinter SpA

Sofinter SpA, the holding company of the Group, also has Macchi as the main manufacturing division. Macchi is a world leader and original equipment manufacturer of packaged industrial boilers and Heat Recovery Steam Generators with applications in Oil and Gas refineries, petro chemical plants, industrial manufacturing units and co-generation plants. Till date Macchi has over 1,000 units installed world-wide to its credit which is backed by a strong after sales service unit to cater to their needs.

AC Boilers S.p.A.

AC Boilers S.p.A. is the market leader in design, supply, manufacturing and installation of utility power boilers and original equipment manufacturer of HRSGs upto 260 MWe for CCP plants. With 150 years of experience in steam generation and burner technology field, the company has an installed base of over 80,000 MWe and 1,000 units. It also provides rehabilitation, fuel conversion and after-sales services for existing boilers, with a strong foothold in Egypt (ACBE – 98%) and India (Ansaldo Caldaie Boilers, India – 26%). The Advance Combustion Research Centre of the company offers specialized services to customers, even as its products are qualified for Super Critical Applications.

Europower S.p.A

Europower SpA is active in EPC of waste-to-energy turnkey plants, including CHP for refinery, petrochemical and chemical industry, CCPP for power plants, district heating and cooling plants. It is also engaged in operations and maintenance of power and industrial plants.

ITEA S.p.A

Established in 2002, ITEA is the R&D division dedicated to development and patenting of zero-emission Isotherm PWR Flameless Oxy- combustion technology (Isotherm PWR*) to be used in industrial and utility Power Plants. The flameless pressured oxy-combustion technology uses high temperatures, oxygen-enriched air and pressurization in an innovative manner to meet future environmental challenges in energy and waste segments. Industrial waste treatment, municipal solid urban waste and low-grade coal are other applications of the cost-effective clean technology.

ITEA S.p.A is set to commercially roll out this technology in select applications in the coming years.

Group Sofinters' Consolidated Financial Statements include the financial statements of Sofinter S.p.A (the parent company) and those of the companies over which it exercises control directly or indirectly, from the date on which control was acquired upto the date on which it ceases.

During 2021,the COVID-19 pandemic, on the wane since April 2021 in Italy,continued to have a disruptive effect both on the profitability of the main orders and on the working methods hitherto adopted by the Group. In relation to the major input costs, notably materials and sub- contractors, the negative impact as a result of the use of alternative sourcing(alternative vendors as well as alternative freight routes to that originally envisaged) continued to impact quality standards and costs due to considerable reworking on critical and core components. Furthe rmore,delivery schedules remained erratic to the end client resulting in contractual claims and counter-claims from both parties mainly on account of force majeure. While some of these claims have been realised by the Group,negotiations are ongoing due to the continuing nature of the pandemic.

In relation to working methods, great emphasis has been placed on employee health and remote working was largely followed except where inevitable in the offices but even in this case with all due precautions and processes to ensure their safety. Re-starting of physical working commenced in a phased manner since April 2021 and remained at about 75% at the end of December 2021. The production units worked in shifts with presence of limited number of employees to the detriment of economy and efficiency.

From a commercial standpoint,after the first half of 2021,with oil prices again hardening,new order booking from the petrochemical sector picked-up helping Macchi in particular,during the remaining part of the year.

The backlog for the Group as at the end of December 2021 was approximately €450 million ensuring a healthy revenue visibility for 2022.

During the first half of 2022, the turn around which was largely expected has not materialised due to the on-going conflict between Russia and Ukraine resulting in sanctions from the West. Macchi has suffered some disruptions in its Projects in Belarus, Kazhakistan etc. which are being executed by Russian companies or their counter-parts in these countries. Freight costs have also sky rocketed due to problems in the ocean routes and inflationary trends in the West are resulting in uncontrollable cost increases during 2022 as well for major inputs. This being on account of a conflict, the Group's chances of realising least part of the losses by way of claims are as yet unclear.

Globally, the demand for electricity is confirmed to grow at least until 2040 with a strong emphasis on renewable sources instead of fossil fuel plants. However, the Group has the references, the know-how, the technologies and execution capacity to meet the changing dynamics in demand for these plants wherever these may be.

The current Banking facilities for the Group in terms of the Agreement with the Banks expires in the last quarter of 2022.While the facilities under renewal per-se continue at the same level as at present,the renewal process is unlikely to be completed before end-September 2022.Due to this delay, the Audited Financial Statements for 2022 are yet to be formally approved.

To further strengthen the capital base and ensure enhanced continuation of the banking facilities at least for three years upto December 2025 and to scale up the Groups activities, the Group has engaged the services of KPMG Italy and Axia Capital Italy to explore the possibility of equity participation by financial investors including the Italian Government by infusion of fresh equity into the Group within the first quarter of 2023.The process in this regard continues as per the agreed schedule.

Franco Tosi Meccanica S.p.A. (In Extraordinary Administration)

As pointed out in the previous years,with the transfer of the operational assets in all respects having been completed to Bruno Presezzi S.p.A, the Commissioner has started the second phase of disposing of the non-core assets of the Company. These primarily comprise of approx 60 acres of land in Legnano, Milan, buildings and some equipment within. However, due to the prolonged effects of Covid on the economy in general the sale of such vast land even if divided into smaller parcels is proving to be a huge challenge and has resulted in considerable slowing down of the process. Meanwhile creditors in order of ranking and their dues continue to be negotiated by the administrator and will be paid off to the extent of amounts received from the disposal of the assets as and when these materialize.

Campo Puma Oriente S.A.(Puma Oil Block)

The Puma Oil Block is located in Ecuador’s Oriente Basin in the Orellana Province east of Quito with an area of 162 square Kms. The Block was part of the second international marginal field bidding round and the contract was signed in March 2008 for a 20 year term with Consorcio Pegaso comprising two Companies, namely Campo Puma Oriente S.A. (CPO) with 90% share and Joshi Technologies Inc. with the balance 10%. Gammon India Limited has a 73.80% share in CPO corresponding to 66.40% share in Consorcio Pegaso. Initially, the contract was production sharing, but in February, 2011, it was changed to a service contract for an 18 year term. The remaining oil recovery after considering production till date from the existing Puma field is approximately 14.3 million barrels, excluding probable and possible reserves.

There are 11 operational wells in the Puma Block. However, as reported in the previous year, the field remains closed as all wells continue to be capped due to the inability to perform much needed interventions including water injections, artificial lift etc. as also additional CAPEX. In the absence of executing these procedures due to the impossibility to fund the same on account of the on-going restructuring being undertaken in Gammon there has been no progress in this direction prompting the Ministry of Hydrocarbons, Ecuador to invoke various stringent provisions under the Contract citing breaches and seeking termination. Had these interventions taken place, these wells would have flowed approx 2000 barrels apart from an upward revision in service fees to approx USD 29 per barrel. Our attempts to identify a strategic partner to remedy the situation including complete divestment of the asset is continuing but in the absence of production and compounded by the COVID impact on businesses in Ecuador, we have been unsuccessful to date.

2. Dividend

In view of the losses the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2022.

3. Reserves

No amount was transferred to Reserves for the Financial Year ended March 31, 2022.

4. Finance

During the year under review the Company did not raise any capital from the capital markets either by way of issue of equity shares, ADR/ GDR or any debt by way of Debentures.

The standalone residual CDR Principal debt of ₹ 4955.12 crores (amount as on 31st March 2022) (including an amount of ₹ 1141.54 crores pertaining to recalled facility of the SPV’s) has become a Non Performing Asset with the lenders as on 30th June, 2017.

5. Debentures

As on March 31, 2022 the Company had an outstanding principal balance of NCD’s amounting to ₹ 2,883,686,298. Also the FITL outstanding on the NCD’s was ₹ 4,536,063 which makes the total principal outstanding to ₹ 2,888,222,361. The said debentures and interest thereon continue to remain unpaid for more than a year. Repayment of debentures is also part of the settlement proposal as mentioned above, subject to the approval of the lenders to the proposal.

6. Public Deposits

The Company has no fixed deposits under Chapter V of the Companies Act, 2013, and did not accept any further deposits during the Financial Year 2021-22.

7. Transfer of Unclaimed Dividend and Unclaimed Equity Shares to Investor Education and Protection Fund

The Company did not pay any amount as dividend since the financial year 2012-13 onwards. Hence there is no pending dividend or shares which are outstanding to be transferred to IEPF authorities pursuant to the provisions of Section 124 of the Companies Act, 2013.

8. Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report.

There has been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report.

9. Change in Nature of Business

There has been no change in the nature of business as the Company continues to carry on its retained Civil EPC business.

10. Details Of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future

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. Also the Company's current liabilities exceed the current assets by ₹ 8871.17 Crore as at March 31, 2022. 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 liquidity crunch is affecting the Company's operation with increasing severity. 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

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

There are a total of 16 matters against the Company pending before the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench.

11. Impact of COVID Pandemic

The Covid Pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the Governments. The operations of the Company were impacted, due to shutdown of Projects and offices following nationwide lockdown. Various proposals for restructuring and arbitration & settlement matters have been delayed on account of the non-availability of the officials and closure of offices. The COVID Pandemic has compounded the problems due to all the restrictions on the movement of people, opening of offices, and the project work at sites, which was already at its slowest. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the end of the financial year. The Company will continue to monitor any material changes to future economic conditions. The Management does not expect any further material adjustment beyond the assessments and impairments already made in the financial statements to the assets and liabilities.

12. Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013 ("the Act"), we hereby state that:

i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and its loss for the year ended on that date;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities

iv) The Directors have prepared the Annual Accounts for the year ended March 31, 2022 on a going concern basis;

v) The Directors have laid down internal financial controls which are followed by the Company and that such internal financial controls are adequate and are operating effectively;

vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. Annual Return

The Annual Return as per the provisions of Section 92(3) and Section 134 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is available on the Company's website i.e. www.gammonindia.com.

14. Subsidiary / Associates and Joint Venture Companies

The Company had 23 subsidiaries including step-down subsidiaries, 3 Associates and 4 Joint venture companies as on 31st March, 2022. As on 31st March 2022, no subsidiary of the Company was a material subsidiary.

15. Consolidated Financial Statements/Subsidiary Companies

The Company, its Subsidiaries, Associates and Joint Ventures have adopted Ind-AS pursuant to the Ministry of Corporate Affairs notification, notifying the Companies (Indian Accounting Standard) Rules, 2015 under Section 133 of the Companies Act, 2013. Your Company has published Ind AS Financials for the year ended March 31, 2022 along with comparable as on March 31, 2021 on a Standalone and Consolidated basis, which form part of this Annual Report.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company, its subsidiaries and associates form part of this Annual Report. A Statement containing the salient features of the financial statements of the subsidiary companies and its associates is attached to the said Financial Statements in Form AOC-1 (***Annexure A***).

The said Financial Statements and detailed information of the subsidiary and associate companies shall be made available by the Company to the shareholders on request. These Financial Statements will also be kept open for inspection by any member at the Registered Office of the Company and the subsidiary and associate companies.

Pursuant to Section 136 of the Companies Act, 2013, the Financial Statements of the Company, Consolidated Financial Statements alongwith all relevant documents and separate audited accounts in respect of the subsidiaries and associates are available on the Company's website viz. www.gammonindia.com.

16. Directors/Key Managerial Personnel

During the year under review the following changes took place in the Board composition;

- Mr. Sandeep Sheth was appointed as an Executive Director of the Company w.e.f. 15th April, 2021;
- Further, Mr. Sandeep Sheth resigned from the post of Executive Director w.e.f 14th October, 2021;
- Mr. Kashi Nath Chatterjee was appointed as an Independent Director of the Company w.e.f. 3rd May, 2021.

All the directors suffer disqualification as on 31st March, 2022 pursuant to the provisions of Section 164(2) of the Companies Act, 2013.

17. Auditors

(A) Statutory Auditors

In compliance with the provisions of Section 139 of the Companies Act, 2013, the shareholders at the 95th AGM held on 21st March, 2018 approved the appointment of M/s Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) as the Statutory Auditors of the Company in place of the retiring auditors, for a period of 5(Five) years i.e. from the conclusion of the 95th AGM, till the conclusion of the 100th AGM. The Board of Directors propose the appointment of M/s. Natvarlal Vepari & Co, Chartered Accountants (Firm Registration No. 106971W) as the Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of the 100th Annual General Meeting until the conclusion of the 105th Annual General Meeting. The matter is placed before the Shareholders in the ensuing Annual General Meeting for their approval thereon.

(B) Cost Auditor

The Company maintains adequate cost records as required under the provisions of Section 148 of the Companies Act, 2013.

In accordance with the provisions of Section 148 of the Companies Act, 2013 the Board in its meeting held on 15th September, 2021 has appointed Mr. Pradip Damania as the Cost Auditor of the Company for the financial year – 2021-22 on a remuneration of Rs.70,000 excluding out of pocket expenses and tax. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014.

Pursuant to the abovementioned Rules and in order to ensure compliance with the same, the Board of Directors appointed Mr. Pradip Damania, Cost accountant for conducting the Audit of Cost Accounting records maintained by the Company for the Company's Civil Engineering, Procurement and Construction business for the Financial Year 2021-2022. The audit fees that will be charged by Mr. Damania will be ₹ 70,000/- for the Financial Year 2021-2022.

(C) Secretarial Auditor and Audit Observations and Board's comments thereon;

M/s. Pramod Shah & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors of the Company, to conduct the Secretarial Audit of the Company for the Financial Year ended 31st March, 2022 pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time. The Secretarial Auditor's Report is annexed to this report as ***"Annexure B".***

The auditors have qualified the report with the following observations:

1. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty-five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable. The Company had delayed the submission of the financial statement:

   The Standalone Results for June 2021 were published and filed with the Stock Exchanges on 15th September, 2021 and for December 2021 were published and filed with the Stock Exchanges on 23rd February, 2022. The Consolidated Results for June 2021, September 2021 and December 2021 were published and filed with the Stock Exchanges on 23rd February, 2022.

   Boards Explanation:

   a. Reasons for delay in financial results for June 2021

      - The Company uses ERP i.e. Enterprise Resource Planning Software to manage the day-to-day accounting operations and other business activities. However, due to technical reasons the ERP software is not operational since last month. Due to the abovementioned reason, the Company is finding it difficult to conduct the day-to-day accounting operations as these are solely dependent on the ERP software. This has delayed the preparation and finalization of accounts and hence publication of the financial results for the quarter ended 30th June, 2021 has also been delayed.

   b. Reasons for delay in standalone financial results for December 2021 and consolidated financial results for June 2021, September 2021 and December 2021:

      - The present financial situation of the Company makes it unable to attract and retain new staff. Gammon continues to operate with skeletal staff and hence this has delayed the preparation and finalization of accounts on a Standalone as well as Consolidated basis and hence publication of the financial results has been delayed.

2. As per Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 The listed Entity shall submit a quarterly compliance report on surrender of certificate of security within fifteen days from the end of the Quarter.

   However, the Company has delayed filing, as per regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018, for the all the Quarters.

   Boards Explanation: The Company was unable to pay the fees to the Registrar and Share Transfer Agent due to the present financial crisis and hence the data pertaining to the quarterly compliances including the Certificate under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the financial year 2021-2022 was not released thereby causing a delay in the submission.

3. Secretarial Standards (SS – 1, SS – 2, SS – 3 and SS – 4) issued by the Institute of the Company Secretaries of India (ICSI) was compiled to the extent possible.

   Except- The Company has not complied with Para 1.3.8 of SS- 1 of Secretarial Standards issued by ICSI, Circular Resolution was passed to approve Draft Directors Report for the financial year ended 2020-21. Therefore, it was a non-compliance of Secretarial Standard – 1.

   Boards Explanation: The management has complied with SS-2 and SS-4. Since the Company is under CDR SS-3 which pertains to dividend is not applicable. Further the management will comply with SS-1 upto the extent possible

4. As per Regulation 98 (1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the listed entity or any other person thereof who contravenes any of the provisions of these regulations, shall, in addition to liability for action in terms of the securities laws, be liable for the following actions by the respective stock exchange(s), in the manner specified in circulars or guidelines issued by the Board: (a) holding of designated securities, as may be applicable, in coordination with depositories. The Company’s trading has been suspended due to penal reasons.

   Boards Explanation: The Company is endeavoring and continuously striving to publish its periodic results on time. Further the Company has also made representations before the BSE and NSE where the shares of the Company are listed to waive off the penalties levied on the Company post which the application for revocation of suspension will be filed.

5. As per the provisions of Section 371 of the Companies Act, 2013 all the Companies limited by Share Capital are required to alter its Memorandum of Association & Article of Association as per Table F in Schedule I of the Companies Act, 2013.

   However, the Company has not altered its Memorandum of Association & Article of Association in lines with the Companies Act, 2013.

   Boards Explanation: Since the Company is under CDR, any alteration in the Memorandum of Association and Articles of Association is not permitted.

6. As per the provisions of Section 161 of the Companies Act, 2013 the Board has power to appoint an Additional Director. The Board does not have power to appoint an Independent Director or an Executive Director. The appointed Additional Director is regularized in the ensuing General Meeting as a Director. However, the Board in its meeting dated 28.06.2021 has appointed Independent Director and Executive Director (as mentioned in Board Minutes).

   Boards Explanation: Independent Director or the Executive Director is the role assigned by the Board to the individual appointees wherein they exercise their duties or have the powers which are assigned to them by the Board as per limitations under the Companies Act, 2013 or such other regulations as may be applicable.

18. Annual Secretarial Compliance Report:

Pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year".

Accordingly M/s. Pramod Shah & Associates, Practicing Company Secretaries were appointed to conduct an Annual Secretarial Compliance audit for the financial year ended 31st March, 2022 and thereafter provide their observations and report thereon. The same is annexed as **"Annexure C"**

Below are the auditors' qualifications along with Board's clarification thereon:

Serial No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause	Deviations	Observations/ Remarks of the Practising Company Secretary	Board's Explanation
1.	As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty-five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable.	Delay in submission and publishing of Financial Results	The Company had delayed the submission of the financial statement for quarter ended, June 2021, December 2021 and year ended March, 2022. For the Quarter and Half Year ended September 2021 – Published and filed with the Stock Exchanges on 23rd February, 2022 For the Quarter ended June, 2021- published and filed with the Stock Exchange on 15th September For the Quarter ended December 2021– Published and filed with the Stock Exchanges on 23rd February, 2022	a. Reasons for delay in financial results for June 2021 - The Company uses ERP i.e. Enterprise Resource Planning Software to manage the day-to-day accounting operations and other business activities. However, due to technical reasons the ERP software is not operational since last month. Due to the abovementioned reason, the Company is finding it difficult to conduct the day-to-day accounting operations as these are solely dependent on the ERP software. This has delayed the preparation and finalization of accounts and hence publication of the financial results for the quarter ended 30th June, 2021 has also been delayed. b. Reasons for delay in standalone financial results for December 2021 and consolidated financial results for June 2021, September 2021 and December 2021: -The present financial situation of the Company makes it unable to attract and retain new staff. Gammon continues to operate with skeletal staff and hence this has delayed the preparation and finalization of accounts on a Standalone as well as Consolidated basis and hence publication of the financial results has been delayed.

Serial No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause	Deviations	Observations/ Remarks of the Practising Company Secretary	Board's Explanation
2.	As per Regulation 13 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall file with the recognised stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.		The Company has delayed in filing Statement on Investor Grievance under Regulation 13 (3) for the quarter ended March, 2022.	The Company was unable to pay the fees to the Registrar and Share Transfer Agent due to the present financial crisis and hence the data pertaining to the Investor Grievance for the year ended March 2022 was not released and hence the Investor Grievance Report was filed on 09th May, 2022 instead of the due date as prescribed by the Regulation 13(3) of the SEBI (LODR) Regulations, 2015 i.e. within 21 days from the end of the quarter.
3.	Secretarial Standards (SS – 1, SS – 2, SS – 3 and SS – 4) issued by the Institute of the Company Secretaries of India (ICSI).		The Secretarial Standards were complied to the extent possible.	The management has complied with SS-2 and SS-4. Since the Company is under CDR SS-3 which pertains to dividend is not applicable. Further the management will comply with SS-1 upto the extent possible.
4.	As per Regulation 98 (1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the listed entity or any other person thereof who contravenes any of the provisions of these regulations, shall, in addition to liability for action in terms of the securities laws, be liable for the following actions by the respective stock exchange(s), in the manner specified in circulars or guidelines issued by the Board: (a) holding of designated securities, as may be applicable, in coordination with depositories.		The Company's trading has been suspended due to penal reasons.	The Company is endeavoring and continuously striving to publish its periodic results on time. Further the Company has also made representations before the BSE and NSE where the shares of the Company are listed to waive off the penalties levied on the Company post which the application for revocation of suspension will be filed.
5.	As per Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the listed entity shall pay all such fees or charges, as applicable, to the recognised stock exchange(s), in the manner specified by the Board on the recognised stock exchange(s).		The Company has not paid fees for the period March, 2022. However, they informed us that they will pay fees shortly.	The Company is endeavouring to pay the outstanding at the earliest.

19. Corporate Governance Report and Management Discussion & Analysis

A Report on Corporate Governance and Management Discussion and Analysis for the year ended 31st March, 2022, together with certificate from M/s. V. V. Chakradeo and Co., Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

20. Boards' Explanation On Statutory Auditors' Qualification on Financial Statements

The Board's explanation on the Statutory Auditor's qualifications and remarks in their Audit Report both on the Standalone and Consolidated Financial Statements is annexed to this report as ***"Annexure D".***

Members' attention is drawn to "Emphasis of Matter" stated in the Auditor's Report dated 21st June, 2022 on the Standalone Financial Statements and in the Auditor's Report dated 21st June, 2022 on the Consolidated Financial Statements of the Company for the year ended 31st March, 2022. The Directors would like to state that the said matters are for the attention of members only and have been explained in detail in the relevant notes to accounts as stated therein and hence require no separate clarification.

21. Declaration by Independent Directors

The Independent Directors have furnished declaration in accordance with the provisions of Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided under Section 149(6) and the same has been taken on record by the Board.

22. Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Company formulated a Nomination and Remuneration Policy in terms of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 laying down inter-alia, the criteria for appointment and payment of remuneration to Directors, Key Managerial Personnel and Senior Employees of the Company the same was adopted by the Board and is annexed to this Report as ***"Annexure E".***

23. Committees of the Board

The Board has appointed mandatory as well as non-mandatory Committees with specific powers in specific areas with delegated authority. The following Committees of the Board have been formed which function in accordance with the powers delegated to them:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

The aforementioned committees have been reconstituted. Details of the composition of each of the committees, number of meetings held and all other relevant details, has been given in the Corporate Governance Report, which forms a part of this Annual Report.

24. Familiarization Programme for Independent Directors

The Company has in place a system to familiarize its Independent Directors with the operations of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. All the Independent Directors were updated about the ongoing events and developments relating to the Company from time to time either through presentations at board or committee meetings. The Independent Directors also have access to any information relating to the Company, whenever requested to do so. In addition presentations are made to the Board and its committees where Independent Directors get an opportunity to interact with members of the senior management. The Independent Directors also have interaction with the Statutory Auditors, Internal Auditors, and External Advisors, if any, appointed by the Company at the meetings.

Further there were separate meetings of the Independent Directors held to update them about various ongoing matters viz., WSS, Projects of the company, the ongoing arbitration matters etc.,

25. Meetings of the Board

During the Financial Year under review, the Board of Directors of your Company met 4 (Four) times, i.e. on 28th June, 2021, 15th September, 2021, 12th November, 2021 and 23rd February, 2022.

26. Audit Committee

The Audit Committee has been formed in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. During the financial year under review the Audit Committee met 4 (Four) times, i.e. on 28th June, 2021, 15th September, 2021, 12th November, 2021 and 23rd February, 2022.

The Audit Committee consists of the following members viz., Mr. Anurag Choudhry – Executive Director and CFO, Mr. Soumendra Nath Sanyal, Mr. Ulhas Dharmadhikari, Mr. Kashi Nath Chattejee and Ms. Vinath Hegde – Independent Directors. Mr. Sandeep Sheth was appointed as a member of the Audit Committee with his appointment as an Executive Director. However post his resignation as such he also ceased to be a member of the said committee.

Mr. Sanyal is the Chairman of the Committee.

27. Vigil Mechanism / Whistle Blower Policy

A vigil mechanism as per the provisions of Section 177 of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has been established by adoption of "Whistle Blower Policy" for Directors and Employees to report to the management about suspected or actual frauds, unethical behaviour or violation of the Company's code. The Whistle Blower Policy is uploaded on the company's website at www.gammonindia.com under the Investors Section.

28. Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments are given in the Notes to the Standalone Financial Statements, forming a part of this Annual Report.

29. Particulars of Contracts/Arrangements with Related Parties

All contracts/arrangements/transactions entered into by the Company during the Financial Year ended 31st March, 2022 with the Related Parties were in the ordinary course of business and at arm's length basis. All such Related Party Transactions, were placed before the Audit Committee and also the Board for its approval/noting, wherever required. No omnibus approvals were taken during the period under review.

The Company has framed a policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. Details of Related Party Transactions entered into by the Company are more particularly given in the Notes to the Standalone Financial Statements.

The policy on the Related Party Transactions as approved by the Board is hosted on the Company's website i.e. www.gammonindia.com.

During the Financial Year, there were no Related Party Transactions of the Company with its Directors and Key Managerial Personnel or their relatives, its holding, subsidiary or associate companies as prescribed under Section 188 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 s and which were required to be reported in Form AOC-2 and therefore the Company is not required to report any transaction under the prescribed Form AOC-2 and the same does not form a part of this report.

None of the Directors/ KMPs or their relatives has any pecuniary relationships or transactions vis-à-vis the Company, other than their remuneration and their shareholding, if any, in the Company.

30. Board Evaluation

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and Regulation 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 s, the Independent Directors evaluated the performance of the Executive Director, each Board member evaluated the performance of the Board as a whole, each Board Committee member evaluated the performance of the Board Committees and Independent Directors evaluated the performance of the other Non-Executive and Non-Independent Directors. Independent Directors were also evaluated by Board members on the functioning, participation and contribution made by each Independent Director to the Board and Committee processes. A Report of the evaluation has been forwarded to the Nomination and Remuneration Committee to maintain confidentiality of the Report and to improve the Board dynamics, and enhancing Board's overall performance in the challenging environment.

31. Risk Management Policy

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining a Company's capacity to create sustainable value is the ability and willingness of the Company to take risks and manage them effectively and efficiently. In order to evaluate, identify and mitigate these business risks, the Company's risk management framework embodies the management's approach and the initiatives taken to mitigate business and industry risks and redefining processes to create transparency, and thereby minimize the adverse impact on the business objectives and enhance the Company's competitive advantage. Further details of the same are set out in the MDA which forms a part of this Annual Report.

32. Internal Financial Controls

The Company has devised and implemented internal control systems as are required in its business processes. The internal controls have been designed to provide assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorization and ensuring compliance with corporate policies.

However its implementation and effectiveness in certain areas are affected due to manpower and liquidity issues.

33. Particulars of Frauds, if any reported under Sub-Section (12) of Section 143 other than those which are reportable to the Central Government

No frauds have been reported under sub-section (12) of Section 143 of the Companies Act, 2013.

34. Particulars of Employees -

Information required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year under review is enclosed as "***Annexure F***" to this Report.

35. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption and foreign exchange earnings and outgo is enclosed as "***Annexure G***" to this report.

36. Prevention of Sexual Harassment of Women at Workplace

During the year under review, no complaints were received with regard to Sexual Harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. Reasons for suspension of trading of equity shares

The shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited. The trading of the equity shares are suspended from 23rd February, 2018 onwards due to non-compliance of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Post the demerger of the two operating businesses in the financial year 2016-17 and 2017-18 most of the employees pertaining to the two business were transferred to the demerged entities and the Company continues with skeletal staff. Also the Company is facing challenging financial times and as a result its difficult to retain/hire employees. This has delayed the preparation and finalization of accounts commencing from the quarter ended June 2017. Thereafter the Company strived its best to adopt and publish the results within the prescribed time. Further the exchanges had also levied heavy penalties on the Company which considering the financial crises the Company was unable to pay. The Company has made several applications to the Stock Exchanges to consider the matter of the Company as a special case and waive off the penalties so that the Company could apply to resume trading of its shares on the exchanges portal.

Further to inform the members that both the stock exchanges have given the opportunity of personal hearing and appearance before the committee of respective exchanges wherein the Company officials have made their submissions pleading for waiver of penalties levied by the exchanges. Considering the submissions of the Company both the exchanges had decided to waive off a part of the total penalties levied. The Company is trying to pay the pending penalties and the other payments to the exchanges, subsequently an application for revocation of suspension will be filed with the exchanges.

38. Acknowledgement

The Board thanks all its valued customers and various Central and State Governments as well as other Stakeholders connected with the business of the Company including Contractors and Consultants and also Banks, Financial Institutions, Shareholders and Employees of the Company for their continued support and encouragement.

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

	Anurag Choudhry	**Soumendra Nath Sanyal**
Place: Mumbai	**Director**	**Director**
Date: 10th August, 2022	**DIN: 00955456**	**DIN: 06485683**

Annexure "A"

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries **(₹ In Crore)**

Name of the Subsidiary	Reporting period	Reprting Currency/ Exchange Rate	Share Capital	Reserve & surplus	Total Assets#	Total Liabilities	Investment	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
ATSL Infrastructure Projects Limited	Apr 21 - Mar 22	INR	0.05	(0.05)	2.51	2.51	-	-	(0.01)	-	(0.01)	-	51.00%
Deepmala Infrastructure Private Limited	Apr 21 - Mar 22	INR	0.01	(165.80)	1,072.66	1,238.45	-	-	(43.29)	-	(43.29)	-	51.00%
Gactel Turnkey Projects Limited	Apr 21 - Mar 22	INR	5.05	(320.59)	86.65	402.19	0.01	-	(19.68)	-	(19.68)	-	100.00%
Gammon Power Limited	Apr 21 - Mar 22	INR	22.55	(41.07)	2.45	56.85	35.89	-	22.31	-	22.31	-	99.98%
Gammon Realty Limited	Apr 21 - Mar 22	INR	20.05	(57.24)	113.51	150.70	0.00	-	(0.01)	-	(0.01)	-	75.06%
Gammon Retail Infrastructure Private Limited	Apr 21 - Mar 22	INR	0.05	(0.01)	0.14	0.13	0.03	-	(0.00)	-	(0.00)	-	100.00%
Metropolitan Infrfahousing Private Limited	Apr 21 - Mar 22	INR	0.01	(413.66)	180.31	593.96	-	-	(0.02)	-	(0.02)	-	84.16%
Gammon Transmission Limited	Apr 21 - Mar 22	INR	0.05	0.36	0.54	0.13	-	-	(0.00)	-	(0.00)	-	100.00%
Gammon Real Estate Developers Private Limited	Apr 21 - Mar 22	INR	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
Patna Water Supply Distribution Networks Private.Limited	Apr 21 - Mar 22	INR	0.01	(36.65)	32.25	68.89	-	-	(0.02)	(0.00)	(0.01)	-	73.99%
Ansaldocaldaie boilers India Private Limited	Apr 21 - Mar 22	INR	50.00	(91.37)	44.59	85.96	-	0.18	(0.14)	0.03	(0.16)	-	73.40%
Gammon Italy Srl	Jan 15 - Dec 15	EURO/ 72.501	0.07	(0.20)	0.03	0.17	-	-	-	-	-	-	100.00%
SAE Powerlines Srl		EURO	-	-	-	-	-	-	-	-	-	-	-
P.Van Eerd Beheersmaatsc-happaji B.V.,Netherlands	Apr 21 - Mar 22	EURO/ 84.6599	0.13	(180.65)	-	180.51	-	-	(16.22)	-	(16.22)	-	100.00%
ATSL Holdings BV, Netherlands	Apr 21 - Mar 22	EURO/ 84.6599	0.15	(248.95)	69.22	318.02	-	-	(0.23)	-	(0.23)	-	100.00%
Associated Transrail Structures Limited., Nigeria	Apr 16 - Mar 17	Naira/ 0.2059	0.21	(2.12)	0.00	1.91	-	-	-	-	-	-	100.00%
Gammon Holdings B.V., Netherlands	Apr 21 - Mar 22	EURO/ 84.6599	0.15	(1,124.72)	0.32	1,124.88			(73.15)	-	(73.15)	-	100.00%
Gammon International B.V., Netherlands	Apr 21 - Mar 22	EURO/ 84.6599	0.15	(699.07)	17.82	1,040.03	323.29		(62.77)	-	(62.77)	-	100.00%
Gammon International FZE	Apr 21 - Mar 22	AED/ 20.667	0.31	(52.56)	77.43	129.69			(0.07)	-	(0.07)	-	100.00%
Gammon Holdings (Mauritius) Limited	Apr 21 - Mar 22	USD/ 75.8071	0.11	(92.90)	0.05	441.00	348.17	-	(23.46)	-	(23.46)	-	100.00%
Franco Tosi Meccanica S.p.A		INR	-	-	-	-	-	-	-	-	-	-	-
Franco Tosi Turbines Private Limited. ('FTT')		INR	-	-	-	-	-	-	-	-	-	-	-
Sofinter S.p.A. *		EURO	-	-	-	-	-	-	-	-	-	-	-

* The Company is not able to exercise control over Sofinter S.p.A. Board although it holds 67.5% shareholding in the company and therefore the said Sofinter is neither accounted as a Subsidiary nor as an Associate. The Company has accounted the said Investment at Fair Value through Other Comprehensive Income from the transition date by making the election as required by the Standards.

Total Assets does not include Investments as it is given seperately.

Part "B": Associates and Joint Ventures **(₹ In Crore)**

Sr. No.	Particulars	Details		
1	Name of associates/Joint Ventures	Gammon Infrastructure Projects Ltd (GIPL)	Fin est Spa^	Campo Puma Oriente S.A.*
2	Latest audited Balance Sheet Date	31st Mar 2021	31st Dec 2013	31st Dec 2018
3	Shares of Associate/Joint Ventures held by the company on the year end:			
	No. of Shares	19,39,99,800	7,80,000	-
	Amount of Investment in Associates/Joint Venture	38.80	19.52	-
	Extend of Holding%	20.60%	50.00%	66.39%
4	Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence & Control
5	Reason why the associate/joint venture is not consolidated	Consolidated	Not Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	21.21	17.41	(282.89)
7	Profit/(Loss) for the year			
	Considered in Consolidation	-	-	-
	Not Considered in Consolidation	-	-	-

Sr. No.	Particulars	Details			
1	Name of associates/Joint Ventures	Gammon – Ojsc Mosmetrostroy – JV('GOM')**	Ansaldocaldaie-GB Engineering Private Limited. ('ACGB') @	Gammon SEW('GSEW')	GIPL - GIL JV**
2	Latest audited Balance Sheet Date	31st Mar 2022	31st Mar 2019	31st Mar 2022	31st Mar 2019
3	Shares of Associate/Joint Ventures held by the company on the year end:				
	No. of Shares	-	2,00,00,000	-	-
	Amount of Investment in Associates/Joint Venture	-	20.00	-	-
	Extend of Holding%	51.00%	50.00%	90.00%	100.00%
4	Description of how there is significant influence	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	(2.49)	13.32	(1.83)	(0.01)
7	Profit/(Loss) for the year				
	Considered in Consolidation	(0.00)	-	0.47	-
	Not Considered in Consolidation	-	-	-	-

* Based on the un-audited management accounts for the period ended December 31, 2018.

** Based on the un-audited management accounts.

^ In the absence of financial statements of Fin esta Spa no effects are taken in these financial statements for the current period. The balances as at December 31, 2013 are incorporated.However, the Associate is not carrying out any operations and therefore their impact is not expected to be significant.

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

Anurag Choudhry
Executive Director and CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee Chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

"ANNEXURE B"

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31STMARCH, 2022

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

To,

The Members,

Gammon India Limited

We have conducted the secretarial audit of the compliances of applicable statutory provisions and adherence to good corporate practices by Gammon India Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the year ended 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2022 according to the provisions of:

(1) The Companies Act, 2013 ('the Act') and the rules made there under;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; - Not Applicable during the period of Audit

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; - (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not Applicable during the period of Audit

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable during the period of Audit

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; - Not Applicable during the period of Audit

  (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the period of Audit);

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the period of Audit);

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the period of Audit); and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the period of Audit);

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS – 1, SS – 2, SS – 3 and SS - 4).

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. *As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty-five days of end of each quarter,*

(other than last quarter) along with Limited Review Report or Audit Report as applicable. The Company had delayed the submission of the financial statement:

The Standalone Results for June 2021 were published and filed with the Stock Exchanges on 15th September, 2021 and for December 2021 were published and filed with the Stock Exchanges on 23rd February, 2022. The Consolidated Results for June 2021, September 2021 and December 2021 were published and filed with the Stock Exchanges on 23rd February, 2022.

2. *As per Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 The listed Entity shall submit a quarterly compliance report on surrender of certificate of security within fifteen days from the end of the Quarter.*

   However, the Company has delayed filing, as per regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018, for the all the Quarters.

3. *Secretarial Standards (SS – 1, SS – 2, SS – 3 and SS – 4) issued by the Institute of the Company Secretaries of India (ICSI) was compiled to the extent possible.*

   Except- The Company has not complied with Para 1.3.8 of SS- 1 of Secretarial Standards issued by ICSI, Circular Resolution was passed to approve Draft Directors Report for the financial year ended 2020-21. Therefore, it was a non-compliance of Secretarial Standard – 1.

4. *As per Regulation 98 (1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the listed entity or any other person thereof who contravenes any of the provisions of these regulations, shall, in addition to liability for action in terms of the securities laws, be liable for the following actions by the respective stock exchange(s), in the manner specified in circulars or guidelines issued by the Board: (a) holding of designated securities, as may be applicable, in coordination with depositories. The Company's trading has been suspended due to penal reasons.*

5. *As per the provisions of Section 371 of the Companies Act, 2013 all the Companies limited by Share Capital are required to alter its Memorandum of Association & Article of Association as per Table F in Schedule I of the Companies Act, 2013.*

   However, the Company has not altered its Memorandum of Association & Article of Association in lines with the Companies Act, 2013.

6. *As per the provisions of Section 161 of the Companies Act, 2013 the Board has power to appoint an Additional Director. The Board does not have power to appoint an Independent Director or an Executive Director. The appointed Additional Director is regularized in the ensuing General Meeting as a Director. However, the Board in its meeting dated 28.06.2021 has appointed Independent Director and Executive Director (as mentioned in Board Minutes).*

We further report that,

The Board of Directors of the Company is duly constituted as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'The Act'). There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all the directors to schedule the Board Meetings, however the agenda and detailed notes on agenda were sent on a later date due to which the 7 days' criteria was not fulfilled. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all the decisions in the Board Meetings were taken unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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

During the year under the review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs.

For Pramod S. Shah & Associates
(Practising Company Secretaries)

Bharat Sompura – Partner
Membership No.: A10540
C.O.P. No.: 5540
UDIN: A010540D000773489

Date: 10th August, 2022
Place: Mumbai

ANNEXURE C"

Secretarial Compliance Report of Gammon India Limited for the year ended 31st March, 2022

We have examined:

a) all the documents and records made available to us and explanation provided by Gammon India Limited ("the Company");

b) the filings/ submissions made by the listed entity to the stock exchanges;

c) website of the Company;

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification; for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

   a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

   b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and amendments made from time to time;

d) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable to the Company during the Review Period**;

f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable to the Company during the Review Period**;

h) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not Applicable to the Company during the Review Period**;

i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

j) any other regulations and circulars/ guidelines issued thereunder; as may be applicable to the Company. and based on the above examination, we hereby report that, during the Review Period:

   a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Serial No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause	Deviations	Observations/ Remarks of the Practising Company Secretary
1.	As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty-five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable.	Delay in submission and publishing of Financial Results	The Company had delayed the submission of the financial statement for quarter ended, June 2021, December 2021 and year ended March, 2022. For the Quarter and Half Year ended September 2021 – Published and filed with the Stock Exchanges on 23rd February, 2022 For the Quarter ended June, 2021-published and filed with the Stock Exchange on 15th September For the Quarter ended December 2021– Published and filed with the Stock Exchanges on 23rd February, 2022
2.	As per Regulation 13 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		The Company has delayed in filing Statement on Investor Grievance under Regulation 13 (3) for the quarter ended March, 2022.

Serial No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause	Deviations	Observations/ Remarks of the Practising Company Secretary
	The listed entity shall file with the recognised stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.		
3.	Secretarial Standards (SS – 1, SS – 2, SS – 3 and SS – 4) issued by the Institute of the Company Secretaries of India (ICSI).		The Secretarial Standards were complied to the extent possible.
4.	As per Regulation 98 (1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the listed entity or any other person thereof who contravenes any of the provisions of these regulations, shall, in addition to liability for action in terms of the securities laws, be liable for the following actions by the respective stock exchange(s), in the manner specified in circulars or guidelines issued by the Board: (a) holding of designated securities, as may be applicable, in coordination with depositories.		The Company's trading has been suspended due to penal reasons.
5.	As per Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the listed entity shall pay all such fees or charges, as applicable, to the recognised stock exchange(s), in the manner specified by the Board on the recognised stock exchange(s).		The Company has not paid fees for the period March, 2022. However, they informed us that they will pay fees shortly.

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: - NIL

Serial No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary

d) The listed entity has taken the following actions to comply with the observations made in previous reports: NIL

Serial No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

Signature**:**

Pramod S. Shah - Partner
M/s. Pramod S. Shah & Associates
Practising Company Secretary
Membership No.: F334
C P No.: 3804
UDIN: F000334D000429510

Date: 30/05/2022
Place: Mumbai

Annexure "D"

BOARDS' EXPLANATION ON AUDITORS QUALIFICATION ON FINANCIAL STATEMENTS

a) Board's explanation on Statutory Auditor's qualifications in their Report on Standalone Financial Statements

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause a of Basis of Qualified Opinion	We invite attention to note no. 7 (a) of the financial statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2022 is ₹ 231.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert, on the recovery of the claims. 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 statement for the year ended March 31, 2022.	The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.
Clause b of Basis of Qualified Opinion	We invite attention to note no. 7(b) of the financial statement relating to the claim of CMRL project wherein the Company has retained the claim at an amount of ₹ 532 crores after writing off the amounts previously estimated and not accepted. This amount includes an amount of ₹123.08 crores which is subject matter of appeal arising from the award. The award is in the name of joint venture as detailed in the note. Pending the final fructification of the award amount pending and the settlement of the JV proceeds as detailed in the aforesaid note we are unable to opine whether the entire amount will be to the account of the Company.	Company has received the award in the current year and has filed appeal for certain issues. Management is confident of getting the above amount
Clause c of Basis of Qualified Opinion	We invite attention to note no. 4(a)(iii) of the financial statement relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 321.58 crores in respect of disputes in six 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	There are disputes in six projects of the Company. The total exposure against these projects is ₹ 321.58 Crore. The Company is pursuing legal recourse / negotiations for addressing 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 Clients
Clause d of Basis of Qualified Opinion	We invite attention to note no. 37 of the financial statement 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 ₹ 100 crores against the exposure of ₹ 361.93 crores. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The auditor of the subsidiary has also made an Emphasis of Matter on the realisability of its inventory amounting to ₹ 822 crore as at March 31, 2022 and also highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2022. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the balance exposure of ₹ 261.93 crores	Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management is confident that there will be no further provision required towards impairment

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause e of Basis of Qualified Opinion	We invite attention to note no 26 of the financial statement relating to penal interest and charges of ₹76.07 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 324.65 crores up to March 31, 2022. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. Pending the conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges	The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.

b) Board's explanation on Statutory Auditor's qualifications in their Report on Consolidated Financial Statements

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause a of Basis of Qualified Opinion	We invite attention to note no. 9 (a) of the financial statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2022 is ₹ 231.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert, on the recovery of the claims, 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, 2022.	The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.
Clause b of Basis of Qualified Opinion	We invite attention to note no. 9(b) of the financial statement relating to the claim of CMRL project wherein the Company has retained the claim at an amount of ₹ 532 crores after writing off the amounts previously estimated and not accepted. This amount includes an amount of ₹ 123.08 crores which is subject matter of appeal arising from the award. The award is in the name of joint venture as detailed in the note. Pending the final fructification of the award amount and the settlement of the JV proceeds as detailed in the aforesaid note we are unable to opine whether the entire amount will be to the account of the Company.	The management believes that they have strong case for each of the claims lodged against the client. The Board therefore has decided to account the claims
Clause c of Basis of Qualified Opinion	We invite attention to note no. 6(a)(iii) of the financial statement relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 236.68 crores in respect of disputes in four 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.	There are disputes in four projects of the Company. The total exposure against these projects is ₹ 236.68 crore. The Company is pursuing legal recourse / negotiations for addressing 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 Clients.

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause d of Basis of Qualified Opinion	We invite attention to note no 10 (d) of the financial statement relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company in its Standalone Financial results had on prudent basis in the earlier years, based on internal estimates, made a provision of ₹ 100 crores against the exposure of ₹ 361.93 crores which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The audit of the subsidiary for the prior periods have been completed during the year and the auditor of the subsidiary has also made an Emphasis of Matter on the realisability of its inventory amounting to ₹ 822 crore as at March 31, 2022 and also highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2022. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the exposure (Net) towards inventory of ₹ 800.39 crores.	Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. However on prudent basis management has made a provision of ₹ 100 Crore and management is confident that there will be no further provision required towards impairment
Clause e of Basis of Qualified Opinion	We invite attention to note no 30 of the Financial Statement to penal interest and charges of ₹ 76.07 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 324.65 crores up to March 31, 2022. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. Pending the conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges	The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.
Clause f of Basis of Qualified Opinion	The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered, as follows **i.** M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financials statement for the year 31st December 2020 and 2021 has been not received. There are no audited financial statements after 31st December 2012. **ii.** M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. whose financials statement for the year 31st March 2021 and 31st March 2022 has not been audited. Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any.	The audit could not be completed due to various reasons for the above entities. Based on the discussions with the respective managements, we do not foresee any material impacts arising out of audit in the aforesaid financials statements

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause g of Basis of Qualified Opinion	The auditors of one subsidiary Ansaldo Caldaie Boilers India Pvt Ltd of the Company carries a qualification in their Audit Report as follows:	
	1. The Company has received Share Application Money of ₹16.64 Crore from M/s. Ansaldo Caldaie S.P.A for further allotment of shares which were to be issued on terms and conditions decided by the Board. However, the Company has neither made the allotment of shares nor refunded the money as per the regulations and provisions of The Companies Act, 2013 and Reserve Bank of India. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive due to various operational issues. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.	ACBI has made an application to RBI for write back of the share application money received from Ansaldo Caldaie Italy.
	2. We invite attention to the Financial Statements regarding accessibility of the inventory of ₹1.18 Crore The Stock is in the custody of the lenders of Ansaldo GB-Engineering Private Limited who have taken over the possession of the Company during 2019. In the absence of any confirmation from the lenders of the Ansaldo GB-Engineering Private Limited regarding possession of inventory we are unable to comment upon recoverability and physical possession of the inventory.	Representation is made to the Lenders of the Company for release of Stock.

"Annexure E"

NOMINATION AND REMUNERATION POLICY

1. **PREAMBLE:**

   The Selection and Remuneration Committee ("Committee") of Gammon India Limited ("the Company") was constituted by the Company's Board of Directors on 6th May 2009.

   In order to align the duties and responsibilities of the Committee with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors (the "Board") at its meeting held on 3rd April 2014 renamed the "Selection and Remuneration Committee" as "Nomination and Remuneration Committee" (the "Committee"). The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

   As on 31st March, 2022, the Committee comprised of three (3) Non-Executive Independent Directors viz. (1) Mr. Soumendra Nath Sanyal (Chairman), (2) Ulhas Dharmadhikari & (3) Ms. Vinath Hegde.

2. **DEFINITIONS:**

   a) **Board** means the Board of Directors of Gammon India Limited.

   b) **Committee** means the Nomination and Remuneration Committee constituted by the Board of Gammon India Limited.

   c) **Company** means Gammon India Limited.

   d) **Key** Managerial Personnel means:

      i. Chief Executive Officer or the Managing Director or the Manager;

      ii. Company Secretary,

      iii. Whole-time Director;

      iv. Chief Financial Officer; and

      v. such other officer as may be prescribed by the Companies Act, 2013 or the rules made thereunder.

   e) **Senior Management** means employees of the Company who are members of the Company's core management team excluding the Board. This would also include all members of management one level below the Executive Directors and all the functional heads.

3. **CHARTER:**

   a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management as well as devising a policy on Board diversity;

   b) To lay down criteria for such appointments;

   c) Recommend to the Board their appointment and renewal; and

   d) To evaluate performance of every Director including the Independent Directors.

   e) To recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

4. **DUTIES & RESPONSIBILITIES OF THE COMMITTEE:**

   A. Identification of persons qualified to become Directors or occupy senior management positions and devising a policy on Board diversity:

   While appointing new director(s) on the Company's Board, Key Managerial Personnel and Senior management the Committee shall implement a process to identify and evaluate suitable candidates in line based on the following guidelines;

   a. Well considered Organogram of the Company must be made and reviewed from time to time so that the vacancy slots, seniority and position in the Company are well defined and clear before the selection process is initiated.

   b. The incumbents must have qualifications and experience in the field that has relevance to the Company's functions and working. The incumbents should have personal attributes such as personality, seniority, articulation, decision making, team building, management skills, leadership skills and ability to participate in meetings with peers and seniors.

   c. Such appointments may be made after considering recommendations from reliable and knowledgeable sources and/ or outcome of a selection process which could be based on Head Hunters' short listings or direct recruitment and advertisements, and/or promotions of the present cadre of managerial personnel.

   d. There should be a proper mix of technical skills, financial acumen and expertise such as in the fields of HR and commercial laws fairly represented at the Board level.

   e. The Managing Director shall report to the Board. The Key Managerial Personnel other than the Managing Director shall report to the Managing Director on day to day operations. However on all the matters, which in the opinion of the Key Managerial Personnel are important and critical or are required to be reported to the Board to comply with the prevailing laws and statutes, the Key Managerial Personnel shall report to the Board.

B. **Fixing Remuneration of the Directors and Key Managerial personnel and Senior management:**

a. The level and composition of the remuneration should be reasonable and sufficient to attract, retain and motivate the incumbent.

b. The Committee shall ensure that amount of remuneration is commensurate with the roles assigned to the Directors, Key Managerial Personnel and Senior Management and that the relationship between remuneration and performance is clear and meets appropriate performance benchmarks.

c. Committee's recommendations to the Board or the Management, as the case may be, must include remuneration based on age, experience and qualification of the incumbent.

d. Remuneration should have two components, one Fixed and the other Variable. The Fixed Component should be well defined and Variable Component, as far as feasible, should be based on factors such as growth and performance of the Company without considering exceptional items, interest and depreciation and or as my be advised by NRC and decided by the Board. The Board should have full discretion in the matter. Such Variable Component should be based either on the performance of the incumbent and/or the performance/growth of the Company. Contracts should be made in a manner that a deterrent clause is included to restrict employees leaving the organization from joining a competitor.

e. The balance between the Fixed and Variable component can vary from time to time and from office to office.

C. **Renewal of Contracts and evaluation of Directors and Senior Personnel:**

Evaluation process must precede renewal of contracts. Self-evaluation is not recommended. Directors' performance, including that of independent Directors, must be evaluated by the Chairman of the Board who may seek advice from other Board members before making a recommendation.

D. **Other duties & responsibilities:**

The Committee's duties and responsibilities will, *inter alia*, include the following:

- to make recommendations to the Board concerning any matters relating to the Appointment and Removal of any Director at any time including the suspension or termination of services of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- to recommend to the Board the appointment and removal of Senior Management employee based on the criteria mentioned in this Policy.
- to recommend a succession plan for the Board and to regularly review the plan;
- to review this policy atleast periodically to make suitable changes required either pursuant to any applicable laws or by virtue of any other changes within the Company.

5. **COMPOSITION:**

a) The Committee shall consists of a minimum of three (3) non-executive directors with all of them being independent.

b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

c) Membership of the Committee shall be disclosed in the Annual Report.

d) The term of the Committee shall continue unless terminated by the Board.

6. **CHAIRMAN:**

The Chairman of the Committee shall be an Independent Director. In the absence of the Chairman, the Committee members present may nominate any one amongst them as the Chairman of the meeting.

7. **COMMITTEE MEETINGS:**

a) The meeting of the Committee shall be held at such regular intervals as may be required.

b) The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.

8. **COMMITTEE MEMBERS' CONFLICT OF INTEREST:**

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

9. **DUTIES OF THE COMPANY SECRETARY:**

The Company Secretary shall:

a) in coordination with the Chairman of the Committee finalize agenda and arrange for the Committee meetings;

b) provide agenda and supporting documents to Committee members sufficiently in advance so as to enable the Committee members to prepare for the meeting;

c) circulate minutes of each meeting to Committee members; and

d) circulate copies of the minutes of the Committee meeting to the remaining Board members upon request

“Annexure F”

Disclosures pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014

1. Ratio of remuneration of each director to median remuneration of employees for the Financial Year ended 31st March, 2022

Sr. No.	Name of the Director	Designation	Ratio of Directors remuneration to Median remuneration
1.	Mr. Anurag Choudhry	Executive Director and Chief Financial Officer	1: 8.21858
2.	Mr. Sandeep Sheth	Executive Director Finance	1:3.49091
3.	Mr. Kashi Nath Chatterjee	Non-Executive Independent Director	--
4.	Mr. Soumendra Nath Sanyal	Non-Executive Independent Director	--
5.	Mr. Ulhas Dharmadhikari	Non-Executive Independent Director	--
6.	Ms. Vinath Hegde	Non-Executive Independent Director	--

1. Mr. Anurag Choudhry was appointed as Executive Director w.e.f. 17th August, 2019. He was further appointed as the Chief Financial Officer w.e.f. 30th April, 2019.
2. Mr. Sandeep Sheth was appointed as Wholetime Director designated as Executive Director Finance w.e.f. 15th April, 2021. However he tendered his resignation as a Director w.e.f. 14th October, 2021.
3. Mr. Kashi Nath Chatterjee was appointed as a Non-Executive Independent Director w.e.f. 03rd May, 2021.
4. Mr. Soumendra Nath Sanyal was appointed as a Non-Executive Independent Director w.e.f. 1st April, 2019.
5. Mr. Ulhas Dharmadhikari was appointed as a Non-Executive Independent Director w.e.f. 17th April, 2019
6. Ms. Vinath Hegde was appointed as a Non-Executive Independent Director w.e.f. 25th December, 2019

2. Percentage increase in the remuneration of each Director, CFO, CEO, CS and Manager during the Financial Year ended 31st March, 2022: CS 29.08%
3. Percentage increase in median remuneration of employees:

Emp Group	Median Remuneration (in lakhs)	Increase in median remuneration %
HO Roll Employees		
- Level A	46.33	0.33%
- Level B	11.52	0.70%
- Level C	06.73	-
- Level D	04.25	0.54%
LMR	02.50	-

As on 31st March 2022, there were 49 permanent employees on rolls of the Company.

4. Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in the managerial **remuneration:**

Emp Group	Average % increase in salaries for Fiscal 2022
HO Roll Employees	06.36%
LMR	-

➢ The remuneration paid to employees is as per the remuneration policy of the company.

In terms of provisions of Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and MCA Notification No. G.S.R.646(E) dated 30th June, 2016, the statement containing names of top ten employees in terms of remuneration drawn and employees drawing remuneration not less than Rs.1,02,00,000 per annum and not less than Rs.8,50,000 per month, if employed for a part of the financial year, is available for inspection at the Registered office of the Company and shareholders interested in obtaining copy of the same may write to the Company Secretary.

"Annexure G"

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IS FORMING PART OF THE BOARD´S REPORT FOR THE FINANCIAL YEAR 2021-22

A. Conservation of Energy

In 100 years of its operation, Gammon stayed committed to *- Make In India - Make for India* initiative of Honourable Prime Minister. Gammon has maintained the strategy – every electrical unit saved equivalent to electrical unit generated. Considering the same the following steps/initiatives were taken or adopted by Gammon which was a step towards conservation of energy:

- Installation of fuel efficient plant and machinery at the project site and the extensive use of LED lights in place of regular lights
- Adopting steam curing or curing compound regeneration of waste material at sites
- encouraging electronic media over the print media
- Benchmark limits were set at site for wastage limits and projects which did not breach the limits were rewarded.
- Used cooling methods for transportation of staff
- Creating awareness by e-mailers.

B. Technology Absorbtion

Gammon is committed towards technology driven innovation and inculcating an innovation driven culture within the organisation.

Gammon has absorbed all required technology considering the socio economic factors and developed/implemented those technologies in the field of Civil Engineering.

The concept of pre-stressed precast concrete, Hyperbola Cooling Tower, Tapper Slip form, Segmental concrete for bridges, Cable Stayed Bridge etc. are a few examples where Gammon has absorbed these technologies from Europe and indigenised for our country.

Gammon believed and has always worked considering socio economic requirement of the country.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange earnings and outgo during the year under review are as follows:

Total Foreign Exchange Earned and Outgo	For the Financial Year ended 31st March, 2022	For the Financial Year ended 31st March, 2021
Foreign Currency Receivables	NIL	NIL
Foreign Exchange Payables	42,88,221	1,32,68,938

Temperature Controlled Concrete Production

Indigenous Innovation…

…being "AatmaNirbhar"

Launching Girders •

Crane Erection System •

Batching Plant Cooling Facility •

Tunnel Formwork •

Pneumatic Operated Concrete Bucket •

Jumpform System •

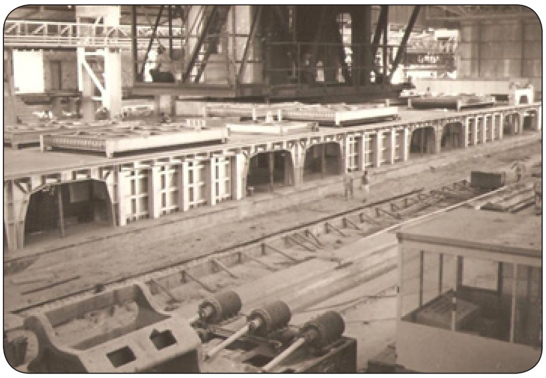
Slipform System •

Tower Crane Anchoring System

Tunnel Lining Gantry

Over 30 categories of special equipment required for Infrastructure business

Camel Gantry for Segment Launching

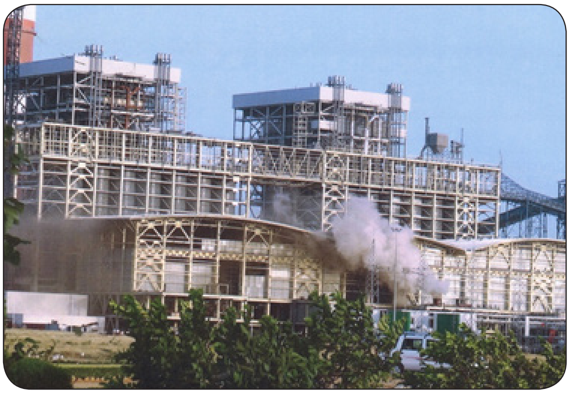


Hot & Cold Rolling Mill at Rourkela

Boosting Industrial Development…

Over 400 Projects

Paradeep DAP Plant



Tuticorin Plant

- **Steel Plants**
- **Cement Plants**
- **Textile Mills**
- **Fertiliser Plants**

Record of 15million safe man hours at single location

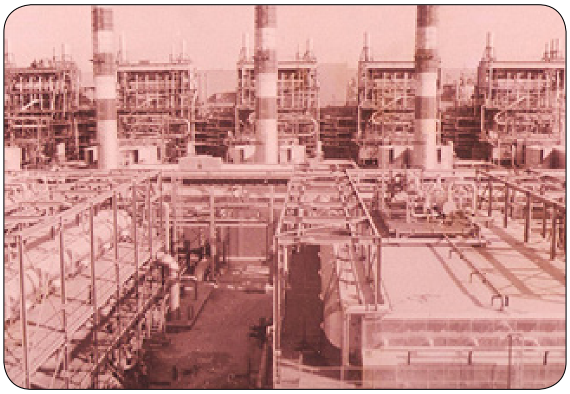
Vijay Nagar Steel Plant


Butibori Plant

Spreading the Wings…

Core Civil Engineering
Realty Sector
Transmission Tower


Beary's Lakeside Habitat


Tripoli West Thermal Power Station

Power Equipment Manufacturing
Cross Country Pipeline
International Operations

Investment in Human Capital
Deployment of Best in class Systems
Meeting International Standards


Sohar Water Transmission

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 (3) and Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , we furnish below the Corporate Governance Report for the Financial Year ended 31st March, 2022. The information given in this Report is as on 31st March, 2022, the changes in the Company's Management as on date is provided in the Board's Report.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all the stakeholders. The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to sub-serve the long term growth of the Company and continue to give priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

2. BOARD OF DIRECTORS ('Board')

a) Composition:

The Company had an optimum combination of Executive and Non-Executive Directors including one Woman Director which is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , to maintain the independence of the Board and to separate the Board functions of governance and management. However pursuant to Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company being on List of top 2000 Listed entity needs minimum 6 directors on board. The company is in process of inducting new members on board.

As on 31st March, 2022, the Board of Directors comprised of5 (five) Directors which includes, 1 (one) Whole - Time Director designated as Executive Director and Chief Financial Officer (Chairman) and 4 (four) Non - Executive Independent Directors including a Woman Director. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The Chairman provides leadership to the Board and to the Management in strategizing and realizing business objectives. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than 10 (ten) Committees and a Chairman of more than 5 (five) Committees (as specified in Regulation 26 (1) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 across all the Companies in which he/she is a Director as per the disclosures made by all the Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than Seven Listed Companies and none of the Whole-time Directors on the Board serve as an Independent Director in more than three listed Companies.

Board of Directors as on 31.03.2022

1. **Mr. Anurag Choudhry- Executive Director & Chief Financial Officer**

   Mr. Choudhry aged 67 years has been with Gammon Group since 1991. At Gammon, his core focus has been Corporate Banking, Finance and project management. Prior to joining Gammon India he worked as a Manager in a nationalized Bank and holds CAIIB certificate. He holds Master's Degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He is also postgraduate in Science from Lucknow University.

2. **Mr. Soumendra Nath Sanyal – Independent Director**

   Mr. Sanyal aged 73 years has graduated from Jalpaiguri Govt. Engineering College, North Bengal University, West Bengal. He was employed with Gammon India Limited from 2009 to 2012 in charge of execution of projects as the "Chief Strategy Officer". He has a profound knowledge and experience in handling projects from concept, planning to delivery. He has successfully executed various projects which include bridges, industrial structures, tunnels for hydro power stations, factories and residential buildings, during his tenure with Gammon India Limited

3. **Mr.Ulhas Dharmadhikari- Independent Director**

   Mr. Dharmadhikari aged 62 years has graduated from Jiwaji University, Gwalior as BE- Civil Engineering. He was employed with Gammon India Limited, B G Shirke Cont. Tech. Ltd, Pune, Gujarat Urban Development Company Ltd (A Govt. of Gujarat Company) Gandhinagar, Adani Ltd & Arvind Mills Ltd on various positions for the Project Concepts, Planning and implementations. Mr. Dharmadhikari has more than 35 years of experience in the field of Special Infrastructure such as Power Plants, Urban Utilities & Urban Infrastructure and Institutional & High end Real Estate. He joined Gujarat International Finance Tec City (GIFT CITY) - India's first International Financial Services Center and green field smart city as a CTO, President (Engineering) & Director in GIFT Water, GIFT Power and

GIFT Solid waste cos, as first technical employee of the project. He led the strategic plans to advance the company's Visionary Project Oriented Objectives

4. **Ms. Vinath Hegde- Independent Director**

Ms. Hegde aged 60 years is an astute professional with 30 years' rich experience in Sales & Marketing, Brand Management and Product Management. She has hands on experience in charting out marketing strategies and contributing towards enhancing business volumes & growth and achieving profitability norms. She demonstrated expertise in development & implementation of promotion plans and handling communication for brands including all above the line and below the line activities. She is currently employed with Eureka Forbes Limited, Bombay, since December, 2004 as a General Manager – CRM. Previous to Eureka Forbes she was employed with Infomedia India Limited (Tata Infomedia), Mumbai as National Head – Manager from May'96 uptil Dec'04. She has achieved the following qualifications:

- Masters in Marketing Management from **IES Management Institute, Mumbai**, University of Mumbai in 2010.
- Post Graduate Diploma in Masters of Human Resource Development from Indira Gandhi National Open University, New Delhi, India in 1996.
- Diploma in Marketing Management from University of Mumbai in 1994.

B.A (Psychology) from **National College, Mumbai**, University of Mumbai in 1983

5. **Mr. Kashi Nath Chatterjee- Independent Director**

Mr. Chatterjee aged 73 years is a B.Tech and has graduated from IIT Kanpur in 1975. He has also completed Civil Engineering from the Fellow Institution of Engineers, Kolkata, India in 1995. He was employed with Gammon India Limited from as Junior Engineer in the Year 1975 to Vice President (Projects) in the Year 2017. Presently he is acting as an Advisor – Contracts & Legal with Gammon Engineers & Contractors (Private) Ltd since December 2017. He has a profound knowledge and high professional expertise and experience in the construction & management of 36 bridges & 6 highways, besides 42 arbitration references & DRB in contracts in a career span of over 45 years. He also holds memberships & fellowships to numerous renowned professional bodies & institutions and also has exposure to large number of professional interactions through seminars & presentation of papers. He continues to share and disseminate engineering knowledge through lectures to senior engineering professionals of Govt. departments. He is also an Empaneled Arbitrator of Indian Roads Congress (IRC) and possesses expertise in handling numerous arbitrations in engineering contracts

b) Changes in Board Composition

During the Financial Year ended 31st March, 2022, the following changes have taken place in the Board composition:

- Mr. Kashi Nath Chatterjee was appointed as an Additional Independent Director of the Company w.e.f. 03rd May, 2021 and as per the provisions of the Companies Act, 2013, his appointment was regularized by the shareholders at the Annual General Meeting held on 30th September, 2021
- Mr. Sandeep Sheth was appointed as an Additional Whole-time Director designated as Executive Director Finance of the Company w.e.f. 15th April, 2021 and as per the provisions of the Companies Act, 2013, his appointment was regularized by the shareholders at the Annual General Meeting held on 30th September, 2021.
- Mr. Sandeep Sheth tendered his resignation on 30th September, 2021 w.e.f. 14th October, 2021 since the special resolution pertaining to his remuneration was dissented by majority of the shareholders in the Annual General Meeting held on 30th September, 2021.wherein Lenders played a major role being the holder of majority of shares.

c) Board Meetings

The Board meets at least once in each quarter inter-alia, to review the quarterly financial results. The gap between two consecutive Board meetings is less than 120 days. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all the laws applicable to the Company. Steps are taken by the Company to rectify instances of non - compliances.

During the Financial Year under review, the Company held 4 (four) Board Meetings on 28th June, 2021, 15th September, 2021, 12th November, 2021 and 23rd February, 2022.

d) Directors' Attendance Record and Directorships held

The names and categories of the Directors on the Board, their attendance at Board Meetings during the Financial Year and at the last Annual General Meeting (the Annual General Meeting for the Financial Year ended 31st March, 2021 which was held on 30th September, 2021), also the number of directorships and committee memberships held by them in other Companies are given below:

Name and Designation of Director	Category of Directors	No of Board Meetings during the financial year		Attendance at the last Annual General Meeting held on 30th September, 2021	Directorships in other Listed Companies in India (as on 31st March, 2022) (other than in Gammon India Limited)	Committee Positions held (other than in Gammon India Limited)	
		Held	Attended			Chairman	Member
Mr. Anurag Choudhry	Whole-Time Director designated as Executive Director & Chief Financial Officer	4	4	Present	0	0	0
Mr. Sandeep Sheth#	Whole-Time Director designated as Executive Director Finance	4	2	Present	0	0	0
Mr. Soumendra Nath Sanyal	Independent Director	4	4	Present	0	0	0
Mr. Ulhas Dharmadhikari	Independent Director	4	4	Present	0	0	0
Ms. Vinath Hegde	Independent Director	4	4	Present	0	0	0
Mr. Kashi Nath Chatterjee*	Independent Director	4	4	Present	0	0	0
Mr. Ajit B. Desai	Chief Executive Officer	4	4	Present	0	0	0
Mrs. Niki Shingade	Company Secretary	4	4	Present	0	0	0

Mr. Sandeep Sheth was appointed as an Additional Whole-time Director designated as Executive Director Finance of the Company w.e.f. 15th April, 2021 and as per the provisions of the Companies Act, 2013, his appointment was regularized by the shareholders at the Annual General Meeting held on 30th September, 2021.

#Mr. Sandeep Sheth tendered his resignation on 30th September, 2021 w.e.f. 14th October, 2021, Since the special resolution pertaining to his remuneration being dissented by majority of the shareholders in the Annual General Meeting held on 30th September, 2021. wherein Lenders played a major role being the holder of majority of shares. Hence he has attended only 2 (two) Board meetings held during the year i.e. 28th June, 2021 and 15th September, 2021.

***** Mr. Kashi Nath Chatterjee was appointed as an Additional director designated as Independent Director of the Company w.e.f. 03rd May, 2021 and as per the provisions of the Companies Act, 2013, his appointment was regularized by the shareholders at the Annual General Meeting held on 30th September, 2021.

e) Information to the Board

The Board Meetings are held at the Registered Office of the Company or within the city limits.However, during the period under review, the meetings were held through video conferencing/other audio visual means in compliance with the provisions of the Companies Act, 2013 and the applicable SEBI Circulars pursuant to the COVID outbreak. Agenda of the business to be transacted at each meeting is given to the Board in advance together with relevant information and explanations. The Board deliberates on every matter placed before it, before arriving at a decision/approving such matters. The Company Secretary and Compliance Officer conveys the decisions of the Board to the Senior Management to initiate action. The information as required under Part A to Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available to the Board. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year.

f) Familiarization Program for the Independent Directors

The Company has in place a system to familiarize its Independent Directors with the operations of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

All the Independent Directors are updated about the ongoing events and developments relating to the Company from time to time either through presentations at Board or Committee Meetings.

The Independent Directors also have access to any information relating to the Company, whenever they so request. In addition presentations are made to the Board and its committees where Independent Directors get an opportunity to interact with members of the senior management. The Independent Directors also have interaction with the Statutory Auditors, Internal Auditors, and External Advisors, if any, appointed by the Company at the meetings.

The details of the familiarisation programme for Independent Directors are available on the website of the Company at - http://www.gammonindia.com/investors/investors-downloads.htm

g) Independent Directors' Meeting

In terms of the Schedule IV to the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , Independent Directors of the Company are required to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of management.

During the year under review, Independent Directors of the Company met separately on 26th June, 2021 to , inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman of the Company (taking into account the views of other Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board of Directors to effectively and reasonably perform their duties

h) Board Confirmation regarding Independence of the Independent Directors

All the Independent Directors of the Company have given declaration/disclosures under section 149(7) of the Act have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Further, the Board after taking these declaration/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

i) Chart/Matrix setting out the skills/experiences/

In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Board of Directors has identified the following skills/expertise/competencies with reference to its Business and Industry that are fundamental for the effective functioning of the Company

Sr. No.	Skill Area
1.	Strategic Thinking, Planning and Management
2.	Leadership Traits
3.	Accounting and Financial Management expertise
4.	Expertise in Engineering and Construction, Infrastructure, Industrial Projects
5.	Expertise in Transportation - Road, Bridges, Metros and urban transport system
6.	Expertise in Hydro, Marine and Water projects
7.	Expertise in Nuclear Power and Special Projects
8.	Expertise in General Project Contracting
9.	Expertise in Commerce, Fund Management, Legal, Communication, Economics
10.	Information Technology/Digital Skills/additional skills

The Directors appointed on the Board are from diverse backgrounds and possess core skills/expertise/ competencies with regard to the industries/fields from where they have come.

J) Disclosures in relation to the Sexual Harassment of Women at Workplace

The Company has a well formulated Policy on Prevention & Redressal of Sexual Harassment. The objective of the Policy is to prohibit, prevent and address issues of sexual harassment at the workplace. The Policy covers all employees, irrespective of their nature of employment and is also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year 2021-22, no case of Sexual Harassment was reported.

3. BOARD COMMITTEES

In compliance with the requirements of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Board constituted / reconstituted the following committees:

(i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) Review Committee of Independent Directors.

The Board determines the constitution of the committees and the terms of reference for committee members including their roles and responsibilities.

a) Mandatory Committees

i. Audit Committee Composition

The Audit Committee as on 31st March, 2022 comprised of 4 (four) Independent Directors and 1 (one) Whole Time Director designated as Executive Director & Chief Financial Officer viz. (1) Mr. Soumendra Nath Sanyal (Chairman), (2) Mr. Ulhas Dharmadhikari (Member), (3) Mr. Anurag Choudhry (Member). (4) Mr. Kashi Nath Chatterjee (Member) and (5) Ms. Vinath Hegde (Member)

All the members of the Audit Committee are financially literate and have accounting related / financial management expertise.

The terms of reference of the Audit Committee which are consistent with Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are broadly as follows:

a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors,branch auditors, secretarial auditors and fixation of their remuneration

c) Approving the payments to statutory auditors for any other services rendered by them.

d) Reviewing with management the annual financial statements and auditor's report before submission to the board for approval, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board

Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- Any changes in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on exercise of judgments by management;
- Modified opinion(s) in draft audit report;
- Significant adjustments made in the financial statements arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with listing and legal requirements concerning financial statements;
- All Related Party Transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.

e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

h) approval or any subsequent modification of transactions of the listed entity with related parties;

i) scrutiny of inter-corporate loans and investments;

j) valuation of undertakings or assets of the listed entity, wherever it is necessary;

k) evaluation of internal financial controls and risk management systems;

l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) discussion with internal auditors of any significant findings and follow up there on;

o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) to review the functioning of the whistle blower mechanism;

s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

u) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

Audit Committee Meetings

During the Financial Year ended 31st March, 2022, the Audit Committee held 4 (four) meetings on28th June, 2021, 15th September, 2021, 12th November, 2021 and 23rd February, 2022.. Necessary quorum was present at all the meetings.

The details of meetings attended by the Members are given below:-

Name of the Member	No. of Audit Committee Meetings attended
Mr. Soumendra Nath Sanyal – Chairman	4
Mr. Anurag Choudhry – Member	4
Mr. Sandeep Sheth – Member#	2
Mr. Ulhas Dharmadhikari – Member	4
Mr. Kashi Nath Chatterjee – Member**	4
Ms. Vinath Hegde*	2

The Audit Committee meetings were held via video-conferencing in compliance with the provisions of SEBI Circulars pursuant to the COVID-19 outbreak and attended by invitation by the Finance Controllers, Representatives of the Statutory Auditors/Tax auditors and the Internal Auditors of the Company and various Business Heads.

#Mr. Sandeep Sheth was appointed as a member of the Audit Committee w.e.f. 28th June, 2021 and he thereafter tendered his resignation on 30th September, 2021 w.e.f. 14th October, 2021, since the special resolution pertaining to his remuneration was dissented by majority of the shareholders in the Annual General Meeting of the Company held on 30th September, 2021 wherein Lenders played a major role being the holder of majority of shares. Hence he has attended only 2 (two) Audit Committee meetings held during the year i.e. 28th June, 2021 and 15th September, 2021.

** Mr. Kashi Nath Chatterjee was appointed as a member of the Audit Committee w.e.f. 28th June, 2021.

*Ms. Vinath Hegde was appointed as a member of the Audit Committee w.e.f. 12th November, 2021. Hence she has attended only 2 (two) Audit Committee meetings held during the year i.e. 12th November, 2021 and 23rd February, 2022.

ii. Stakeholders' Relationship Committee

In order to ensure compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the role of Stakeholders Relationship Committee is to consider and resolve the grievances of all security holders of the Company including but not limited to complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.Composition

As on 31st March, 2022 the Stakeholders' Relationship Committee comprised of 2 (two) Non-Executive Independent Directors and 1(one) Whole-Time Director designated as Executive Director. viz (1) Mr. Soumendra Nath Sanyal (Chairman), (2) Mr. Ulhas Dharmadhikari (Member) and (3) Mr. Anurag Choudhry (Member).

Terms of reference

The Stakeholders Relationship Committee primarily attends to and resolves grievances of the Company's shareholders and other stakeholders.

Stakeholders' Relationship Committee Meetings

During the Financial Year ended 31st March, 2022 the Committee held 3 (three) meetings on 06th October, 2021, 18th November, 2021 and 21st January, 2022. Necessary quorum was present at all the meetings.

The minutes of the Stakeholders' Relationship Committee are reviewed and noted by the Board of Directors at their meeting. The details of the Committee meetings attended by the Members are given below:

Name of the Member	No. of Committee Meetings attended
Mr. Soumendra Nath Sanyal	3
Mr. Ulhas Dharmadhikari	3
Mr. Anurag Choudhry	3

Details of Investor Complaints

No queries/complaints were received by the Company from Investors as detailed below. As on 31st March, 2022, there were no pending letters / complaints. The status of Investors complaints received up to 31st March 2022 is as stated below:

No. of Complaints received during the financial year ended 31st March, 2022	2
No. of Complaints resolved as on 31st March, 2022	2
No of Complaints pending as on 31st March, 2022	Nil
No. of pending share transfers as on 31st March, 2022	Nil

Name, Designation and Address of Compliance Officer and Investor Relations Officer

Ms. Niki Shingade - Company Secretary

Gammon India Limited

Gammon House,

Veer Savarkar Marg,

Prabhadevi, Mumbai 400025

iii. Nomination & Remuneration Committee Composition

As on 31st March, 2022 the Nomination & Remuneration Committee comprised of 3 (three) Non-Executive Independent Directors viz. (1) Mr. Soumendra Nath Sanyal (Chairman) (2) Mr. Ulhas Dharmadhikari (Member) and(3) Ms. Vinath Hegde (Member).

Terms of reference

The role of the Nomination and Remuneration Committee is:

a) To identify persons who are qualified to become directors or who can be appointed in the senior management.

b) To formulate criteria for evaluation of Independent Directors and the Board.

c) To devise a policy on Board diversity.

d) To recommend the appointment / removal of directors or senior management personnel.

e) To carry out evaluation of every director's performance.

f) To formulate criteria for determining qualifications, positive attributes and independence of a director.

g) To recommend to the Board, policy relating to remuneration for the Directors, Key Managerial Personnel and other Senior Employees and to review the policy at regular intervals.

Nomination and Remuneration Committee Meetings

During the Financial Year ended 31st March, 2022, the Committee held 1 (One) meeting on 26th June, 2021.

Necessary quorum was present at all the meetings. The details of the Committee meetings attended by the Members are given below:

Name of the Member	No. of Committee Meetings attended
Mr. Soumendra Nath Sanyal	1
Mr. Ulhas Dharmadhikari	1
Ms. Vinath Hegde	1

Nomination and Remuneration Policy

The Nomination and Remuneration policy provides a framework for appointment of Directors, Key Managerial Personnel and Senior Management, their performance evaluation and fixing their remuneration based on their performance.

As per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , annual performance evaluation of the Independent Directors and Board was carried out by the Nomination and Remuneration Committee.

Details of Remuneration paid to Directors during the Financial Year ended 31st March, 2022

All Executive Directors are paid salary, allowances and perquisites while Non-Executive Independent Directors receive sitting fees for attending Board and Committee meetings. Further the Executive Directors is governed by an

Agreement entered into between the Company and the Managerial Personnel, the terms and conditions of which have been duly approved by the Board and the Shareholders and/or the Central Government of the Company wherever necessary.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the Financial Year ended 31st March, 2022 is as follows: -

(Amount in Rs)

Name of Director	**Mr. Anurag Choudhry Salary for the year ending 31st March, 2022**	**Mr Sandeep Sheth**
Salary	54,00,000	22,94,231
Perquisites *	--	--
Commission	--	--
Performance Linked incentives	--	--
Total	54,00,000	22,94,231
Tenure:		
From	01st April, 2021	15th April, 2021
To	31st March, 2022	14th October, 2021
Shares of ₹ 2/- each held as on 31st March, 2022	NIL	NIL

* Perquisites includes employers contribution to Provident Fund, Superannuation Fund and Gratuity for Directors.

Service Contract, Severance Fees & Notice Period

The terms of employment stipulate a notice period of 3 (three) months, for termination of appointment of Chairman & Managing Director and Executive Directors, on either side. There is no provision for payment of severance fees.

Sitting Fees to Non-Executive Independent Directors –

Independent Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Committee meetings. None of the Non-Executive Independent Directors have entered into any pecuniary transaction or have any monetary relationship with the Company.

Details of sitting fees paid/payable for attending Board and Committee Meetings during the Financial Year ended 31st March, 2022 are given below:

(Amount in Rs)

Name of Director	Board Meeting	Committee Meeting*	Total
Mr. Soumendra Nath Sanyal	72,000	90,000	162,000
Mr. Ulhas Dharmadhikari	72,000	90,000	162,000
Ms. Vinath Hegde	72,000	36,000	1,08,000
Mr. Kashi Nath Chatterjee	72,000	54,000	1,26,000

Note: includes Board Meeting, Audit Committee and Nomination & Remuneration Committee.

Details of Shareholding of Non-Executive Directors as on 31st March, 2022 in the Company is as under:

Name of Director	No of shares held	Percentage
Mr. Soumendra Nath Sanyal	Nil	Nil
Mr. Ulhas Dharmadhikari	Nil	Nil
Ms. Vinath Hegde	Nil	Nil
Mr. Kashi Nath Chatterjee	Nil	Nil

4. COMPANY POLICIES

The Board of Directors have approved and adopted the following policies which are hosted on the website of the Company viz. www.gammonindia.com

i. Policy on Related Party Transactions

ii. Policy on Material Subsidiaries

iii. Whistle Blower Policy

iv. Nomination & Remuneration Policy

v. Preservation of Documents & Archival Policy

vi. Policy on Determination of Materiality of Events or Information

vii. Insider Trading Prohibition Code

viii. Familiarisation Programme

ix. Prevention of Sexual Harassment Policy (POSH)

5. OTHER INFORMATION

a) The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is: L74999MH1922PLC000997.

b) Code of Conduct

The Company has laid down a Code of Conduct for all Board members and the Senior Management Personnel. The Code of Conduct is available on the Company's website viz. www.gammonindia.com. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chief Executive Officer forms part of this Report.

c) General Body Meetings

i. Location, Date and Time of Annual General Meetings held during the last 3 (three) years:

The Annual General Meeting of the Company for the financial year ended 31st March, 2021, financial year ended 31st March, 2020, and financial year ended 31st March, 2019 were held, as detailed below:

AGM	Financial year/Period	Date & Time	Venue
99th	31st March, 2021	30th September, 2021 at 2:00 p.m.	Video Conferencing and Other Audio Visual Means
98th	31st March, 2020	29th December, 2020 at 2:00 p.m.	Video Conferencing and Other Audio Visual Means
97th	31st March, 2019	14th December, 2019 at 3:00 p.m.	"Rachana Sansad College" 278, Shankar Ghanekar Road, Prabhadevi, Mumbai 400025

Special Resolutions passed in the previous three Annual General Meetings:

30th September, 2021	NIL
29th December, 2020	NIL
14th December, 2019	Special Resolution for appointment of Mr. Anurag Choudhry as Whole - Time Director designated as Executive Director and Chief Financial Officer of the Company w.e.f. 17th August, 2019 and approving his terms and conditions of appointment including remuneration.

No resolutions were passed via Postal Ballot during the Financial Year 1st April, 2021 – 31st March, 2022.

6. OTHER DISCLOSURES

i. Other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant Related Party Transactions i.e. transactions of material nature, with its Promoters, Directors or the Management, their Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

However the Company has annexed to the accounts a list of all related parties as per the Companies Act, 2013 and Accounting Standard 18 and the transactions entered into with them.

ii. There were NIL penalties paid/levied by the Stock Exchanges with respect to the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the previous 3 (three) Financial Years

iii. A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) along with shares held in physical form and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

iv. The Chief Executive Officer has certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO Certification for the period ended 31st March, 2022.

v. The Company has structured a Risk Management policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The risk framework covers the management's approach and initiatives taken to mitigate a host of business and industry risk by identifying such risks and redefining processes, decision making authorities, authorisation levels, risk and control documentation etc. and reviewing these periodically and details of the same are set out in the MDA which forms part of the Annual Report.

vi. The Company is striving to adopt the discretionary requirements set out in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enhance Corporate Governance.

7. MEANS OF COMMUNICATION

a. Financial Results: The Financial Results are published in two newspapers – one English language national daily newspaper and one Marathi language newspaper and also uploaded on the Company's website viz. www.gammonindia.com. The Company publishes the Quarterly and Annual Financial Results as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same are submitted to the Stock Exchanges and uploaded on the Company's Website.

b. News Releases, Presentations etc.: Official news releases, and all communications to Stock Exchanges are displayed on the Company's website viz. www.gammonindia.com. Official announcements are sent to the Stock Exchanges through online portals.

c. Website: The Company's corporate website www.gammonindia.com provides information about the Company's business.

d. Annual Report: Annual Report containing, inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information including Corporate Governance Report and the Management Discussion and Analysis (MDA) Report which forms part of the Annual Report is circulated to the members and uploaded on the Company's website.

8. MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

9. NON-MANDATORY REQUIREMENTS Subsidiary Monitoring Framework

All Subsidiaries of the Company are managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders.

10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the 100th Annual General Meeting	Friday, 30th September, 2022 at 2.30 p.m. via Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") pursuant to the AGM guidelines issued due to the COVID - 19 pandemic
Financial Calendar for the year Starting from 1st April, 2022 - 31st March, 2023 (Tentative)	Results for the quarter ending 30th June, 2022 - Second week of August, 2022. • Results for the half year ending 30th September, 2022 - Second week of November, 2022. • Results for the quarter ending 31st December, 2022 - Second week of February, 2023. • Results for the year ending 31st March, 2023 - Second week or last week of May, 2023
Date of Book Closure	23rd September, 2022 to 30th September, 2022
Listing on Stock Exchanges: Equity Shares	BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai-400 001. Telephone: 022 - 2272 1233 / 34; Facsimile: 022 - 2272 1919 (Security code - 509550) The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051. Telephone: 022- 2659 8100 / 8114; Facsimile: 022 – 2659 8137 / 8138 (Security code – GAMMONIND)
Listing Fees	For the Financial Year 2021-22, the Company has paid Listing Fees to the National Stock Exchange of India. However, due to technical difficulties the Bombay Stock Exchange of India (BSE) Limited has not yet provided the Invoice for the Financial year ended March 2022 and hence the payment is still pending to be remitted.
International Securities Identification No. (ISIN)	Equity: INE259B01020
Registrar & Share Transfer Agent	M/s. Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Telephone: 022-4918 6270 Facsimile: 022-4918 6060 e-mail : rnt.helpdesk@linkintime.co.in

Share Transfer System	Trading in Company's shares on the Stock Exchanges takes place in electronic form. However physical shares are normally transferred and returned within 15 days from the date of lodgment provided the necessary documents are in order. However the shares of the Company are suspended for trading from 23rd February, 2018 onwards.

MARKET PRICE DATA: Since the trading of the shares is suspended on both the stock exchanges where the shares of the Company are listed, this information is not available.

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022:

Shareholding of Shares	No. of Shareholders	% of Total Shareholders	Total Shares	% of Total Shares
Upto 500	28008	64.19	4779348	1.29
501 - 1000	6046	13.85	5231595	1.42
1001 - 2000	3907	8.95	6329923	1.71
2001 - 3000	1544	3.54	4065247	1.10
3001 - 4000	827	1.89	3026746	0.82
4001 - 5000	792	1.82	3810034	1.03
5001 - 10000	1373	3.15	10584696	2.86
10001 and above	1133	2.60	331745516	89.76
TOTAL	**43630**	**100**	**369573105**	**100**

DEMATERIALISATION OF SHARES AS ON 31ST MARCH 2022:

Particulars	No. of Equity Shares	% of Share Capital
NSDL	32,63,63,131	88.31
CDSL	3,48,45,359	9.43
Physical	83,64,615	2.26
Total*	**36,95,73,105**	**100.00**

** Total share capital includes 7,25,800 equity shares held in abeyance.*

Number of Shares held in Demat and Physical Mode:

13. TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2022

Sr. No.	Name of the Shareholder	Category	No. of shares	% of Shareholding
1	Canara Bank-Mumbai	Public	75511277	20.43
2	Punjab National Bank	Public	42960599	11.62
3	ICICI Bank Ltd	Public	39272129	10.63
4	Bank Of Baroda	Public	22104507	5.98
5	Indian Bank	Public	19974706	5.40
6	Pacific Energy Pvt Ltd	Promoter Group	17913015	4.85
7	IDBI Bank Ltd.	Public	14053827	3.80
8	Abhijit Rajan	Promoter	8172459	2.21
9	Devyani Estate And Properties Pvt Ltd	Promoter Group	7182805	1.94
10	Alok Choudhary	Public	5804680	1.57

LISTING OF DEBT SECURITIES

The Secured Redeemable Non-Convertible Debentures issued by the Company were listed on the Wholesale Debt Market (WDM) Segment of The National Stock Exchange of India Limited (NSE). However pursuant to the SDR invoked by the Lenders of the Company, the NCD's were re-structured and partly transferred to other demerged companies.

15. DETAILS OF ONGOING PROJECT SITES –

Sr. No.	Name of the Project
1	Package ANV2: Construction of Viaduct Including Related Works for 5.27Km length, Kolkata Metro.
2	Kaleshwaram Project, Package Number 19, Investigation, Design and execution of water conveyor system with a capacity of 84.21 Cumecs from Tipparam Reservoir main canal – Reach - III with all associated works such as lined gravity canal, CM & CD works including distributor system. Of 25000 acres from Muhannabad (V) to Cheriyal (V) from Km 70.00 to Km 96.00.
3	Balance work of Regional Water supply scheme of 199 villages and their habitation of P.S. Jawaja, Tehsil Beawar, District Ajmer on Flouride Control Project on single responsibility turnkey Basis, i.e. Design ,Build, and 1 year defect liability and 9 years Operation & Maintenance

ADDRESS FOR CORRESPONDENCE

Registered Office:

Floor 3rd, Plot No. 3/8, Hamilton House,

J.N. Heredia Marg, Ballard Estate, Mumbai - 400 038. Telephone : 022 - 22705562.

Website : www.gammonindia.com Email : investors@gammonindia.com

17. CATEGORIES OF SHAREHOLDERS: (AS ON 31ST MARCH 2022)

Sr. No	Category	No. of shares	Percentage
	Promoter Holding		
1	Resident	3,95,70,719	10.71
2	Non-Resident	30,86,435	0.84
	Non Promoter Holding		
3	Mutual Fund & UTI	100	0.00
4	Corporate Bodies	66,86,445	1.81
5	Banks, Financial Institutions, State & Central Govt.	23,26,57,974	62.95
6	Foreign Institutional Investors	1,39,302	0.04
7	NRIs / OCBs / Foreign Nationals / GDRs	70,61,109	1.91
8	Indian Public & Others	8,03,71,021	21.75
	GRAND TOTAL	**36,95,73,105**	**100.00**

*** Total share capital includes 7,25,800 equity shares held in abeyance.**

18. DISCLOSURE REGARDING COMPLIANCE WITH CORPORATE GOVERNANCE

The disclosures regarding compliance with Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made in the Corporate Governance Report. The Company has obtained Certificate from M/s. V. V. Chakradeo & Co. Practising Company Secretary (COP - 1705) regarding compliance with the conditions of Corporate Governance, which is annexed to this Report.

To,

The Members of Gammon India Limited

DECLARATION BY THE CEO UNDER REGULATION 26(3) READ WITH SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

I, Mr. Ajit B. Desai – Chief Executive Officer of Gammon India Limited, hereby declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company applicable to them for the Financial Year ended 31st March, 2022.

For **Gammon India Limited**

Date: 10th August, 2022 | **Ajit B. Desai**
Place: Mumbai | **Chief Executive Officer**

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,

The Members of Gammon India Limited

We have examined the compliance of conditions of Corporate Governance by Gammon India Ltd. (the Company'), for the Financial Year ended 31st March, 2022, as stipulated in the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify, that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

i. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty-five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable. The Company had delayed the submission of the financial statements:

   The Standalone Results for June 2021 were published and filed with the Stock Exchanges on 15th September, 2021 and for December 2021 were published and filed with the Stock Exchanges on 23rd February, 2022. The Consolidated Results for June 2021, September 2021 and December 2021 were published and filed with the Stock Exchanges on 23rd February, 2022.

ii. As per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was a delay in submission of Shareholding Pattern for the Quarter ended 31st March, 2022. The same was communicated to the Stock Exchanges and thereafter the shareholding pattern was submitted on 06th May, 2022.

iii. As per Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was a delay in submission of Investor Grievance Report for the Quarter ended 31st March, 2022. The same was communicated to the Stock Exchanges and submitted on 09th May, 2022.

iv. As per Regulation 55A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was a delay in submission of Reconciliation of Share Capital Audit Report for the Quarter ended 31st March, 2022. The same was communicated to the Stock Exchanges and submitted on 09th May, 2022.

v. As per Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was identified among the top 2000 Listed entities with effect from as per the list published by BSE and NSE, however, the number of the Board members of the Company are less than six Directors. However, the Company is currently in the process to appoint suitable candidates for the abovementioned position.

For V. V. Chakradeo & Co.,
Company Secretary

Date: 10th August, 2022
Place: Mumbai

V. V. Chakradeo
COP 1705
UDIN number F003382D000775802

STANDALONE
FINANCIAL
STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Gammon India Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone Financial Statements of Gammon India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a) We invite attention to note no. 7 (a) of the financial statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2022 is ₹ 231.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert, on the recovery of the claims. 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 statement for the year ended March 31, 2022.

b) We invite attention to note no. 7(b) of the financial statement relating to the claim of CMRL project wherein the Company has retained the claim at an amount of ₹ 532 crores after writing off the amounts previously estimated and not accepted. This amount includes an amount of ₹123.08 crores which is subject matter of appeal arising from the award. The award is in the name of joint venture as detailed in the note. Pending the final fructification of the award amount pending and the settlement of the JV proceeds as detailed in the aforesaid note we are unable to opine whether the entire amount will be to the account of the Company.

c) We invite attention to note no. 4(a)(iii) of the financial statement relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 321.58 crores in respect of disputes in six 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

d) We invite attention to note no. 37 of the financial statement 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 ₹ 100 crores against the exposure of ₹ 361.93 crores. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The auditor of the subsidiary has also made an Emphasis of Matter on the realisability of its inventory amounting to ₹ 822 crores as at March 31, 2022 and also highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2022. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the balance exposure of ₹ 261.93 crores

e) We invite attention to note no 26 of the financial statement relating to penal interest and charges of ₹76.07 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 324.65 crores up to March 31, 2022. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. Pending the conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Financial Statements.

Material Uncertainty relating to Going Concern.

We invite attention to the note no. 36 of the financial statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous years recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets by ₹ 8498.12 crores as at March 31, 2022. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. The trading in equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The Company's resolution plan has found favour with seven lenders as detailed in the note no. 36 but the final approval of all lenders and the execution of the plan and its success involves 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 conclusion, we draw attention to the following matters;

a) We draw attention to Note no 4 (a) (i) & (ii) of the financial statement relating to recoverability of an amount of ₹ 146.64 crores as at March 31, 2022 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 ₹ 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 no 4 (a) (iv) of the financial statement relating to the projects of real estate sector where the exposure is ₹ 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Apart from what is mentioned in our paragraph titled Basis of Qualified Opinion and paragraph titled Material Uncertainty related to Going Concern there are no other matters described to be the key audit matters to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Board's report including the Directors Report, Chairman's Statement, Management Discussions and Analysis, Summarized Financial Information, Corporate Governance and Shareholder's Information but does not include the Standalone Financial Statements and our Independent Auditors' Report thereon. Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Other Information has not been made available to us till the date of this report. We will read the Other Information as and when it is made available to us and if conclude that there is a material misstatement, we are required to communicate the matter with those charged with governance and take necessary steps as may be required thereafter.

Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 Statement 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 Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. The matters described in paragraphs under the Basis for Qualified Opinion and the Material Uncertainty related to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, all the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.

h. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   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 standalone financial statements – Refer Note 33 to the standalone financial statements,

      ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses,

      iii. The Company has to transfer amount of ₹ 0.54 Cr, to the Investor Education and Protection Fund.

      iv. a. The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity(ies), including foreign entities (“intermediaries”) with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

         b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

         c. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

      v. No dividend is declared or paid during the year by the company.

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

K N Padmanabhan
Partner
M. No. – 036410

Mumbai, Dated: June 21, 2022
UDIN: 22036410ALJMXT7953

ANNEXURE A

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

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

(B) The company does not have any intangible asset therefore clause 3(i)(a)(B) is not applicable.

a. Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification except assets at some of their terminated sites where the access to the assets are presently restrained and the matter is under dispute. The total value of assets at such sites is ₹ 2.02 crores (Net WDV).

b. 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..

c. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

d. On the basis of information and explanation given, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder..

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventories at terminated sites valued at ₹ 3.63 crores. In our opinion, the frequency of such verification is reasonable On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and discrepancy noted were in excess of 10% in aggregate for each class of inventory and have been properly dealt with in the books of accounts of the Company.

(b) In our opinion and on the basis of examination of books and records and on the basis of information and explanation given to us the Company has been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the company has not filed quarterly returns or statements of current assets with banks or financial institutions as the entire facilities from the lenders have become Non Performing Assets in the month June'17 and the Lenders have recalled all the loans and during the year no new working capital limit was sanctioned.

(iii) (a) In our opinion and on the basis of examination of books and records and on the basis of information and explanation given to us the Company has made investments in companies, firms, Limited Liability Partnerships. The Company has also provided guarantee or security or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties details of which are given hereunder:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted /provided during the year	-	-	₹ 36.29 Cr	-
- Subsidiaries	-	-	₹ 36.29 Cr	-
- Joint Ventures	-	-		
- Associates	-	-		
- Others	-	-		
Balance outstanding as at balance sheet date in respect of such cases				
- Subsidiaries	₹1651.58 Cr	-	₹ 3138.86 Cr	-
- Joint Ventures	-	-	₹ 406.63 Cr	-
- Associates	₹ 223.56 Cr	-	₹ 1.54 Cr	-
- Others	-	-	₹ 52.40 Cr	-

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that in respect of the loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest have not been stipulated.

(d) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that no amount is overdue for more than ninety days, since there are no stipulated repayment schedule for loans and advances.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except as under:

	All Parties	**Promoters**	**Related Parties**
Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	**-**	**-**	- ₹ 3547.03 crores
Total (A+B)			**₹ 3547.03 crores**
Percentage of loans/ advances in nature of loans to the total loans			98.54%

(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 of loans given, investment made, guarantees and security given.

(v) The Company has not accepted deposits from the public or amounts that are deemed to be deposits pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal in respect of the said sections.

(vi) 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 Goods and Services Act, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues to the appropriate authorities during the year. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are no undisputed amount which were outstanding as at March 31, 2022 for a period of more than six months from the date they became payable except as given below:

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Due date	Date of payment
Professional Tax act	Profession Tax	0.13	Prior to April 21	Prior to April 21	-
Professional Tax act	Profession Tax	0.06	Prior to Sep 21	Prior to Sep 21	
Goods and service tax act 2017	Custom Duty Draw Back	2.07	Prior to April 21	Prior to April 21	
Goods and service tax act 2017	Works Contract Tax	0.67	Prior to April 21	Prior to April 21	
Goods and service tax act 2017	Sales tax payables	0.05	Prior to April 21	Prior to April 21	
Employee provident fund act 1952	Provident fund	0.13	Prior to April 21	Prior to April 21	
Employee provident fund act 1952	Provident fund	0.06	Prior to Sep 21	Prior to Sep 21	
Income tax act 1961	Tax Deducted at source	0.72	Prior to Sep 21	Prior to Sep 21	
Income tax act 1961	Tax Collected at source	0.01	Prior to Sep 21	Prior to Sep 21	
Goods and service tax act 2017	Goods and Service tax	1.03	Prior to Sep 21	Prior to Sep 21	

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except as given below:

Name of statute	State	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act 1961		Income Tax Assessment Order u/s 271(1)(c)	44.26	A.Y. 2007-08 to A.Y. 2011-12	CIT Appeal
The Income Tax Act 1961		Income Tax Assessment Order U/s 143(3)	63.32	A.Y. 2007-08 to A.Y. 2011-12	ITAT Appeal
The Income Tax Act 1961		Income Tax Assessment Order U/s 143(3)	15.00	AY 2012-13	CIT Appeal
The Income Tax Act 1961		Income Tax Assessment Order U/s 143(3)	1.14	AY 2017-18	CIT Appeal
The Income Tax Act 1961		Income Tax Assessment Order U/s 271AAA	11.94	AY 2010-11	CIT Appeal
The Income Tax Act 1961		Income Tax Assessment Order U/s 143(1)	0.03	AY 2019-20	CIT Appeal
The Income Tax Act 1961		Income Tax Assessment Order U/s 143(3)	2.13	AY 2013-14	CIT Appeal
The Income Tax Act 1961		TDS Intimation U/s 200A	9.00	AY 2007-08 to AY 2021-22	Not yet filed
The Income Tax Act 1961		TDS Intimation U/s 200A	0.07	A.Y. 2008-09 to A.Y. 2021-22	Not yet filed
		Total	**146.89**		
Sales Tax Act	Andhra Pradesh	Reassessment matter	0.04	2001-02	High Court
Sales Tax Act	Andhra Pradesh	Tax levied. Rule 6(3)(i)	2.10	2002-03	Tribunal / High Court
Sales Tax Act	Andhra Pradesh	Tax levied. Rule 6(3)(i)	1.64	2003-04	Tribunal / High Court
Sales Tax Act	Andhra Pradesh	Disallowance of Interstate purchase	0.24	2005-07	High Court
Sales Tax Act	Andhra Pradesh	Levy of Penalty	1.89	2005-07	High Court
Sales Tax Act	Uttar Pradesh	Taxes levied and denial of benefit of sec 3G and 3F2 b (1)	1.83	2003-04	Hon'ble High Court of Allahabad
Sales Tax Act	Uttar Pradesh	Taxes Levied and denial of Benefit of sec 3G and 3F2 b (1)	1.89	2004-05	Hon'ble High Court of Allahabad
Sales Tax Act	Uttar Pradesh	Taxes Levied and denial of Benefit of sec 3G and 3F2 b (1)	7.06	2005-06	Hon'ble High Court of Allahabad
Sales Tax Act	Uttar Pradesh	Taxes Levied and denial of Benefit of sec 3G and 3F2 b (1)	1.79	2006-07	Hon'ble High Court of Allahabad
Sales Tax Act	Uttar Pradesh	Taxes Levied and denial of Benefit of sec 3G and 3F2 b (1)	0.29	2007-08	AC Appeal
Sales Tax Act	Maharashtra	Denial of deduction on Pre cost component	0.06	1993-94 to 1994-95	Tribunal / A C Appeal
Sales Tax Act	Maharashtra	Rate Difference – WCT	0.03	2000-01	Tribunal
Sales Tax Act	Maharashtra	Sales-In-Transit (I.E. 6(2) Sales disallowed)	4.72	2013-14	Jt. Appeal I
Sales Tax Act	Maharashtra	Disallowance of WCT & BST	5.81	2000 to 2002	Jt. Appeal / Tribunal

Name of statute	State	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Orissa	Lab. and Service Charges disallowed	0.11	1992-93 to 1999-00	A C Appeal
Sales Tax Act	Orissa	Various disallowance	0.11	2001-02	A C Appeal
Sales Tax Act	West Bengal	Tax demand	6.24	1997-98, 2009-10, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax Act	West Bengal	Tax demand	0.38	2008-09	Revision Board
Sales Tax Act	West Bengal	Tax demand	2.39	2007-08	Tribunal
Sales Tax Act	West Bengal	Tax Demand	0.63	2007-08 (CST)	Tribunal
Sales Tax Act	Rajasthan	Increase in EC Fees	0.05	2007-08	Tax Law Board – Ajmer
Sales Tax Act	Assam	Tax demand	0.60	2004-05	Revisional Board
		Total	**39.89**		
The Finance Act 1994		Service Tax	1.73	August, 2012 to January, 2016	CESTAT Mumbai
The Finance Act 1994		Service Tax	0.51	April 2010 to March 2015	CESTAT Mumbai
		Total	**2.24**		

(viii) According to the information and explanations given to us and to the best of our knowledge and belief there are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)..

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the company has defaulted in servicing interest and principal repayment due to debenture holders, financial institutions and banks. The borrowings have 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 ₹ 3813.58 crores. Details are disclosed in statement 1. 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 are shown in statement 2.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, During the year the company has not obtained any money by way of term loans during the year.

(d) According to the information and explanations given to us, and the audit procedures performed by us, and on an overall examination of the financial statements of the company, we report that no fresh funds were raised on short-term basis during the year and therefore clause 3(ix)(d) of the Companies (Auditors Report) Order 2020 is not applicable to the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and audit procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and based on the audit procedures performed we report that the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year under review.

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

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the company.

(c) According to the information and explanations given to us and to the best of our knowledge and belief no whistle-blower complaints have been received during the year by the company.

(xii) The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii) (b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

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

(xiv) (a) In our opinion and based on our examination, the company's internal audit system is not commensurate with the size and nature of it business.

(b) We have considered the internal audit reports for the year under audit, issued to the company by the in-house internal audit department during the year and till the date of the report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company .

(xvi) (a) 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 and hence sub-clause 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

(d) According to the information and explanations given to us, in our opinion during the year, the Group does not have any CICs as part of the Group

(xvii) On an examination of the Statement of Profit and Loss account, we are of the opinion that the Company has incurred cash losses of ₹ 1206.94 crores in current financial year and ₹ 795.84 crores in the immediate previous financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (3)(xviii) Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and also our paragraph on material uncertainty relating to going concern casting significant doubts, we are of the opinion that there exists material uncertainties in the management assumptions relating to the company's capability of meeting the financial liabilities existing as at the Balance sheet date as and when they fall due within next 12 months which casts significant doubts on the management ability to meet the liabilities as and when they fall due.

(xx) The Company is not required to spend towards Corporate Social Responsibility (CSR) for the year under audit and hence sub-clauses (3)(xx)(a) and 3(xx)(b) of The Companies (Auditors Report) Order 2020 is not applicable to the Company.

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

K N Padmanabhan
Partner
M. No. – 036410

Mumbai, Dated: June 21, 2022
UDIN: 22036410ALJMXT7953

Annexure - B to the Auditors' Report

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 Standalone Financial Statements of Gammon India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 Standalone 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 with reference to Financial Statements 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 operating effectiveness. Our audit of internal financial controls with reference to Standalone 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 with reference to Financial Statements

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 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 affected due to severe manpower issues affecting timely preparation of financial statements.

b) Our 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, 2022, 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
M. No. – 036410

Mumbai, Dated: June 21, 2022
UDIN: 22036410ALJMXT7953

Statement -1

Interest Default as at March 31st, 2022, referred to In Para (ix) of The Annexure to Auditors' Report

Nature of borrowing including debt securities	Name of the Lender	Amount not paid on due date (₹ in crores)	Whether Principal or Interest	No. of Delays
Term Loan	Indian Bank	141.79	Principal	More than 365 Days
Term Loan and working capital	Bank of Baroda	545.57	Principal	More than 365 Days
Term Loan	Bank Of Maharashtra	132.48	Principal	More than 365 Days
Term Loan and working capital loan	Canara Bank	651.66	Principal	More than 365 Days
Non-Convertible debenture	Central Bank of India	17.34	Principal	More than 365 Days
Term Loan and working capital loan	DBS Bank	101.93	Principal	More than 365 Days
Non-Convertible debenture	GIC	31.19	Principal	More than 365 Days
Term Loan and working capital loan	ICICI Bank	217.13	Principal	More than 365 Days
Term Loan and working capital loan	IDBI Bank	811.39	Principal	More than 365 Days
Non-Convertible debenture	Indian Bank	8.67	Principal	More than 365 Days
Non-Convertible debenture	Karnataka Bank	8.68	Principal	More than 365 Days
Non-Convertible debenture	Life Insurance Corporation	178.44	Principal	More than 365 Days
Term loan and working capital loan	Punjab National Bank	527.25	Principal	More than 365 Days
Term Loan	UCO Bank	177.82	Principal	More than 365 Days
Non-Convertible debenture	United India Insurance	17.84	Principal	More than 365 Days
Non-Convertible debenture	Union Bank of India	244.40	Principal	More than 365 Days
	Total	**3813.58**		

Statement -2

Interest Default as at March 31st, 2022, referred to In Para (ix) of The Annexure to Auditors' Report

Nature of borrowing including debt securities	Name of the Lender	Amount not paid on due date (₹ in crores)	Whether Principal or Interest	No. of Delays
Term loan	Indian Bank	1.35	Interest	From 1 to 365 days
Term loan	Indian Bank	20.66	Interest	More Than 365 days
Term loan	Bank of Baroda	13.54	Interest	More Than 365 days
Term loan	Bank of Maharashtra	0.96	Interest	From 1 to 365 days
Term loan	Bank of Maharashtra	26.85	Interest	More Than 365 days
Term loan	Canara Bank	137.59	Interest	From 1 to 365 days
Term loan	Canara Bank	478.14	Interest	More Than 365 days
Term Loan	DBS Bank	7.77	Interest	From 1 to 365 days
Term Loan	DBS Bank	52.41	Interest	More Than 365 days
Term Loan	ICICI Bank	33.59	Interest	More Than 365 days
Term Loan	IDBI Bank	73.14	Interest	More Than 365 days
Term Loan	Punjab National Bank	35.09	Interest	From 1 to 365 days
Term Loan	Punjab National Bank	363.69	Interest	More Than 365 days
Term Loan	Union Bank of India	49.66	Interest	More Than 365 days
Term Loan	UCO Bank	36.35	Interest	More Than 365 days
Non-Convertible Debenture	Central Bank of India	1.82	Interest	From 1 to 365 days
Non-Convertible Debenture	Central Bank of India	9.68	Interest	More Than 365 days
Non-Convertible Debenture	GIC	3.10	Interest	From 1 to 365 days
Non-Convertible Debenture	GIC	16.11	Interest	More Than 365 days
Non-Convertible Debenture	Indian Bank	0.90	Interest	From 1 to 365 days
Non-Convertible Debenture	Indian Bank	4.79	Interest	More Than 365 days
Non-Convertible Debenture	Karnataka Bank	0.91	Interest	From 1 to 365 days
Non-Convertible Debenture	Karnataka Bank	4.87	Interest	More Than 365 days
Non-Convertible Debenture	LIC	18.54	Interest	From 1 to 365 days
Non-Convertible Debenture	LIC	95.71	Interest	More Than 365 days
Non-Convertible Debenture	United Insurance	1.70	Interest	From 1 to 365 days
Non-Convertible Debenture	United Insurance	8.61	Interest	More Than 365 days
	Total	**1497.53**		

Balance Sheet as at 31, March 2022

(All figures are in ₹ in crores unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	412.11	418.07
(b) Capital work-in-progress		-	-
(c) Financial assets			
(i) Investments	3	121.67	121.67
(ii) Trade receivable	4	204.93	283.37
(iii) Loans	5	657.51	724.77
(iv) Others	6	107.02	93.44
(d) Deferred tax assets (net)		-	-
(e) Other non-current assets	7	1,199.34	1,387.00
TOTAL NON-CURRENT ASSETS		**2,702.58**	**3,028.32**
CURRENT ASSETS			
(a) Inventories	8	32.71	33.13
(b) Financial assets			
(i) Investments	3	0.03	0.05
(ii) Trade receivables	4	31.16	26.23
(iii) Cash and cash equivalents	9	0.01	0.02
(iv) Bank balances	9	10.26	7.76
(v) Loans	5	0.27	3.07
(vi) Others	6	29.85	28.96
(c) Current tax assets (net)		-	-
(d) Other current assets	7	95.50	104.74
TOTAL CURRENT ASSETS		**199.79**	**203.96**
TOTAL ASSETS		**2,902.37**	**3,232.28**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	74.11	74.11
(b) Other equity	11	(6,067.21)	(4,981.48)
TOTAL EQUITY		**(5,993.10)**	**(4,907.37)**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	-	-
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	13	-	-
- Total outstanding dues to other than Micro and Small Enterprises	13	11.96	12.74
(iii) Other financial liabilities	14	12.00	12.00
(b) Provisions	15	0.60	0.53
(c) Deferred tax liabilities (net)	16	104.34	103.14
(d) Other non-current liabilities	17	68.66	70.63
TOTAL NON-CURRENT LIABILITIES		**197.56**	**199.04**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	19	0.34	0.24
- Total outstanding dues to other than Micro and Small Enterprises	19	97.15	105.05
(iii) Other financial liabilities	20	8,114.47	7,334.79
(b) Other current liabilities	21	36.14	62.26
(c) Provisions	15	449.81	438.27
(d) Current tax liabilities (net)		-	-
TOTAL CURRENT LIABILITIES		**8,697.91**	**7,940.61**
TOTAL EQUITY AND LIABILITIES		**2,902.37**	**3,232.28**

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Statement of Profit and Loss for the year ended 31 March 2022

(All figures are in ₹ in crores unless otherwise stated)

	Particulars	Note No.	April 2021- March 2022	April 2020 - March 2021
I	Revenue from Operations	22	27.66	52.84
II	Other Income	23	25.27	33.38
III	**Total Income**		**52.93**	**86.22**
IV	**Expenses:**			
	Cost of material consumed	24	12.11	13.98
	Subcontracting Expenses		14.29	32.10
	Employee benefits expense	25	8.09	7.44
	Finance Costs	26	721.90	605.96
	Depreciation & amortization	27	3.61	9.01
	Other expenses	28	246.72	41.34
	Total Expenses		**1,006.72**	**709.83**
V	**Profit/(Loss) before exceptional items and tax**		**(953.79)**	**(623.61)**
VI	Exceptional items Income / (Expense)	29	(130.76)	(95.56)
VII	**Profit / (Loss) before tax**		**(1,084.55)**	**(719.17)**
VIII	**Tax expenses**	30		
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	(2.27)
	Deferred Tax Liability / (asset)		1.20	(0.05)
	Total tax expenses		**1.20**	(2.32)
IX	**Profit / (Loss) for the year**		**(1,085.75)**	**(716.85)**
X	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss			
	Re-measurement of net defined benefit plans		0.02	0.10
	Net gain/ loss on equity instrument through OCI		-	-
			0.02	**0.10**
XI	**Total Comprehensive Income / (Loss) for the period**		**(1,085.73)**	**(716.75)**
XII	Earnings per equity share of the face value of ₹ 2 each	31		
	Basic		**(29.44)**	**(19.43)**
	Diluted		**(29.44)**	**(19.43)**

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Cash Flow Statement for the year ended 31 March 2022

(All figures are in ₹ in crores unless otherwise stated)

Particulars		2021- 2022	2020-2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax and Extraordinary Items	**(1,084.55)**	**(719.17)**
	Adjustments for :		
	Depreciation	3.61	9.01
	(Profit) / Loss on Sale of Assets	0.17	(1.68)
	Net (Profit)/loss on financial asset through FVTPL	0.02	-
	(Profit) / Loss on Sale of Investments	-	4.98
	Interest Expenses	721.90	605.96
	Provision for Doubtful Debts and Advances	2.02	6.04
	Foreign Exchange Loss / (Gain)	2.72	1.57
	Interest Income	(11.45)	(11.54)
	Exceptional Items	130.76	95.56
	Loss on recognition of Award	225.79	-
	Assets w/off	-	1.37
	Write off of Contract Assets	-	7.26
	Sundry Balances Written off	2.23	3.54
	Sundry Balances Written Back	(6.68)	(7.92)
	Operating Profit Before Working Capital Changes	**(13.46)**	**(5.02)**
	Adjustment for changes in Working Capital :		
	Trade and Other Financial Receivables	2.38	26.55
	Inventories	0.42	5.79
	Trade Payables and Provision	(1.74)	(7.66)
	Other Financials and Non Financial Assets	11.44	1.03
	Other financial liabilities	0.95	(12.47)
	Other non-financial liabilities	1.47	(9.13)
	CASH GENERATED FROM THE OPERATIONS	1.46	(0.91)
	Direct Taxes Paid / (Refund)	1.16	(0.10)
	Net Cash from Operating Activities	**0.30**	**(0.80)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from Sales PPE and CWIP	2.17	4.46
	Sale of Investments	-	0.05
	Loan given to Subsidiary and others	-	1.81
	Other Bank Balance	(2.50)	-
	Interest received	0.02	0.41
	Net Cash from Investing Activities	**(0.31)**	**6.72**

Cash Flow Statement for the year ended 31 March 2022

(All figures are in ₹ in crores unless otherwise stated)

Particulars		2021- 2022	2020-2021
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	-	(2.09)
	Net proceeds from Short term Borrowings	-	-
	Net Cash from Financing Activities	**-**	**(2.09)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**(0.01)**	**3.83**
	Opening Balance	**0.02**	**3.37**
	Closing Balance	**0.01**	**7.20**
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**(0.01)**	**3.83**
	Components of Cash and Cash Equivalents		
	Cash on Hand	0.01	0.04
	Balances with Bank	-	7.18
	Total Balance	**0.01**	**7.22**

Note: Figure in brackets denote outflows

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

For and on behalf of the Board of Directors
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Anurag Choudhry
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Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Notes to Financial Statements for the year ended March 31, 2022

Statement of Changes in Equity for the period ended March 31, 2022

(All figures are in ₹ in crores unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2022		March 31, 2021	
	Number of Shares	₹ in crores	Number of Shares	₹ in crores
Subscribed and Fully Paid up Capital				
Equity shares of INR 10 each				
Opening Balance	36,88,47,305	73.77	36,88,47,305	73.77
Changes in equity share capital during the year	-	-	-	-
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 ₹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	General Reserve	Promoters Contribution	Treasury Shares	Net gain/ (loss) on fair value of equity instruments	Total
Balance as at 31 March 2020	**(6,188.19)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**2.35**	**(4,264.73)**
Profit /(loss)for the year	(716.85)									**(716.85)**
Re-measurement of net defined benefit plans	0.10									**0.10**
Fair Valuation of Investment carried at FVTOCI										**-**
Balance as at 31 March 2021	**(6,904.93)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**2.35**	**(4,981.48)**
Profit /(loss)for the year	**(1,085.75)**									**(1,085.75)**
Re-measurement of net defined benefit plans	**0.02**									**0.02**
Fair Valuation of Investment carried at FVTOCI										
Balance as at 31 March 2022	**(7,990.66)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**2.35**	**(6,067.21)**

(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 ₹ 43.25 crores (PY: ₹ 43.25 crores) being 15% of the amount of Debenture due for redemption as at March 2022 as required by the aforesaid Circular in view of the financial crunch faced by the Company. Since the entire facility is recalled by the lenders the entire amount of Non Convertable Debenture is considered as current and 15% of earmarked fund is calculated on the entire amount.

(d) Capital Reserve

Pursuant to a Scheme of Arrangement between the Company, Transrail Lighting Limited (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 and in accordance with the directions of the National Company Law Tribunal ("NCLT") the Company has recorded the fair value of the consideration received from TLL by way of 725,000 Equity Shares issued by TLL as Non-Current Investments and has derecognised book values of the assets and liabilities of retained T&D Undertaking transferred to TLL. The resultant difference of ₹ 11.52 crores has been credited to Capital reserve account.

(e) Promoters Contribution

The Company had pursuant to the Shareholders approval in May, 2015, received ₹ 100 crores to issue Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD's") 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.

(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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

For and on behalf of the Board of Directors
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Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2022

A. 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 Promoter Mr. 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

The Financial Statements are approved for issue by the Company's Board of Directors in the meeting held on June 21, 2022

B. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022 MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definition of assets and liabilities at the acquisition date in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

ii) Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sales proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company does not expect the amendment to have any material impact in its recognition of its property, plant and equipment in its financial statements.

iii) Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ₹10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

iv) Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of lease hold improvement by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact on its financial statements.

C. 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 realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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 crores, except otherwise indicated.

ii) Revenue Recognition

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for construction of highways, water pipeline projects construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

Construction Activity

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services

The Companies performance creates or enhances an asset that the customer controls as the asset is created or enhanced and as per the terms of the contract, the Company has an enforceable right to payment for performance completed till date. Hence the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The Company recognises revenue at the transaction price which is determined on the basis of agreement entered into with the customer. The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation.

Measurement of performance obligation

The Company uses cost based input method for measuring progress for performance obligation satisfied over time. Under this method, the Company recognises revenue in proportion to the actual project cost incurred as against the total estimated project cost. The management reviews and revises its measure of progress periodically and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

Contract costs

Costs related to work performed in projects are recognised on an accrual basis. Costs incurred in connection with the work performed are recognised as an expense.

Provision for future losses

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Contract balances

Contract assets

A contract asset is recognised for amount of work done but pending billing/acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets as stated in notes to financial statement.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received advance payments from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration received.

Turnover

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

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Other Revenues

All other revenues are recognized on accrual basis

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.

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) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

viii) 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 valued at net of 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.

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

Real Estate : Work In Progress on construction contracts reflects value of land, material inputs and project expenses.

Other -Scrap Material - At 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.

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) **Earnings 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) 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,

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.

xvii) 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.

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.

xviii) Financial instruments

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.

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:

- the12-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 analysed.

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.

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:

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.

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.

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.

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 de-recognition 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.

III. 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

IV. 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 re-measured 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.

xix) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

xx) 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.

2 **Property, Plant and Equipment and Intangible assets**

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

Tangible Assets *(All Figures are in ₹ in crores unless otherwise stated)*

Particulars	Leasehold Land*	Freehold Property*	Plant & Machinery	Motor Vehicles	Office Equipment's	Furniture & Fixtures	Total
GROSS BLOCK							
As at 01 April 2020	393.14	41.71	105.30	2.24	0.79	0.46	**543.64**
Additions	-	-	-	-	0.01	-	**0.01**
Disposals/Adjustments	-	-	13.84	0.64	-	-	**14.48**
As at 31 March 2021	**393.14**	**41.71**	**91.46**	**1.60**	**0.80**	**0.46**	**529.17**
Additions	-	-	-	-	0.01	-	**0.01**
Disposals/Adjustments	-	-	13.04	0.08	-	-	**13.12**
As at 31 March 2022	**393.14**	**41.71**	**78.42**	**1.52**	**0.81**	**0.46**	**516.06**
DEPRECIATION							
As at 01 April 2020	-	31.39	79.41	2.10	0.77	0.46	**114.13**
Charge for the Year	-	0.83	8.14	0.04	0.01	-	**9.02**
Disposals/Adjustments	-	-	11.45	0.61	-	-	**12.06**
As at 31 March 2021	**-**	**32.22**	**76.11**	**1.53**	**0.78**	**0.46**	**111.10**
Charge for the Year		0.83	2.77	-	0.01	-	**3.61**
Disposals/Adjustments		-	10.69	0.07	-	-	**10.76**
As at 31 March 2022	**-**	**33.05**	**68.19**	**1.46**	**0.79**	**0.46**	**103.95**
NET BLOCK							
As at 31 March 2021	**393.14**	**9.49**	**15.36**	**0.07**	**0.02**	**-**	**418.07**
As at 31 March 2022	**393.14**	**8.66**	**10.23**	**0.06**	**0.02**	**-**	**412.11**

* Refer note no.36

3 **Financial Assets - Investments**

	Particulars	**As at**		**As at**	
		March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
		Non- Current		**Current**	
A	**Investment carried at amortised Cost**				
1	Equity Instrument of Subsidiaries -Indian	98.91	98.91	-	-
	Equity Instrument of Subsidiaries -Indian - Impaired	1,544.52	1,544.52	-	-
	Less - Provision for impairment	(1,544.52)	(1,544.52)	-	-
2	Equity Instrument of Subsidiaries - Foreign	14.94	14.94	-	-
	Equity Instrument of Subsidiaries - Foreign - Impaired	30.33	30.33	-	-
	Less - Provision for impairment	(30.33)	(30.33)	-	-
3	Equity Instrument - Others- India	-	-	-	-
	Equity Instrument - Others- India - Impaired	0.71	0.71	-	-
	Less - Provision for impairment	(0.71)	(0.71)	-	-
4	Equity Instrument - Others- Foreign - Impaired	19.70	19.70	-	-
	Less - Provision for impairment	(19.70)	(19.70)	-	-
5	Government Securities	0.54	0.54	-	-
6	Partnership Firm -Impaired	0.00	0.00	-	-
	Less - Provision for impairment	(0.00)	(0.00)	-	-
	Total	**114.39**	**114.39**	**-**	**-**

Particulars		As at		As at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Non- Current		Current	
B	**Other Investments (At Fair value through OCI)**				
	Equity Shares	7.28	7.28	-	-
	Total	**7.28**	**7.28**	**-**	**-**
C	**Other Investments (At Fair value through P&L)**				
1	Equity Shares	-	-	0.03	0.05
2	Liquid Mutual Funds	-	-	0.00	0.00
	Total	**-**	**-**	**0.03**	**0.05**
	Grand Total	**121.67**	**121.67**	**0.03**	**0.05**
	Disclosure:				
i)	**Investment carried at Cost**	**114.39**	**114.39**	**-**	**-**
ii)	**Investment carried at FVTPL**	**-**	**-**	**0.03**	**0.05**
iii)	**Investment carried at FVTOCI**	**7.28**	**7.28**	**-**	**-**

I Details of Investments

A Non Current Investments:-

1) Investment in equity instruments of Subsidiaries (Indian)

Particulars	Face Value in ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)					
Ansaldocaldaie Boilers India Private Limited	10	3,67,00,000	5.84	3,67,00,000	5.84
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
Gammon Real Eastate Developers 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
Gammon Power Limited	10	2,25,45,000	5.82	2,25,45,000	5.82
Gammon Retail Infra Private Limited (Fully paid-up)	10	10,000	0.03	10,000	0.03
Gammon Retail Infra Private Limited (Partly paid ₹ 8 paid-up)	10	50,000	0.04	50,000	0.04
Metropolitan Infrahousing Private Limited	10	8,416	25.00	8,416	25.00
Patna Water Supply Distribution Network Private Limited	10	7,399	0.01	7,399	0.01
Rajahmundry Godavari Bridge Limited		-	-	-	-
SAE Transmission India Limited	10	50,000	0.05	50,000	0.05
Tidong Hydro Power Limited		-	-	-	-
			98.93		**98.93**
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received			0.03		0.03
Total			**98.91**		**98.91**
Investment in equity instruments of Subsidiaries (Indian) - Impaired					
ACBI Investment		-	37.15	-	37.15
Gammon Power Limited		-	716.45	-	716.45
Gactel Turnkey Projects Limited	10	50,50,000	19.59	50,50,000	19.59
Metropolitan Infrahousing Private Limited		-	711.48	-	711.48
Gammon Realty Limited		-	59.85	-	59.85
Total			**1,544.52**		**1,544.52**

2) **Investment in equity instruments of Subsidiaries (Foreign)**

Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Gammon Holdings (Mauritius) Limited	USD 1	15,000	2.85	15,000	2.85
Gammon International B.V.	EUR 100	180	12.09	180	12.09
Total			**14.94**		**14.94**

Investment in equity instruments of Subsidiaries (Foreign) - Impaired

Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	Amount
PVAN Investment	EUR 453.78	35	0.05	35	0.05
ATSL Holding BV	EUR 100	180	0.12	180	0.12
Associated Transrail Str Ltd - Nigeria	NGN 1	1,00,00,000	0.36	1,00,00,000	0.36
Gammon Holding BV	EUR 100	180	12.28	180	12.28
Gammon Holdings B.V. (for Franco Tosi Meccania S.p.A.)			2.73		2.73
ATSL Holdings B.V. (Netherland)	EUR 100	180	2.18	180	2
ATSL Holdings B.V. (Netherland) (for SAE Power lines srl)	-	-	5.91	-	6
Gammon International FZE	AED 150000	1	0.17	1	0
P.Van Eerd Beheersmaatschappij B.V.	EUR 453.78	35	1.87	35	2
Campo Puma Oriente S.A.	USD 1	6,441	4.66	6,441	4.66
Total			**30.33**		**30.33**

3) **Investment in equity instruments -Others- Indian**

Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Indira Container Terminal Private Limited	10	2,64,07,160	26.41	2,64,07,160	26.41
Less : Transfer of Beneficial Interest in lieu of Deposit received			(26.41)		(26.41)
Total			**-**		**-**

Investment in equity instruments -Others- Indian - Impaired

Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	Amount
Air Screw India Ltd.	100	200	0.00	200	0.00
Bhagirathi Bcc Ltd.	100	300	0.00	300	0.00
Shah Gammon Limited	100	835	0.01	835	0.01
STFA Piling India Ltd.	10	2,17,321	0.22	2,17,321	0.22
Gammon Shah		-	0.00	-	0.00
Alpine Environmental Engineers Limited	100	204	0.00	204.00	0.00
Modern Flats Limited (Unquoted)	10	2,040	0.00	2,040.00	0.00
Plamach Turnkeys Limited	100	600	0.01	600.00	0.01
Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44	4,41,250.00	0.44
Tidong Hydro Power Limited	10	25,500	0.03	25,500.00	0.03
Others		-	0.00	-	0.00
Total			**0.71**		**0.71**

4) **Investment in equity instruments -Others- Foreign**

Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	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**
Investment in equity instruments -Others- Impaired					
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 (under Liquidation) (Fully Provided)	EUR 1	1,142	0.18	1,142	0.18
Finest S.p.A, Italy (Associate)		7,80,000	19.52	7,80,000	19.52
Total			**19.70**		**19.70**

5) **Government Securities**

Particulars	March 31, 2022	March 31, 2021
	Amount	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 :	0.12	0.12
Total	**0.54**	**0.54**

6) **Investment in Partnership Firm**

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
Unquoted		
Gammon Shah (fully provided for)	0.00	0.00
Total	0.00	0.00

B **Other Investments (At Fair value through OCI)**

Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
		Nos	Amount	Nos	Amount
Gammon Engineers and Contractors Pvt. Ltd.	10	10,53,169	4.21	10,53,169	4.21
Transrail Lighting Limited	10	77,954	3.07	77,954	3.07
Total			**7.28**		**7.28**
Total Non-Current Investments			**121.67**		**121.67**

Consequent to invocation of pledge shares, GECPL / TLL ceased to be an associate and accordingly is disclosed as Other Investment, The Company has accounted the said Investment at Fair Value through Other Comprehensive Income by making the election as required by the Standards. based on valuation considered by lenders for pledge invocation during the year 2018-19 said investment was fair valued in March 2019.

In the absence of data of revaluation since then , the same carried at the value of March 2019,although the said investment is being accounted on FVTOCI.

C **Current Investments:-**

Investment in Shares and Mutual Funds

	Particulars	Face Value ₹	March 31, 2022		March 31, 2021	
			Nos/ Units	Amount	Nos/ Units	Amount
	Quoted					
i)	**Investments carried at fair value through Profit and Loss**					
	Equity Shares					
	Bank of Baroda	10	-	-	-	-
	Cords Cable Industries Ltd.	10	-	-	-	-
	Gujarat State Financial Corporation	10	-	-	-	-
	Technofab Engineering Limited	10	55,000	0.03	55,000	0.05
	Total			**0.03**		**0.05**
ii)	**Mutual funds**					
	HDFC Floating Rate Income Fund		2,048	0.00	2,048	0.00
	Total			**0.00**		**0.00**
	Total current investments			**0.04**		**0.04**
	Total Non - Current and Current Investments			**121.70**		**121.72**
	Aggregate amount of quoted investments			**0.04**		**0.04**
	Market Value of Quoted Investment			**0.04**		**0.04**
	Aggregate amount of unquoted investments			**121.66**		**121.68**

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

- 10,53,169 Gammon Engineers & Contractors Private Limited

- 77,954 Transrail Lighting Limited

4 **Financial Assets - Trade Receivables**

(Unsecured, at amortised cost)

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Considered good	205.44	31.24	284.08	26.30
Considered Doubtful	11.12	216.63	11.61	216.63
Provision for Doubtful debts	(11.12)	(216.63)	(11.61)	(216.63)
	205.44	31.24	284.08	26.30
Less: Expected credit loss	(0.51)	(0.08)	(0.71)	(0.07)
	204.93	31.16	283.37	26.23
Total	**204.93**	**31.16**	**283.37**	**26.23**

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

(i) The Company in evaluating its jobs has considered an amount of ₹ 7.56 crores (P.Y. ₹ 7.56 crores) 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 ₹146.64 crores (P.Y. ₹ 151.17 Cr) in the previous years, 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 six projects of the Company. The total exposure against these projects is ₹ 321.58 crores (P.Y. ₹350.60 crores) consisting of receivable of ₹ 60.70 crores (P.Y. ₹148.05 crores), inventory ₹ 43.96 crores (P.Y. ₹43.49 crores) and other receivables ₹ 216.91 crores (P.Y. ₹159.05 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 Clients.

(iv) The Company has receivable including retention and work in progress aggregating to ₹ 44.51 crores (P.Y. ₹44.51 crores) (inventory - ₹ 21.19 crores (P.Y. ₹21.19 crores)and receivables ₹ 23.31 crores (P.Y. ₹23.31 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

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed

Movement in the expected credit loss allowance

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	0.71	0.07	0.89	0.06
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.20)	0.01	(0.18)	0.00
Provision at the end of the period	**0.51**	**0.08**	**0.71**	**0.07**

(c) Trade Receivable Ageing Schedule

(Ageing from Bill Date)

As at March 31, 2022

Range of O/s period	Undisputed			Disputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	Considered Good	Significant increase in credit risk	Credit Impaired	
Unbilled	-	-	-	-	-	-	**-**
Not Due	0.28	-	-	-	-	-	**0.28**
less than 6 months	7.80	-	-	-	-	-	**7.80**
6 months - 1 year	0.36	-	-	-	-	-	**0.36**
1-2 year	0.80	-	-	-	-	-	**0.80**
2-3 year	0.70	-	-	-	-	-	**0.70**
> 3 years	4.80	-	194.38	221.94	-	33.37	**454.49**
Total	**14.74**	**-**	**194.38**	**221.94**	**-**	**33.37**	**464.43**

As at March 31, 2021

Range of O/s period	Undisputed			Disputed			Total
	Considered Good	Significant increase in credit risk	Credit Impaired	Considered Good	Significant increase in credit risk	Credit Impaired	
Unbilled	-	-	-	-	-	-	-
Not Due	3.68	-	-	-	-	-	**3.68**
less than 6 months	1.59	-	-	-	-	-	**1.59**
6 months - 1 year	0.11	-	-	-	-	-	**0.11**
1-2 year	0.59	-	-	-	-	-	**0.59**
2-3 year	2.65	-	-	66.06	-	-	**68.71**
> 3 years	7.10	-	194.38	228.61	-	33.86	**463.95**
Total	**15.72**	**-**	**194.38**	**294.67**	**-**	**33.86**	**538.63**

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

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	657.51	-	724.77	-
Considered Doubtful	2,812.29	77.23	2,693.04	77.23
Less : Provision for Doubtful Loans	(2,812.29)	(77.23)	(2,693.04)	(77.23)
Other Loans and Advances				
Unsecured Considered good	-	0.27	-	3.07
Unsecured Considered Doubtful	44.45	7.68	44.45	4.94
Less : Provision for Doubtful	(44.45)	(7.68)	(44.45)	(4.94)
Total	**657.51**	**0.27**	**724.77**	**3.07**

(i) Details of Loans given to Related Parties

Name of the Related Party	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Considered good:				
Deepmala Infrastructure Private Limited	188.88	-	152.61	-
RAS Cities and Township Private Limited	1.00	-	1.00	-
Gammon International B.V.	133.28	-	207.68	-
Ansaldocaldaie Boilers India Private Limited	29.57	-	29.57	-
Gammon Holdings (Mauritius) Limited	264.73	-	293.86	-
Patna Water Supply Distribution Network Private Limited	40.05	-	40.05	-
Total	**657.51**	**-**	**724.77**	**-**

Name of the Related Party	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Considered Doubtful:				
Deepmala Infrastructure Private Limited	61.77	-	61.77	-
Gammon Realty Limited	84.68	-	84.68	-
Metropolitan Infrahousing Private Limited	262.96	-	262.96	-
Gactel Turnkey Projects Limited	228.33	-	228.33	-
Gammon International FZE	96.87	-	96.87	-
P.Van Eerd Beheersmaatschappij B.V.	85.07	-	85.07	-
Gammon International B.V.	581.86	-	500.95	-
Gammon Holdings (Mauritius) Limited	38.34	-	-	-
Campo Puma Oriente S.A.	406.11	-	406.11	-
Gammon Holdings B.V.	709.62	-	709.62	-
Finest S.p.A	0.52	-	0.52	-

Name of the Related Party	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
ATSL Holding B.V. (Netherland)	197.14	-	197.14	-
SAE Power Lines S.r.l	48.96	-	48.96	-
Patna Water Supply Distribution Network Private Limited	10.00	-	10.00	-
Gammon Power Limited	-	73.39	-	73.39
Haryana Biomass Power Limited (Hareda Projects)	0.05	-	0.05	-
Franco Tosi Meccanica S.P.A	-	0.11	-	0.11
Rajahmundry Godavari Bridge Limited	-	0.35	-	0.35
Tidong Hydro Power Limited	-	0.02	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	0.00	-	0.00
Gammon Real estate Developers Private Limited	-	0.01	-	0.01
Preeti Township Private Limited	-	0.01	-	0.01
SAE Transmission India Limited	-	0.11	-	0.11
ATSL Holding B.V. (Netherland)	-	0.02	-	0.02
Associated Transrail Structure Limited Nigeria	-	3.21	-	3.21
Sikkim Hydro Power Ventures Limited	0.00	-	0.00	-
Total	**2,812.29**	**77.23**	**2,693.04**	**77.23**

(ii) 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 2015

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Ansaldocaldaie Boilers India Private Limited	29.57	29.57	29.57	29.57
Associated Transrail Structure Limited Nigeria	3.21	3.21	3.21	3.21
ATSL Holding B.V. (Netherland)	197.14	197.16	197.16	197.16
Campo Puma Oriente S.A.	406.11	406.11	406.11	406.11
Deepmala Infrastructure Private Limited	250.64	214.38	250.64	214.38
Finest S.p.A	0.52	0.52	0.52	0.52
Gactel Turnkey Projects Limited	228.33	228.33	228.33	228.33
Gammon Holdings (Mauritius) Limited	303.07	293.86	303.07	293.86
Gammon Holdings B.V.	709.62	709.62	709.62	709.62
Gammon International B.V.	715.14	708.63	715.14	708.63
Gammon International FZE	96.87	96.87	96.87	96.87
Gammon Power Limited	73.39	73.39	73.39	73.39
Gammon Realty Limited	84.68	84.68	84.68	84.68
Gammon Renewable Energy Infrastructure Limited	0.00	0.00	0.00	0.00
Haryana Biomass Power Limited (Hareda Projects)	0.07	0.05	0.07	0.05
Metropolitan Infrahousing Private Limited	262.96	262.96	262.96	262.96
P.Van Eerd Beheersmaatschappij B.V.	85.07	85.07	85.07	85.07
Patna Water Supply Distribution Network Private Limited	50.05	50.05	50.05	50.05
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	1.00	1.00	1.00	1.00
SAE Power Lines S.r.l	48.96	48.96	48.96	48.96
SAE Transmission India Limited	0.11	0.11	0.11	0.11
Sikkim Hydro Power Ventures Limited	0.00	0.00	0.00	0.00
Tidong Hydro Power Limited	0.04	0.02	0.04	0.02
Franco Tosi Meccanica S.P.A	0.11	0.11	0.11	0.11
Total	**3,547.02**	**3,495.04**	**3,547.02**	**3,495.04**

(iii) Investment by loanee in the subsidiary Companies Shares

Name of the Company	Invested in Subsidiary Company	March 31, 2022	March 31, 2021
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A	439.22	439.22
	Gammon Itlay S.r.L	0.15	0.15
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.L	110.47	110.47
Gammon & Billimoria Limited	GBLLC	-	-
Gammon Realty Limited	Deepmala Infrastructure Private Limited	0.00	0.00
P.Van Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A	64.62	64.62
Gammon Retail Infrastructure Private Limited	Gammon Power Limited	0.01	0.01

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

(v) 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

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

Name of Party	Relation	Purpose	March 31, 2022	March 31, 2021
Deepmala Infrastructure Private Limited	Subsidiary	Advance towards Operations	0.01	0.04
Deepmala Infrastructure Private Limited	Subsidiary	Bank Guarantee Encashment	36.27	-
Gactel Turnkey Projects Limited	Subsidiary	Advance towards Operations	-	0.01
Metropolitan Infrahousing Private Limited	Subsidiary	Advance towards Operations	-	0.11
Patna Water Supply Distribution Network Private Limited	Subsidiary	Advance towards Operations	0.01	0.01

(vii) The Company had issued bank guarantee in favour of Madhya Pradesh Housing Board on behalf of Deepmala Infrastructure Private Limited (DIPL) a subsidiary of the Company, which was erroneously transferred to Gammon Engineers and Contractors Private Limited (GECPL) during the debt restructuring. The Bank Guarantee of ₹ 36.27 Cr was invoked by the MP housing board and recovered from GECPL in the year 2019. GECPL has Consequently debited the amount to the Company in the current year as the bank guarantee was indeed of the Company. The Company has consequently debited DIPL with the amount and shown as recoverable from them.

(viii) Loans and Advances to Promoters, Directors,KMP's and Related Parties.

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are without specifying any terms or period of repayment:

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters		-	-	-
Directors		-	-	-
KMPs		-	-	-
Related Parties	3,547.03	98.54	3,495.04	98.52
Total Loans and Advances to Promoter, Director, KMP and Related parties	3,547.03		3,495.04	
Total Loans and Advances in the nature of Loan and Advances (A) (Excluding Provision)	3,599.43		3,547.50	

6 Other Financial Assets (at amortised cost)

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good				
Related Parties	103.96	-	90.38	-
Others	1.56	0.65	1.56	0.67
Considered Doubtful		-		-
Related Parties	351.13	-	351.13	-
Others	22.78	-	22.78	-
Less : Provision for Doubtful Interest	(373.91)	-	(373.91)	-
Other Receivable	-	1.33	-	1.53
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Deposits				
Considered Good	1.50	3.34	1.50	2.23
Unsecured Considered Doubtful	3.00	3.60	3.00	3.60
Less : Provision for Doubtful	(3.00)	(3.60)	(3.00)	(3.60)
Total	**107.02**	**29.85**	**93.44**	**28.96**

Excess Managerial Remuneration Receivable :

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 erstwhile Chairman and Managing Director and another erstwhile Executive Director aggregating to ₹ 31.13 crores and has shown the net recoverable amount (after reversal of unpaid salary) of ₹ 24.53 crores as excess managerial remuneration receivable .

Interest accrued Receivable includes dues from related parties

Name of the Related Party	March 31, 2022	March 31, 2021
Considered good:		
Ansaldocaldaie Boilers India Private Limited	5.54	5.54
Gammon Holdings (Mauritius) Limited	83.22	69.64
Patna Water Supply Distribution Network Private Limited	15.19	15.19
Total	**103.96**	**90.38**

Name of the Related Party	March 31, 2022	March 31, 2021
Considered doubtful:		
Finest S.p.A	1.25	1.25
Gammon Realty Limited	31.12	31.12
Deepmala Infrastructure Private Limited	38.23	38.23
ATSL Holding B.V. (Netherland)	12.06	12.06
Campo Puma Oriente S.A.	19.42	19.42
Gactel Turnkey Projects Limited	1.40	1.40
Gammon Holdings B.V.	94.58	94.58
Gammon International B.V.	66.35	66.35
Gammon International FZE	20.83	20.83
Gammon Power Limited	3.01	3.01
Metropolitan Infrahousing Private Limited	62.87	62.87
Total	**351.13**	**351.13**

7 Other Assets

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Prepaid Expenses	-	0.22	-	0.22
Contract Assets	797.33	66.34	984.72	74.31
Less : Provision for credit loss	(2.94)	(0.00)	(2.86)	(0.13)
Advance to Creditors/Subcontractors				
Unsecured Considered goods	9.69	21.35	11.04	23.15
Unsecured Considered doubtful	-	3.05	-	3.05
Less: provision for doubtful	-	(3.05)	-	(3.05)
Staff Advances	-	0.33	-	1.07
Balance with Tax Authority	-	5.12	-	3.35
Other assets		2.14		2.34
Advance Tax Net of Provision	395.26	-	394.10	-
Others	-	-	-	0.43
Total	**1,199.34**	**95.50**	**1,387.00**	**104.74**

a) Unbilled Revenue

The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to ₹ 231.69 crores as at March 31, 2022 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the year and the same are due to them and they have a very good chance of realisation.

b) The Company has received an award in respect of its joint venture relating the Chennai Metro Rail project (CMRL). Company has recently filed appeal against certain items of the award. In spite of the appeal filed, Company estimates total recoverability of ₹ 532.00 Cr out of the award. Amount of ₹ 225.79 Cr which is in excess of the estimated recoverable award is written off and included in other expense for the quarter and year ended March 31, 2022. This includes an amount of ₹ 123.08 Cr which is subject matter of appeal being the claim of the Company, which is not accepted, for which the Company is of the opinion that it has a strong case.

The aforesaid award is received in the name of the JV but the Company has accounted for the entire share to its accounts.

8 Inventories

Particulars	March 31, 2022	March 31, 2021
Material at Construction Site	10.76	11.18
Work In Progress - Real Estate	21.95	21.95
Total	**32.71**	**33.13**

a)

Particulars	March 31, 2022	March 31, 2021
Amount of inventories recognised as an expense	12.11	8.99
Amount of write - down of inventories recognised as an expense	-	4.99

b) Inventory amounting to ₹ 3.63 Cr are lying at terminated sites are under dispute, access to this terminated sites is restricted to the Company.

9 Cash and Bank Balance

Particulars	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Cash on Hand	0.01	0.02
Total	**0.01**	**0.02**
Other Bank Balances		
Balances with Bank*	9.68	7.18
Unpaid dividend	0.58	0.58
Total	**10.26**	**7.76**

* The above balance is restricted and not freely available to the Company without approval of the lenders.

10 Equity Share Capital

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

Particulars	March 31, 2022		March 31, 2021	
	No of Shares in Lacs	Amount	No of Shares in Lacs	Amount
Authorised Capital :				
Equity Shares of ₹ 2/- each	7,47,100.00	14,942.00	7,47,100.00	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	30.00	105.00	30.00	105.00
Issued, Subscribed and Fully Paid up Capital :				
Issued Capital				
Equity Shares of ₹ 2/- each, fully paid	3,704.28	74.09	3,704.28	74.09
Subscribed and Fully Paid up Capital				
Equity Shares of ₹ 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 ₹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 ₹ 0.26 crores of Share Premium collected on application in respect of forfeited shares.

(b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2022		March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	36,88,47,305	73.77	36,88,47,305	73.77
Add: Issued during the year	-	-	-	-
As at the end of the year	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2022		March 31, 2021	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,92,72,129	10.63%	3,92,72,129	10.63%
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	5.98%	2,21,04,507	5.98%
Allahabad Bank	1,95,82,216	5.30%	1,95,82,216	5.30%

(d) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 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.

(e) **Details of Shareholdings by the Promoter/Promoter group**

Name of the Promoter	March 31, 2022		March 31, 2021		% change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
Abhijit Rajan	81,72,459	2.22%	81,72,459	2.22%	-
Jagdish Rajan	17,020	0.00%	17,020	0.00%	-
Pacific Energy Pvt Ltd	1,79,13,015	4.86%	1,79,13,015	4.86%	-
Devyani Estate And Properties Pvt Ltd	71,82,805	1.95%	71,82,805	1.95%	-
Nikhita Estate Developers Pvt Ltd	34,85,420	0.94%	34,85,420	0.94%	-
Ellora Organic Industries Pvt Ltd	28,00,000	0.76%	28,00,000	0.76%	-
Masayor Enterprises Limited	30,86,435	0.84%	30,86,435	0.84%	-
Total	**4,26,57,154**	**11.56%**	**4,26,57,154**	**11.56%**	**-**
Total No of Shares issued and Subscribed	36,88,47,305		36,88,47,305		

11 Other Equity

Particulars	March 31, 2022	March 31, 2021
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	363.06	363.06
Perpetual Promoter Contribution	100.00	100.00
Retained earnings	(7,990.66)	(6,904.93)
Treasury shares	(1.69)	(1.69)
Other Comprehensive Income:		
Net gain/ (loss) on fair value of equity instruments	2.35	2.35
TOTAL	**(6,067.21)**	**(4,981.48)**

12 Non Current Financial Liabilities - Borrowings

Note:

Classification of all credit facilities under Current Financial Liabilities - Refer note no. 20

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 ₹ 2,645.45 crores (P.Y ₹ 2,645.45 crores) are classified as current and disclosed under Current Liabilities together with the disclosure.

On account of the above, a number of lenders have not shared their confirmations as at the year ended March 31, 2022 and to that extent the balances are unconfirmed.

13 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2022	March 31, 2021
Retention / Deposits	11.96	12.74
Total	**11.96**	**12.74**

14 Other financial liabilities

Particulars	March 31, 2022	March 31, 2021
Margin Money Received	12.00	12.00
Total	**12.00**	**12.00**

15 Provisions

Particulars	March 31, 2022		March 31, 2021	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:				
Provision for Gratuity	0.29	0.19	0.27	0.17
Provision for Leave Encashment	0.31	0.46	0.26	0.45
Others:				
Provision for Risk and Contingencies	-	449.16	-	437.65
Total	**0.60**	**449.81**	**0.53**	**438.27**

(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, 2021	428.77	8.88	-	437.65
March 31, 2022	437.65	11.51	-	449.16

(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	March 31, 2022	March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	0.85	0.83
Interest Cost	0.06	0.05
Current Service Cost	0.06	0.06
Benefit Paid Directly by the Employer	-	-
Benefit Paid From the Fund	(0.15)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.01)	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.01)	(0.09)
Present Value of Benefit Obligation at the End of the Period	**0.79**	**0.85**
Fair Value of Plan Assets at the Beginning of the Period	0.41	0.24
Interest Income	0.03	0.02
Contribution by Employer	0.03	0.14
Assets transferred out - on scheme and BTA	-	-
Benefit Paid from the Fund	(0.15)	-
Return on Plan Assets, Excluding Interest Income	(0.00)	0.01
Fair Value of Plan Assets at the End of the Period	**0.31**	**0.41**
Present Value of Benefit Obligation at the end of the Period	(0.79)	(0.85)
Fair Value of Plan Assets at the end of the Period	0.31	0.41
Funded Status (Surplus/ (Deficit))	(0.48)	(0.44)
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.48)**	**(0.44)**
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.06	0.06
Net Interest Cost	0.03	0.04
Past Service Cost	-	-
Expenses Recognized	**0.09**	**0.10**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.02)	(0.09)
Return on Plan Assets, Excluding Interest Income	0.00	-0.01
Net (Income)/Expense For the Period Recognized in OCI	**(0.02)**	**(0.10)**

Table Showing Change in the Present Value of Projected Benefit Obligation	March 31, 2022	March 31, 2021
Balance Sheet Reconciliation		
Opening Net Liability	0.45	0.58
Expenses Recognized in Statement of Profit or Loss	0.09	0.10
Expenses Recognized in OCI	(0.02)	(0.10)
Benefit Paid Directly by the Employer	-	-
Employer Contribution	(0.03)	(0.15)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.48**	**0.44**
Category of Assets		
Insurance fund	0.31	0.41
Total	**0.31**	**0.41**
Assumptions	**2021-22**	**2020-21**
Expected Return on Plan Assets	6.49%	6.43%
Rate of Discounting	6.49%	6.43%
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	2021-22	2020-21
Projected Benefit Obligation on Current Assumptions	0.79	0.85
Delta Effect of +1% Change in Rate of Discounting	(0.03)	(0.03)
Delta Effect of -1% Change in Rate of Discounting	0.03	0.03
Delta Effect of +1% Change in Rate of Salary Increase	0.03	0.03
Delta Effect of -1% Change in Rate of Salary Increase	(0.03)	(0.03)
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.00
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	(0.01)

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 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.

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

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

7 The Company's Leave Encashment Liability is entirely unfunded.

8 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, 2022**	**March 31, 2021**
Deferred Tax Liability:		
Property, Plant and Equipment	(84.51)	(83.31)
Non Current Investments	(19.83)	(19.83)
	(104.34)	(103.14)
Deferred Tax (Liabilities) / Assets (Net)	**(104.34)**	**(103.14)**

Deferred Tax Assets:

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, 2022**	**March 31, 2021**
Contact Liabilities- Client Advances	24.62	26.62
Advance received against Real Estate Joint development	43.00	43.00
Unamortised Deferred Rent Income	0.02	0.10
Rent Deposit	1.02	0.91
Total	**68.66**	**70.63**

18 Short term Borrowings

Note: The entire credit facilities of ₹ 1168.13 crores (P.Y ₹ 1127.39 crores) is recalled by the lenders and hence disclosed under current financial liabilities - Refer note no. 20

19 Current Financial Liabilities - Trade Payables

Particulars	**March 31, 2022**	**March 31, 2021**
Trade Payables		
- Total outstanding dues to Micro and Small Enterprises	0.34	0.24
- Total outstanding dues to other than Micro and Small Enterprises	97.15	105.05
Total	**97.49**	**105.29**

(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.b

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

Particulars	March 31, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	1.83	1.21
Principal amount due	0.34	0.24
Interest due on the above	1.49	0.97
The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
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.	0.34	0.24
The amount of interest accrued and remaining un-paid at the end of the accounting year	1.49	0.97

(v) Trade Payable Ageing Schedule

(Ageing from bill date)

As at March 31, 2022

Range of O/s period	MSME		Others		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	2.94	-	2.94
Not Due	-	-	-	-	-
Less than 1 year	0.10	-	16.61	-	16.71
1-2 years	-	-	3.18	-	3.18
2-3 year	-	-	1.67	-	1.67
> 3 years	0.24	-	84.71	-	84.95
Total	**0.34**	**-**	**109.11**	**-**	**109.45**

As at March 31, 2021

Range of O/s period	MSME		Others		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	4.70	-	4.70
Not Due	-	-	-	-	-
Less than 1 year	-	-	16.19	-	16.19
1-2 years	-	-	2.62	-	2.62
2-3 year	-	-	8.95	-	8.95
> 3 years	0.24	-	85.33	-	85.57
Total	**0.24**	**-**	**117.79**	**-**	**118.03**

20 Other Current Financial Liabilities

Particulars	March 31, 2022		March 31, 2021	
Credit facilities recalled by lenders - Secured (Refer Security details given below)		3,813.58		3,772.84
Credit facilities recalled by lenders - Secured (For SPV) *		1,141.54		1,120.99
Interest Accrued (Refer Note (C) below)				
Bank and Financial Institution		1,497.53		1,238.22
Others		2.29		1.49
NPA Interest Accrued (Refer Note (E) below)		1,518.40		1,097.19
Unpaid Dividend (Refer Note (D) below)		0.58		0.58
Other Payables				
- Related Party	12.68		12.07	
- Others	127.87		91.41	
		140.55		103.48
Total		**8,114.47**		**7,334.79**

* The facilities from the lenders to SPV Companies were backed by the Company's Corporate Guarantees. Since the SPV companies could not make payment of the overdue amounts, the lenders have demanded the immediate payment of all overdue amount of loan and interest from the Company in the earlier years. The same is classified as current and disclosed as Current Liabilities and correspondingly recoverable from the SPV companies.

On account of the above, a number of lenders have not shared their confirmations as at the year ended March 31, 2022 (also in the previous years) and to that extent the balances are unconfirmed.

(A) (a) Corporate Restructuring and Other - Borrowings Notes

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 ₹100 crores 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 ₹50 crores, 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 + 5%	Spread including penal interest
CC	MCLR 6M + 5.45%	Spread including penal interest

Non Convertible Debentures

Facility	Principal as on 31 March 2022	Rate	Principal as on 31 March 2021
10.50%	65.41	10.50%	65.41
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	**288.36**		**288.36**

(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, former 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 -

Deepmala Infrastructure Private Limited

Ansaldocaldaie Boilers India Private Limited

Gactel Turnkey Projects Limited

Transrail Lighting Limited

Gammon Engineers and Contractors Private Limited.

Nikhita Estate Developers Private Limited

(f) Maturity profile of Term Loans and NCD

Period	March 31, 2022	March 31, 2021
Credit facilities recalled by lenders	2,645.45	2,645.45
Principal Overdue	-	-
With in 1 years	-	-
2 - 3 years	-	-
4 - 5 years	-	-
6 - 10 years	-	-
TOTAL	**2,645.45**	**2,645.45**

(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, 2022	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)					1,302.17
Priority Loan (PL)					574.16
Funded Interest Term Loan (FITL)					45.13
Working Capital Term Loan (WCTL)					435.62
Non Convertible Debentures(NCD)					288.37
Total	**-**	**-**	**-**	**-**	**2,645.45**

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

As at March 31, 2021	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)					1,302.17
Priority Loan (PL)					574.16
Funded Interest Term Loan (FITL)					45.13
Working Capital Term Loan (WCTL)					435.62
Non Convertible Debentures(NCD)					288.37
Total	**-**	**-**	**-**	**-**	**2,645.45**

(B) Current Financial Liabilities - Borrowings Notes

(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.

Some of the loans are at spread below Bank base rate or Bank Prime lending rate or at Negotiable rates. The Spread range from 100 to 250 bps.

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

(iv) Short term loan from consortium Bankers :

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 shares and corporate guarantee 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 asset 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 16,27,94,100 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 193,999,800 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 20.60 % 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 193,999,800 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 20.60 % 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.

(v) Facility overdrawn as at March 31, 2022:

Facility	**₹ in crores**
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,168.13
Total	**1,168.13**

Facility overdrawn as at March 31, 2021:	
Facility	**₹ in crores**
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,127.39
Total	**1,127.39**

(C) The continuing default on Interest obligation is tabulated below:

As at March 31, 2022	**1 to 90 days**	**91 to 180 days**	**181 to 365 days**	**Above 365 days**	**Total**
RTL	23.57	23.43	44.10	443.93	535.04
PL	18.38	17.98	35.12	333.78	405.26
FITL	1.72	1.70	3.23	38.31	44.95
WCTL	15.75	15.24	29.48	255.78	316.25
NCD	7.32	7.48	14.87	153.83	183.50
STL	-	-	-	58.02	58.02
WCDL	0.04	0.04	0.07	0.18	0.34
Cash credit	11.11	10.61	18.80	257.75	298.27
Total	**77.89**	**76.49**	**145.67**	**1,541.58**	**1,841.64**

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

As at March 31, 2021	**1 to 90 days**	**91 to 180 days**	**181 to 365 days**	**Above 365 days**	**Total**
RTL	129.15	9.99	18.90	285.90	443.93
PL	43.58	13.28	25.92	251.00	333.78
FITL	17.23	0.08	0.16	20.83	38.31
WCTL	31.54	11.44	22.05	190.75	255.78
NCD	7.40	7.48	14.88	124.07	153.83
STL	-	-	-	58.02	58.02
WCDL	0.03	0.03	0.00	0.11	0.18
Cash credit	19.09	7.85	15.94	214.84	257.72
Total	**248.03**	**50.15**	**97.85**	**1,145.51**	**1,541.54**

(D) Unpaid dividend includes ₹ 0.54 crores (P.Y March 2021: ₹ 0.54 crores) to be transferred to the Investor Education & Protection Fund

(E) Interest accrued includes ₹ 1518.40 crores (P.Y March 2021: ₹ 1097.19 crores) on account of NPA Interest accrued in the books

(F) **Other Payable:**

An Amount of ₹ 108.56 crores (P.Y.₹ 72.53 crores) is payable to GECPL as at March 31, 2022. This amount has been earmarked against the assignment of specific claims and awards in favour of GECPL, for which the Company has written to the clients. No interest is accrued on the aforesaid amount.

(G) Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

Particulars	31-Mar-22	31-Mar-21
Opening balance	3,772.84	3,730.44
Interest accrued and payable	3,058.96	2,381.39
Changes from financing cash flows -		
(Repayment) from Long term Borrowings	-	-
Interest Paid	-	(2.09)
Closing balance	6,831.80	6,109.74

(H) The Company has not taken any fresh loan from banks and financial institutions during the year.

(I) The Company has borrowings from banks or financial institutions on the basis of security of current assets, however during the current year and in the previous year no quarterly returns or statements of current assets are filed by the Company with banks or financial institutions as the entire facilities from the lenders have become Non Performing Assets in the month June'17 and the Lenders have recalled all the loans and during the year no new working capital limit was sanctioned.

(J) Registration of Charge - As at March 31, 2022, the Company has registered all charges duly with the Registrar of Companies in favour of the lenders.

Satisfaction of Charge - There are old charges disclosed as outstanding of ₹ 29,149 crores as at March 31, 2022 in respect of borrowings which have been restructured by the lenders long back for which fresh charge is created. The Company is unable to clear the satisfaction of old charges for lack of requisite documentation from the lenders. The matter is being followed up by the Company.

21 Other Current Liabilities

Particulars	March 31, 2022	March 31, 2021
Contract Liabilities - Client Advances	27.35	54.89
Duty & Taxes Payable	6.25	4.88
Income Tax Payable	2.26	2.26
Others	0.26	0.21
Unamortised Deferred Rent Income	0.02	0.02
Total	**36.14**	**62.26**

22 Revenue from Operations

Particulars	April 2021 - March 2022	April 2020 - March 2021
Turnover	27.53	52.37
Other Operating Revenue:		
Sale of Scrap	0.13	0.47
Total	**27.66**	**52.84**

Disclosure as required by Indian Accounting Standard (Ind AS) 115 - Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers :

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

Particulars	March 31, 2022	March 31, 2021
Primary geographical markets		
In India	27.53	71.14
Outside India	-	-
Total	**27.53**	**71.14**

(b) Contract balances

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

Significant changes in contract asset and contract liabilities balances during the year are as follows:

	Particulars	March 31, 2022	March 31, 2021
(i)	**Due from contract customers:**		
	At the beginning of the reporting period	52.10	54.50
	Cost incurred plus attributable profits on contracts-in-progress	-	-
	Progress Billings made towards contracts-in-progress	(1.05)	-
	Due from contract customers impaired during the reporting period	-	-
	Receipts from contract customers.	(3.69)	(2.40)
	Significant change due to other reasons	(15.71)	-
	At the end of the reporting period	**31.65**	**52.10**
(ii)	**Due to contract customers:**		
	At the beginning of the reporting period	81.52	82.71
	Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))	-	-
	Progress billings made towards contracts-in-progress	-	-
	Significant change due to other reasons	(29.55)	(1.19)
	At the end of the reporting period	**51.97**	**81.52**

(c) Performance obligation

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for construction of highways, water pipeline projects, construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) Performance obligations to be performed in next year is amounting to ₹ 73.43 crores (previous year amounting to 85.95 crores)

23 Other Income

Particulars	April 2021 - March 2022	April 2020 - March 2021
Interest Income on EIR on Financial Assets at amortised cost	11.45	11.54
Lease Income	5.04	7.20
Excess provision written back	0.50	-
Profit on Sale of Assets	-	1.68
Fair value of current investment	-	0.03
Interest Received on award	1.17	5.01
Sundry Balances Written Back	6.68	7.92
Share of Profit on Joint Venture	0.43	-
Total	**25.27**	**33.38**

24 Cost of Materials Consumed

Particulars	April 2021 - March 2022	April 2020 - March 2021
Opening Stock	11.18	16.97
Add : Purchases (Net of Discount)	11.69	8.19
Less : Closing Stock	10.76	11.18
Total	**12.11**	**13.98**

25 Employee Benefits

Particulars	April 2021 - March 2022	April 2020 - March 2021
Salaries, Bonus, Perquisites etc.	7.54	6.90
Contribution to Provident and other fund	0.40	0.39
Staff Welfare Expenses	0.15	0.15
Total	**8.09**	**7.44**

26 Finance Cost

Particulars	April 2021 - March 2022	April 2020 - March 2021
Interest Expense	721.42	605.79
Unwinding Interest on financial Liabilities	0.11	0.10
Interest on Late payment of Taxes	0.37	0.07
Total	**721.90**	**605.96**

During the Year ended March 31, 2022 two lenders have levied penal interest and charges of ₹ 76.07 crores (P.Y. ₹ 68.65 crores). Total amount of penal interest and charges amounts to ₹ 324.65 crores (P.Y. ₹ 248.58 crores) up to March 31,2022. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.

On account of the Company being marked as non performing assets by the lenders no interest has been debited by majority of the lenders. The Company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.

27 Depreciation & Amortisation

Particulars	April 2021 - March 2022	April 2020 - March 2021
Depreciation	3.61	9.01
Total	**3.61**	**9.01**

28 Other Expenses

Particulars	April 2021 - March 2022	April 2020 - March 2021
Plant Hire Charges	1.89	1.31
Consumption of Spares	0.38	0.82
Power & Fuel	1.98	1.34
Fees & Consultations	2.04	5.47
Rent	1.01	0.98
Rates & Taxes (incl indirect taxes)	0.31	0.49
Travelling Expenses	0.89	0.75
Communication	0.03	0.03
Insurance	0.43	0.83
Repairs to Plant & Machinery	0.02	0.03
Other Repairs & Maintenance	0.16	0.07
Bank Charges & Guarantee Commission	2.37	1.41
Other Site Expenses	0.96	1.84
Sundry Expenses	0.62	0.69
Sundry Balance Written Off	2.23	3.54
Write off of Contract Assets	-	7.26
Share of loss on Joint Venture	-	0.34
PPE Written Off	-	1.37
Loss on Sale of Assets	0.17	
Loss on recognition of Project Award	225.79	-
Provision for Doubtful Debts and Advances	2.52	6.04
Loss on sale of Investments	0.02	4.95
Foreign Exchange Loss (net)	2.72	1.57
Audit Fees	0.18	0.21
Total	**246.72**	**41.34**

(a) Remuneration to Statutory Auditors

Particulars	April 2021 - March 2022	April 2020 - March 2021
Audit Fees	0.15	0.15
Limited Review	0.03	0.05
Certification & Other Attest Services	0.00	0.01
Total	**0.18**	**0.21**

29 Exceptional Items

Particulars	April 2021 - March 2022	April 2020 - March 2021
Impairment provision of investment	-	85.30
Impairment provisions of Loans	119.25	3.90
Provision for Risks & Contingency	11.51	8.88
Write back of Provision of Loans	-	(2.52)
Total	**130.76**	**95.56**

Notes related to Exceptional Items:

i) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹1300.40 crores (fully provided) 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. had 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. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised 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.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the Company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure, notwithstanding its ongoing endeavor to recover the value of the non core assets

During the Previous year there has been incremental provisioning of ₹11.51 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

ii) The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹ 1347.17 crores of which Gammon International BV is ₹ 960.67 crores and Gammon Holding Mauritius Limited is ₹386.51 crores. Based on the latest valuation of Sofinter group 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 nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML as per the valuation report dated June 08, 2022 for the purposes of the financial statement of March 31, 2022 the reduction in equity value of ₹ 119.25 Cr has been provided during the year and the same has been shown as exceptional item in the statement of profit and loss. Total provision as against the exposure till March 22 is ₹ 675.71 Cr.

iii) The Company's investment in Metropolitan Infrahousing Pvt Ltd (MIPL) was tested for impairment internally, there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres. The Company has already made a provision for impairment of its investment in the subsidiary of ₹ 505.44 crores and provision of ₹ 364.60 crores has been made against its exposure as loan & interest receivable in earlier years , During the year there has been incremental provisioning of ₹ Nil (P.Y. ₹66.18 crores) and the same has been shown as exceptional item in the statement of profit and loss.

30 Tax Expense

Particulars	April 2021 - March 2022	April 2020 - March 2021
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Excess short provision for tax	-	(2.27)
Deferred tax	1.20	(0.05)
Income tax recognised in statement of profit or loss	**1.20**	**(2.32)**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :

A Current Tax

Particulars	April 2021 - March 2022	April 2020 - March 2021
Accounting profit before income tax for 12 months	(1,084.55)	(719.17)
Enacted tax rates in India (%)	29.12%	29.12%
Computed expected tax expenses	(315.82)	(209.42)
Effect of non- deductible expenses	253.31	209.98
Effect of tax losses and deductible expenses	(2.82)	(4.91)
Net Tax Effects	(65.33)	(4.35)

B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing
Property, Plant and Equipment	(83.36)	(0.05)	-	**(83.31)**
Non Current Investments	(19.83)	(0.00)	-	**(19.83)**
Mar-21	**(103.19)**	**(0.05)**	**-**	**(103.14)**
Property, Plant and Equipment	(83.31)	1.20	-	**(84.51)**
Non Current Investments	(19.83)	(0.00)	-	**(19.83)**
Mar-22	**(103.14)**	**1.20**	**-**	**(104.34)**

31 Earning Per Share

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

Particulars	April 2021 - March 2022	April 2020 - March 2021
Net Profit attributable to the Equity Share holders	(1085.75)	(716.85)
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	36,88,47,305
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,95,73,105
Earning Per Share – Basic (₹)	(29.44)	(19.43)
Earning Per Share – Diluted (₹)	(29.44)	(19.43)

Reconciliation of weighted number of outstanding during the year :

Particulars	April 2021 - March 2022	April 2020 - March 2021
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	36,88,47,305
Add : Issue of shares	-	-
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	36,88,47,305
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	36,88,47,305	36,88,47,305
Add : Shares kept in abeyance	7,25,800	7,25,800
Weighted Avg no. of shares in calculating Dilutive EPS	36,95,73,105	36,95,73,105

32 Contingent Liability

	Particulars	March 31, 2022	March 31, 2021
i	Corporate Guarantees and Counter Guarantees given to Bankers towards Guarantees given by them for Client of the Company and Company's share in the Joint Ventures and for loans to subsidiaries (net of recalled amount accounted as liabilities)	294.08	248.53
ii	Disputed Sales Tax Liability for which the Company has gone into appeal	39.89	30.20
iii	Claims against the Company not acknowledged as debts	208.20	59.97
iv	Disputed Service Tax Liability	2.24	7.79
v	In respect of Income Tax Matters of Company and its Joint Ventures	148.96	334.16
vi	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
vii	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
viii	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96

ix There is a disputed demand of UCO Bank pending since 1986, of USD 436251 i.e. ₹ 3.02 crores. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹ 0.21 crores, which adjustment has not been accepted by the Company.

x Counter Claims in arbitration matters referred by the Company – Liability unascertainable.

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

xii 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.

33 Segment Reporting as per IND AS108 " Operating Segments"

The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.

Revenue of ₹ 27.53 crores (PY: ₹ 52.37 crores) arising from three (PY two) major customer each contributing more than 10% of the total revenue of the Company.

34 Ind As 116 "Leases"

Contractual maturities of Lease Income on undiscounted basis -

Particulars	March 31, 2022	March 31, 2021
Less than one year	2.06	4.93
One to five years	-	2.06
More than five years		-
Total	**2.06**	**6.98**

35 Foreign & Domestic Venture

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

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

(b) The Gammon group 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 is ₹ 1347.17 crores of which Gammon International BV is ₹ 960.67 crores and Gammon Holding Mauritius Limited is ₹386.51 crores. Based on the latest valuation of Sofinter group 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 as per the valuation report dated June 08, 2022 for the purposes of the financial statement of March 31, 2022 the reduction in equity value of ₹ 119.25 Cr has been provided during the year and the same has been shown as exceptional item in the statement of profit and loss. Total provision as against the exposure till March 22 is ₹ 675.71 Cr.

(c) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹1300.40 crores (fully provided) 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. had 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. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised 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.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the Company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure, notwithstanding its ongoing endeavor to recover the value of the non core assets

During the year there has been incremental provisioning of ₹11.51 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

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 ₹ 439.24 crores. The Company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field, the Company has made the entire provision against its exposure.

(d) 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.

(e) 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 it's exposure in SAE .

36 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. Also the Company's current liabilities exceed the current assets by ₹ 8498.12 crores as at March 31, 2022. The facilities of the Company with the Secured 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 liquidity crunch is affecting the Company's operation with increasing severity. The Secured 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.

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

Pursuant to the execution of the ICA the lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequent to the abovementioned appointment the representatives of Deloitte attended one of the Joint Lenders Meeting held on 13th January, 2020, wherein the plans regarding the way forward on the resolution process were presented. Subsequently on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company and on such terms and conditions as directed by IDBI Bank.

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, seven lenders including the lead monitoring institution provided their in-principle sanction to the Company and the Company is pursuing for the approval with other lenders as well.

Due to delay in approval of resolution plan by other Bankers the fund through which Everstone (Investor) was intended to invest was closed. However, Everstone has shown a keen desire to invest with next available fund.

Due to time constraint, Gammon has proposed an alternate investor with the same terms and conditions for the revival of the Company which is accepted by the Bankers. The lenders discussed the above matter at the Joint Lenders meeting dated 5th March 2022 and while accepting the offer were willing to take up with their higher management for resolution plan of the Company.

The Company is awaiting the sanction of the lenders. The resolution process is in the advanced stage and the management is hopeful that the sanctions will be received soon.

Meanwhile the Company has received a notice from Union Bank of India and Punjab National Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, taking over the possession of the Gammon House property including the land appurtenant to it. The Company has been restrained from parting with the rights over the said property. The total demand raised by this notice is ₹ 1136.71 Cr.

The management is hopeful of obtaining approval of all the lenders to the above plan and execute documents accordingly and maintain its going concern status and to that effect is continuously engaged with the lenders for a solution.

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. The above action plan of the Company for repaying the debts and servicing the same including the necessary value of the balance stake being available and realisation of the claim amounts filed by the Company, monetisation of the stake sale of investments and also the acceptance of the resolution proposal by the lenders is exposed to material uncertainties which may affect the going concern assumption.

37 The Company's exposure to one of the subsidiary Company Deepmala Infrastructure Private Limited developing a real estate project in Bhopal is ₹ 261.91 crores (net of provisions of ₹ 100 crores against its exposure based on internal estimates of the realisable value). Due to slow down in the real estate market and various other factors the subsidiary Company is facing problems in the development of its projects and its sale. The subsidiary's RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. However, the subsidiary Company made a part payment of the amount mentioned in the One Time Settlement in June 2019. The subsidiary Company is in negotiation with the lenders to restore its credit facility and for the financial support for completion of the project. The Company is also exploring possibilities of restructuring for which it is in discussion with the lender. The statutory auditor has also made an Emphasis of Matter on the realisability of its inventory amounting to ₹ 822 crores.

38 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 A.

39 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars		Carrying Value		Fair Value	
		March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	657.78	727.84	657.78	727.84
	Others	136.87	122.40	136.87	122.40
	Trade receivables	236.09	309.61	236.09	309.61
	Cash and cash equivalents	0.01	0.02	0.01	0.02
	Bank Balance	10.26	7.76	10.26	7.76
(ii)	FVTPL				
	Mutual Funds & Equity Instrument	0.03	0.05	0.03	0.05
(iii)	FVTOCI				
	Equity Instrument	7.28	7.28	7.28	7.28
	Total Financial Assets	**1,048.32**	**1,174.96**	**1,048.32**	**1,174.96**
B	**Financial Liabilities**				
(i)	Amortised Cost				
	Borrowings	-	-	-	-
	Trade payables	109.45	129.91	109.45	129.91
	Others	8,126.47	7,346.79	8,126.47	7,346.79
	Total Financial Liabilities	**8,235.92**	**7,476.70**	**8,235.92**	**7,476.70**

(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.

Particulars	Fair Value measurement using				
	Date of Valuation	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, 2022	0.03	-	-	Market Value of Shares
Mutual Funds	March 31, 2022	-	-	-	Market Value of Mutual Funds
Equity Investments - FVTOCI					
Equity Shares	March 31, 2022	-	7.28	-	Based on Valuation considered by lenders for pledge invocation during the year 2018-19
Total financial assets		**0.03**	**7.28**	**-**	

(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 financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

(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, 2022		March 31, 2021	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	34,52,51,600	10,37,02,270	34,37,40,716	10,37,02,270
EUR - Euro	7,01,63,862	2,32,64,585	7,01,63,862	2,32,64,585
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, 2022 is ₹ 3217.65 crores and March 31, 2021 is ₹ 3138.51 crores.

Payable : As at March 31, 2022 is ₹ 983.81 crores and March 31, 2021 is ₹ 963.44 crores.

Hedge Foreign currency :

Receivable :- As at March 31, 2022 is ₹ NIL and March 31, 2021 is ₹ NIL

Payable : As at March 31, 2022 is ₹ NIL and March 31, 2021 is ₹ NIL.

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 rate fluctuations between the previous reporting period and the current reporting period.

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

	March 31, 2022		March 31, 2021	
Increase/(decrease) in profit or loss	**1 % Increase**	**1 % decrease**	**1 % Increase**	**1 % decrease**
USD - US Dollar	18.31	(18.31)	17.64	(17.64)
EUR - Euro	3.97	(3.97)	4.04	(4.04)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.05	(0.05)	0.07	(0.07)

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.

(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 ₹ 236.09 crores and ₹ 309.60 crores as of March 31, 2022 and March 31, 2021 respectively, unbilled revenue amounting to ₹ 763.69 crores and ₹ 931.69 crores as of March 31, 2022 and March 31, 2021, 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, 2022	Plus 100 basis point	(38.14)
	Minus 100 basis points	38.14
March 31, 2021	Plus 100 basis point	(37.73)
	Minus 100 basis points	37.73

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

(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, 2022	March 31, 2021
Cash and Cash Equivalent	0.01	0.02
Bank Balance	10.26	7.76
Current Investments in mutual Funds and Shares	0.03	0.05
Inventory	32.71	33.13
Trade Receivable Current	31.16	26.23
Loans & Advances Current	0.27	3.07
Other Financial Assets Current	29.85	28.96
Total	**104.29**	**99.23**

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, 2021			
Long term Borrowing	-	-	-
Short term borrowings	-	-	-
Trade payables	105.29	12.74	118.03
Other financial liabilities	7,334.79	12.00	7,346.79
Total	**7,440.08**	**24.74**	**7,464.82**

Particulars	Within One year	One - Five year	Total
As at March 31, 2022			
Long term Borrowing	-	-	-
Short term borrowings	-	-	-
Trade payables	97.49	11.96	109.45
Other financial liabilities	8,114.47	12.00	8,126.47
Total	**8,211.96**	**23.96**	**8,235.92**

(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.

40 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, 2022	March 31, 2021
Gross Debt	4,955.12	4,893.83
Less:		
Cash and Cash Equivalent	0.01	0.02
Bank Balance	10.26	7.76
Marketable Securities -Liquid Mutual Funds	0.03	0.05
Net debt (A)	4,944.82	4,886.00
Total Equity (B)	(5,993.10)	(4,907.37)
Gearing ratio (A/B)	**(0.83)**	**(1.00)**

41 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.

42 Details of Rounded Off Amounts

The Financial Statements are represented in Rupees crores. Those items which were not represented in the financial statement due to rounding off.

All the amounts Below are in Rupees

Particulars	March 31, 2022	March 31, 2021
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	24,881	24,881

43 The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

44 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, 2022.

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

ANNEXURE - 1

Statement A

Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures"

A	**List of Related Parties**		
	SUBSIDIARIES		**ASSOCIATES**
1	Ansaldocaldai Boilers India Private Limited	1	Finest S.p.A Italy
2	ATSL B.V., Netherland	2	AJR Infra and Tolling Limited (Formely Gammon Infrastructure Projects Limited)
3	ATSL Infrastructure Projects Limited	3	RAS Cities and Townships P Ltd
4	Associated Transrail Structures Limited, Nigeria		
5	Campo Puma Oriente S.A.		
6	Deepmala Infrastructure Private Limited		**Key Managerial Personnel**
7	Gammon Real Estate Developers Private Limited	1	Mr. Anurag Choudhry (Executive Director and Chief Financial Officer
8	Franco Tosi Turbines Private Limited	2	Mr. Ajit B. Desai (Chief Executive Officer)
9	Gactel Turnkey Projects Limited	3	Mr. Sandeep Sheth (From 15th April 2021 to 14th Oct 2021)
10	Gammon Holdings (Mauritius) Limited	4	Mrs. Niki Shingade
11	Gammon Holdings B.V.		
12	Gammon International B.V.		
13	Gammon International FZE		
14	Gammon Power Limited		
15	Gammon Realty Limited		**Independent Director**
16	Gammon Retail Infrastructure Private Limited	1	Mr. Soumendra Nath Sanyal
17	Metropolitan Infrahousing Private Limited	2	Mr. Ulhas Prabhakar Dharmadhikari
18	P.Van Eerd Beheersmaatschappaji B.V.	3	Mr. Vinath Hegde
19	Patna Water Supply Distribution Network Pvt Ltd	4	Mr. Kashi Nath Chatterjee (From 3rd May 2021)
20	Gammon Transmission Limited		
	STEPDOWN SUBSIDIARIES		
1	Franco Tosi Meccanica S.p.A*		
2	Gammon Italy S.r.l		
3	SAE Powerlines S.r.l*		
	JOINT VENTURE		
1	Gammon OJSC Mosmetrostroy		
2	Gammon SEW		
3	Gammon Srinivasa		
4	Hyundai Gammon		
5	Sofinter S.p.A		
6	GIPL GIL Jv		

* The Company is under liquidation

Statement A

Apr 21- March 22 **₹ In Crore**

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Rent Income	**-**	**-**	**0.01**	**-**	**0.01**
				(0.01)	**-**	**(0.01)**
	AJR Infra and Tolling Limited			0.01	-	**0.01**
		-	-	(0.01)	-	**(0.01)**
	Interest Income during the year	**11.45**	**-**	**-**	**-**	**11.45**
		(11.11)	**-**	**-**	**-**	**(11.11)**
	Gammon Holdings (Mauritius) Ltd	11.45	-	-	-	**11.45**
		(11.11)				**(11.11)**
	Finance provided for Loans, expenses & on a/c payments	**36.28**	**-**	**-**	**-**	**36.29**
		(10.80)	**-**	**-**	**-**	**0.21**
	Metropolitan Infrahousing Private Limited	-	-	-	-	**-**
		(10.76)	-	-	-	**(10.76)**
	Deepmala Infrastructure Private Limited	36.28	-	-	-	**36.28**
		(0.04)	-	-	-	**(0.04)**
	Reimbursement of expenses inccured by the Company	**-**	**0.11**	**-**	**-**	**0.11**
		-	**(0.17)**	**-**	**-**	**(0.17)**
	Gammon SEW	-	0.11	-	-	**0.11**
		-	(0.17)	-	-	**(0.17)**
	Reimbursement of expenses inccured on behalf of the Company	-	0.48	-	-	**0.48**
		-	(0.13)	-	-	**(0.13)**
	Gammon SEW		0.48			**0.48**
		-	(0.13)	-	-	**(0.13)**
	Fund Received for above Reimbursement		**0.67**	**-**	**-**	**0.67**
			-	**-**	**-**	**-**
	Gammon SEW		0.67			**0.67**
			-			**-**
	Share of Profit		**0.43**	**-**	**-**	**0.43**
			-	**-**	**-**	**-**
	Gammon SEW		0.43			**0.43**
			-			**-**
	Share of loss		**-**	**-**	**-**	**-**
			(0.34)	**-**	**-**	**(0.34)**
	Gammon SEW					**-**
			(0.34)			**(0.34)**
	Provision for Impairment of investment	**-**	**-**	**-**	**-**	**-**
		(74.80)	**-**	**-**	**-**	**(85.29)**
	Metropolitan Infrahousing Private Limited	-	-	-	-	**-**
		(66.18)	-	-	-	**(66.18)**
	Gactel Turnkey Projects Limited	-	-	-	-	**-**
		(8.62)	-	-	-	**(8.62)**
	Provision for Loans and Advances	**119.25**	**-**	**-**	**-**	**130.76**
		(1.54)	**-**	**(0.35)**	**-**	**(2.34)**
	Gammon International B.V.	80.91	**-**	**-**	**-**	**80.91**
		-	**-**	**-**	**-**	**-**
	Gammon Holdings (Mauritius) Limited	38.34	**-**	**-**	**-**	**38.34**

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
		-	-	-	-	-
	Gactel Turnkey Projects Limited	-	-	-	-	**0.80**
		(1.54)	-	-	-	**(1.54)**
	Rajahmundry Godavari Bridge Ltd	-	-	-	-	**-**
		-	-	(0.35)	-	**(0.35)**
	Provision Written back	**-**	**-**	**-**	**-**	**-**
		(2.52)	**-**	**-**	**-**	**(2.52)**
	ATSL B.V., Netherland	-				**-**
		(2.52)				**(2.52)**
	Guarantees and Collaterals Outstanding	**273.65**	**-**	**-**	**-**	**285.68**
		(228.46)	**-**	**-**	**-**	**(240.13)**
	Gammon Holdings B.V.	156.22	-	-	-	**156.22**
		(127.89)	-	-	-	**(127.89)**
	Gammon International B.V.	117.42	-	-	-	**117.42**
		(100.57)	-	-	-	**(100.57)**
	Key Managerial Personnel	**-**	**-**	**-**	**1.74**	**1.74**
	Short Term Benefit (Managerial Remuneration Paid)				**(1.49)**	**(1.49)**
	Mr. Ajit B. Desai	-	-	-	0.79	**0.79**
					(0.79)	**(0.79)**
	Mr. Anurag Choudhry	-	-	-	0.54	**0.54**
					(0.54)	**(0.54)**
	Mr. Sandeep Sheth				0.20	**0.20**
					-	**-**
	Nikki Shingade	-	-	-	0.20	**0.20**
					(0.16)	**(0.16)**
	Post Employment benefit					
	Nikki Shingade				0.01	**0.01**
					(0.01)	**(0.01)**
	Director Sitting fees	**-**	**-**	**-**	**0.06**	**0.06**
					(0.05)	**(0.05)**
	S N Sanyal	-	-	-	0.02	**0.02**
					(0.02)	**(0.02)**
	Ulhas Dharmadhikari	-	-	-	0.02	**0.02**
					(0.02)	**(0.02)**
	Kashi Nath Chatterjee				0.01	**0.01**
					-	**-**
	Vinath Hegde	-	-	-	0.01	**0.01**
					(0.01)	**(0.01)**
	Outstanding Balances Receivables					
	Loans & Advances	**1,830.87**	**-**	**-**	**-**	**3,547.02**
		(1,824.37)	**-**	**-**	**-**	**(3,533.79)**
	Gammon Holdings B.V.	709.62	-	-	-	**709.62**
		(709.62)	-	-	-	**(709.62)**
	Gammon International B.V.	715.14	-	-	-	**715.14**
		(708.63)	-	-	-	**(708.63)**
	Campo Puma Oriente S.A.	406.11	-	-	-	**406.11**
		(406.11)	-	-	-	**(406.11)**

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Loans and Guarantee o/s in the nature of Equity	**154.12**	**-**	**-**	**-**	**234.61**
		(154.12)	**-**	**-**	**-**	**(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)**
	Provision made for doubtful debts	**2,203.78**	**-**	**-**	**-**	**3,463.70**
		(2,122.87)	**-**	**-**	**-**	**(3,375.42)**
	Metropolitan Infrahousing Private Limited	325.83	**-**	**-**	**-**	**325.83**
		(325.83)	**-**	**-**	**-**	**(325.83)**
	Gammon Holdings B.V.	804.20	-	-	-	**804.20**
		(804.20)	-	-	-	**(804.20)**
	Gammon International BV	648.21	-	-	-	**648.21**
		(567.30)	-	-	-	**(567.30)**
	Campo Puma Oriente SPA	425.53	-	-	-	**425.53**
		(425.53)	-	-	-	**(425.53)**
	Interest Receivable	**307.04**	**-**	**-**	**-**	**455.09**
		(283.83)	**-**	**-**	**-**	**(445.47)**
	Metropolitan Infrahousing Private Limited	62.87	-	-	-	**62.87**
		(63.15)	-	-	-	**(63.15)**
	Gammon Holdings B.V.	94.58	-	-	-	**94.58**
		(94.58)	-	-	-	**(94.58)**
	Gammon Holdings (Mauritius) Ltd	83.22	-	-	-	**83.22**
		(59.74)	-	-	-	**(59.74)**
	Gammon International B.V.	66.35	-	-	-	**66.35**
		(66.35)	-	-	-	**(66.35)**
	Trade & Other Receivable	**192.86**	**532.00**	**-**	**-**	**814.66**
		(192.86)	**(771.64)**	**-**	**-**	**(1,063.73)**
	SAE Power Lines s.r.l	192.86	**-**	**-**	**-**	**192.86**
		(192.86)	**-**	**-**	**-**	**(192.86)**
	Gammon OJSC Mosmetrostroy	-	532.00	-	-	**532.00**
		-	(771.64)	-	-	**(771.64)**
	Outstanding Balances Payable					
	Trade & Others Payable	**1.24**	**9.37**	**-**	**-**	**14.09**
		(1.24)	**(9.37)**	**-**	**-**	**(12.83)**
	Gammon OJSC Mosmetrostroy	-	6.90	-	-	**6.90**
		-	(6.90)	-	-	**(6.90)**
	Gammon SEW	-	1.81	-	-	**1.81**
		-	(1.19)	-	-	**(1.19)**
	Deepmala Infrastructure Private Limited	1.24	-	-	-	**1.24**
		(1.24)	-	-	-	**(1.24)**
	RAS Cities and Townships P Ltd	-	2.48	-	-	**2.48**
		-	(2.48)	-	-	**(2.48)**

(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.

Statement B- Analytical Ratios
2021-2022

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2021-22)	Ratio (2020-21)	% of Variation	Reason for variance
1	Current ratio	Current Asset	0.02	0.03	(10.57)	
		Current Liabilities				
2	Debt-Equity ratio	Total Debts	(0.64)	(0.77)	(17.23)	
		Shareholders Equity				
3	Debt Service Coverage ratio	Earnings available for debt service	-	-	-	Since the company is in default and not servicing its debt and interest obligation and therefore debt service coverage ratio is not given
		Debt Service				
4	Return on Equity ratio (ROE)	Net Profits after taxes – Preference Dividend	19.92%	15.76%	26.42	Loss on recognition of project award
		Average Shareholder's Equity				
	(Return on Equity is positive only for the fact that numerator and denominator are negative resulting into positive ROE)					
5	Inventory Turnover Ratio	Cost of goods sold	0.38	0.41	(7.65)	
		Average Inventory				
6	Trade Receivables turnover ratio	Net Credit Sales	0.10	0.15	(33.88)	Loss on recognition of project award
		Average Accounts Receivable				
7	Trade payables turnover ratio	Net Credit Purchases*	0.23	0.32	(29.72)	Repayment done to creditors during the year
		Average Trade Payables				
	**(Includes subcontractor expenses)*					
8	Net capital turnover ratio	Net Sales	(0.00)	(0.01)	(51.99)	Reduction in turnover duing the year
		Average working capital				
9	Net profit ratio	Net Profit after Tax	(3,925.34)	(1,356.64)	189.34	Loss on recognition of project award
		Net Sales				
10	Return on Capital employed (ROCE)	Earning before interest and taxes	17.48%	10.98%	59.21	Loss on recognition of project award
		Capital Employed				
	(Return on capital emolyed is positive only for the fact that numerator and denominator are negative resulting into positive ROCE)					
11	Return on Investment (ROI)	{MV(T1) – MV(T0) – Sum [C(t)]}	-	-		Investments in subsidiaries and associates are strategic and non treasury hence this ratio is not given
		{MV(T0) + Sum [W(t) * C(t)]}				

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Gammon India Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Gammon India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group"), its Associates and Jointly Controlled Entities, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

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, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022 , consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

a) We invite attention to note no. 9 (a) of the financial statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2022 is ₹ 231.69 Crore. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert, on the recovery of the claims, 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, 2022.

b) We invite attention to note no. 9(b) of the financial statement relating to the claim of CMRL project wherein the Company has retained the claim at an amount of ₹ 532 Crore after writing off the amounts previously estimated and not accepted. This amount includes an amount of ₹ 123.08 Crore which is subject matter of appeal arising from the award. The award is in the name of joint venture as detailed in the note. Pending the final fructification of the award amount and the settlement of the JV proceeds as detailed in the aforesaid note we are unable to opine whether the entire amount will be to the account of the Company.

c) We invite attention to note no. 6(a)(iii) of the financial statement relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 236.68 Crore in respect of disputes in four 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.

d) We invite attention to note no 10 (d) of the financial statement relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company in its Standalone Financial results had on prudent basis in the earlier years, based on internal estimates, made a provision of ₹ 100 Crore against the exposure of ₹ 361.93 Crore which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The audit of the subsidiary for the prior periods have been completed during the year and the auditor of the subsidiary has also made an Emphasis of Matter on the realisability of its inventory amounting to ₹ 822 crore as at March 31, 2022 and also highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2022. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the exposure (Net) towards inventory of ₹ 800.39 Crore.

e) We invite attention to note no 30 of the Financial Statement to penal interest and charges of ₹ 76.07 Crore during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 324.65 Crore up to March 31, 2022. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. Pending the conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.

f) The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered, as follows

i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financials statement for the year 31st December 2020 and 2021 has been not received. There are no audited financial statements after 31st December 2012.

ii. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. whose financials statement for the year 31st March 2021 and 31st March 2022 has not been audited.

Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any.

g) The auditors of one subsidiary Ansaldo Caldaie Boilers India Pvt Ltd of the Company carries a qualification in their Audit Report as follows:

1. The Company has received Share Application Money of ₹16.64 Crore from M/s. Ansaldo Caldaie S.P.A for further allotment of shares which were to be issued on terms and conditions decided by the Board. However, the Company has neither made the allotment of shares nor refunded the money as per the regulations and provisions of The Companies Act, 2013 and Reserve Bank of India. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive due to various operational issues. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.

2. We invite attention to the Financial Statements regarding accessibility of the inventory of ₹1.18 Crore The Stock is in the custody of the lenders of Ansaldo GB-Engineering Private Limited who have taken over the possession of the Company during 2019. In the absence of any confirmation from the lenders of the Ansaldo GB-Engineering Private Limited regarding possession of inventory we are unable to comment upon recoverability and physical possession of the inventory.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion on the Consolidated Financial Statement.

Material Uncertainty Related to Going Concern

We draw attention to the following material uncertainty related to going concern included in the notes on the consolidated financial statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under.

a) In respect of Holding Company

We invite attention to the note no. 40 of the financial statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets by ₹ 8871.17 Crore as at March 31, 2022. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. The trading in equity shares of the Company is presently suspended, Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The Company's resolution plan has found favour with seven lenders as detailed in the note no. 40 but the final approval of all lenders and the execution of the plan and its success involves material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

b) In respect of Subsidiaries in the following cases the auditors' have carried a paragraph relating to going concern which is extracted from the Independent Auditors' Report of the respective component detailed below:

Deepmala Infrastructure Private Limited

Financial statement of the Company are prepared on Going Concern basis, but considering the fact that the company has accumulated losses, negative net worth, cancellation of registration of RERA, pending litigation at NCLT and statutory non-compliance and being unable to settle the One Time Settlement direction from Axis Bank for settlement of Term Loan, This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern However, according to the management, the company has a concrete plan to settle the Term Loan of Axis Bank. Company will also have a plan to bring investor to infuse working capital to re-start operation of the company and complete the project within a period of four to five years. The above action plan of the company will result into settlement of company's obligations. Therefore, in view of the management, the Going Concern assumption of the company is intact and this financials are prepared on Going Concern basis.

Ansaldo Caldaie Boilers India Limited

The Company has accumulated losses and its Net worth has been fully eroded. Also, the Company has incurred net cash loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. The Company is facing financial difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note. Our opinion is not modified in respect of this matter.

ATSL Holding BV

As at March 31, 2022 Current liabilities exceed current assets by Euro 2.06 Crore (₹ 174.25 crores), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

Gammon Holding BV

As on 31st March, 2022, current liabilities exceed current assets by Euro 7.09 crores (₹ 600.37 crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A.which in turn depends upon the value of non-core assets of the said Franco Tossi Mechanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

Gammon International BV

As on 31st March, 2022, current liabilities exceed current assets by Euro 7.77 crores (₹ 657.43 crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A.. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

Gammon International FZE

As on 31st March, 2022, current liabilities exceed current assets by AED 1.25 crores (₹ 25.89 crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

Pvan Eerd Beheersmaatschappij B.V

As on 31st March, 2022, current liabilities exceed current assets by Euro 1.76 crores (₹ 148.81 crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SpA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

Gammon Holdings Mauritius Limited

As on 31st March, 2022, current liabilities exceed current assets by USD 4.42 crores (₹ 334.82 crores). This Condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial Statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the Shareholder.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters related to Emphasis of Matter included in the audit report issued on the consolidated financial statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under

a) We draw attention to Note no 6 (a) (i)&(ii) of the Financial Statement relating to recoverability of an amount of ₹146.64 crores as at March 31, 2022 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 ₹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 6(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

c) The auditors of subsidiaries of the Company carries an Emphasis of Matter in their Audit Report as follows –

Deepmala infrastructure Private Limited –

The recoverability of Work in Progress of ₹ 822 crores could not be estimated considering the liquidity issues and suspension of RERA Registration.

Ansaldo Caldaie Boilers India Pvt Ltd –

We invite attention to the Financial Statements regarding recoverability of trade receivable of ₹ 931.70 lacs due from M/s. Nagai Power, the management is of the view that the debts are good and receivable, and it holds guarantees in support of recovery. Pending recovery, the Company has initiated legal proceedings in the form of initial demand notice as a pre cursor to NCLT proceedings. The NCLT proceedings could not be further acted upon on account of lockdown and deferment of proceedings on account of lockdown. No adjustments are therefore made for the same in the books except for provision for expected credit loss

Patna Water Supply Distribution Network Private Limited –

We invite attention relating to the receipt of the award, related revenue recognition and the impairment relating to the exposure towards the project. We have relied on the assertion of the management on the award finally fructifying in favor of management. Our opinion is not qualified on this account

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Apart from what is mentioned in our paragraph titled Basis of Qualified Opinion, and paragraph titled Material Uncertainty related to Going Concern we have determined the matters described below to be the key audit matter to be communicated in our report -

SR No.	Key Audit Matter	Auditor Response
1	**Correction of Error and Restatement of earlier year Financial Statement** Refer note 44 of the Consolidated Financial Statement The subsidiary's account i.e. Deepmala Infrastructure Private Limited for all the previous unaudited periods from 2016-17 to 2020-21 were audited in the current financial year. Material errors have been noted between the unaudited financials used for consolidation in the previous years and the audited financials mainly in 2017-18,2018-19 and 2019-20. Accordingly, the company has corrected the errors by retrospectively restating and regrouping each of the affected financial statement line items for the earliest prior period presented i.e. the opening balance sheet as at April 1, 2020	Our audit procedures included and were not limited to the following - We have obtained and read the audited financial statement of the Subsidiary and went through year wise analyses prepared by the management between audited and unaudited financial statement prepared. Verified the mathematical accuracy of the analyses prepared by the management. Assessed compliance with the disclosure requirements of Ind AS 108 including restatement of earliest period financial statement presented and evaluated the conclusions made. Assessed the adequacy of the disclosure made by the management in note 44 of the consolidated financial statement. Verified the changes made in the Comparative consolidated financial statement and in the opening balance sheet as at April 1, 2020.

Other Information

The Holding Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the Annual Report but does not include the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Other Information has not been made available to us till the date of this report. We will read the Other Information as and when it is made available to us and if conclude that there is a material misstatement, we are required to communicate the matter with those charged with governance and take necessary steps as may be required thereafter.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly Controlled Entities in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities is responsible for assessing the ability of the Group and of its Associates and Jointly Controlled Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are also responsible for overseeing the financial reporting process of the Group and of its Associates and Jointly Controlled Entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit we also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements and other financial information, in respect of 16 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 2321.18 crores as at March 31, 2022, total revenues of ₹ 0.90 crores, Net loss after tax of ₹ 216.68 crores and net cash outflow amounting to ₹ 0.61 crores for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated financial statements. The consolidated financial statements also include the Group's share of net Profit of ₹ 0.43 crores in respect of 1 joint ventures for the year ended March 31, 2022, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates in India, is based solely on the reports of the other auditors.

b. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 86.69 crores as at March 31, 2022, total revenues of ₹ 0.05 crores, Net loss after tax of ₹ 19.68 crores and net cash inflow amounting to ₹ 0.01 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management including the application of the INDAS accounting standards. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint ventures, is based solely on such unaudited financial statements. Our conclusion is not qualified on this account except for the material subsidiary and joint venture mentioned in our basis for qualified conclusion para.

c. We did not audit the financial statements of 1 subsidiary for the prior periods, which was unaudited hitherto, which have been audited during the year by their auditors whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, specially related to restatement referred in note no. 44 of the financial statement, is based solely on the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

2. As required by Section 143(3) of the Act, we report that:

- **a.** We / the other auditors whose reports have relied upon except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, have sought obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- **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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- **c.** The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- **d.** In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- **e.** The matters described in paragraphs under the Basis for Qualified Opinion and Material Uncertainty Relating to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Group.
- **f.** On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, joint ventures and associates incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act except for the following
  - **i.** In case of holding company all the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - **ii.** Mr. Atul Kumar Shukla in case of Deepmala Infrastructure Pvt Ltd.
- **g.** The matters described in our Basis of Qualified Opinion paragraph and the paragraph on Material Uncertainty related to Going Concern may have an adverse impact on the maintenance of accounts and other matters connected therewith.

h. With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial control with reference to financial statement.

i. With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the act as amended in our opinion and to the best of our information and according to explanations given to us, the remuneration paid or provided by the holding company and its subsidiary companies incorporated in India, wherever applicable, to its director during the year is in accordance with the provision of section 197 of the act; and

j. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 35 to the consolidated financial statements.
- **ii.** Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses. The Group has not entered into any derivative contracts;
- **iii.** The Holding Company has to transfer amount of ₹ 0.54 Cr to the Investor Education and Protection Fund.
  - **a)** The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity(ies), including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
  - **b)** The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
  - **c)** Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- **v.** No dividend is declared or paid during the year by the company.

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

K N Padmanabhan
Partner
M. No. 036410

Mumbai, Dated: - June 21, 2022
UDIN : 22036410ALJNAD9378

ANNEXURE A

To the Independent Auditors' Report on the Consolidated Financial Statements of

Gammon India Limited

As required by clause 3(xxi) of the Companies (Auditors Report) Order, 2020 relating to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, we report hereinbelow in the table qualifications/adverse reporting by the auditors.

S. No.	Name of the Company / CIN	Relationship Holding / Subsidiary/ Associate / Joint Venture	Clause number of the Caro report which is qualified or adverse.
1.	Gammon India limited (L74999MH1922PLC000997)	Holding	Clause 3(i)(b), Clause 3(ii)(a) 3(iii)(f), Clause 3(vii)(a), Clause 3(ix)(a), Clause 3(xiv)(a), Clause 3(xvii) and Clause 3(xix)
2.	Metropolitan Infra housing Private Limited (U45201MH2006PTC162441)	Subsidiary	Clause 3(xvii) and Clause 3(xix)
3.	ATSL Infrastructure Projects Limited (U45400MH2007PLC169995)	Subsidiary	Clause 3(xvii)
4.	Deepmala Infrastructure Private Limited (U45201MH2007PTC174676)	Subsidiary	Clause 3(ix)(a), Clause 3(xvii) and Clause 3(xix)
5.	Gammon Retail Infrastructure Private Limited (U45202MH2008PTC184838)	Subsidiary	Clause 3(xvii)
6.	Gammon Power Limited (U40108MH2008PLC186403)	Subsidiary	Clause 3(xvii)
7.	Gammon Realty Limited (U45201MH2006PLC165785)	Subsidiary	Clause 3(vii) (a) and Clause 3(xvii)
8.	Gammon Transmission Limited (U45204MH2009PLC195888)	Subsidiary	Clause 3(xvii)
9.	Gammon Real Estate developers Pvt Ltd (U29268MH2010PTC202531)	Subsidiary	Clause 3(xvii)
10.	Ansaldo caldaie Boilers India Private Limited (U28123TN2005PTC055309)	Subsidiary	Clause3(ii)(a) and Clause 3(xvii)
11.	Patna Water Supply Distribution Network Private Limited (U45400MH2012PTC231297)	Subsidiary	Clause 3(i)(b), Clause3(ii)(a), Clause 3(vii) (a) and Clause 3(xix)

Annexure - B

To the Independent Auditors' Report on the Consolidated Financial Statements of

Gammon India Limited

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

In conjunction with our audit of the consolidated Ind AS Financial Statements of Gammon India Limited ("herein after referred to as "the Holding Company") as at the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its 10 subsidiary companies (together referred to as 'covered entities' in this report) which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and it's covered entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial 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 these consolidated Ind AS 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 with reference to these consolidated financial statements 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 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 along with the audit reports of the covered entities not audited by us, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these consolidated Ind AS financial statements of Holding Company, its subsidiaries, associate companies and joint venture, as aforesaid.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to these Consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of these consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated Ind AS 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 these consolidated Ind AS 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 theses consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to these Consolidated Ind AS Financial Statements.

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

Qualified Opinion

In view of what is stated in our basis of Qualified Opinion we cannot state that the Group has, in all material respects, an adequate internal financial controls system with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2022, 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

Basis of Qualified Opinion

According to the information and explanation given to us and based on the report issued by the other auditors on internal financial controls with reference to these consolidated Ind AS financial statements in case of its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, the following material weaknesses has been identified in the operating effectiveness internal financial control with reference to these consolidated Ind AS financial statements as at March 31, 2022:

Holding Company;

a) The Company has laid down internal financial controls with reference to financial statements, however, its implementation and effectiveness in certain areas are affected due to severe manpower issues affecting timely preparation of financial statements.

b) Our test of transactions revealed instances of control weaknesses which have inter-alia resulted from manpower and liquidity issues, the period-end financial reporting processes were also inadequate leading to errors in consolidation.

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.

Other Matter

d) Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to standalone financial statements of 10 subsidiaries , which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

e) **Other covered entities;**

We did not audit the internal financial controls system with reference to Ind AS financial statements in so far as it relates to one subsidiary company, which is company covered under the Act, whose financial statement reflect total assets of ₹ 86.69 crore as at 31 March 2022, total revenues of ₹ 0.05 crore , net loss after tax of ₹ 19.68 crores and net cash inflow of ₹ 0.01 Crore for the year ended on that date, as considered in these consolidated financial statements, whose internal financial controls system with reference to Ind AS financial statements are unaudited and our report on the adequacy and operating effectiveness of internal financial controls system with reference to Ind AS financial statements is based solely on representation provided by the management. In our opinion and according to the information and explanations given to us by the management.

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

K N Padmanabhan
Partner
M. No. 036410

Mumbai, Dated: - June 21, 2022
UDIN : 22036410ALJNAD9378

Consolidated Balance Sheet as at 31, March 2022

(All figures are in ₹ in Crore unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021 (Restated)	As at April 01, 2020 (Restated)
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	2	412.56	418.59	430.12
(b) Capital work-in-progress		-	-	1.73
(c) Intangible Asset		-	-	-
(d) Goodwill on Consolidation	3	-	-	-
(e) Financial assets				
(i) Investments	4	578.19	763.58	752.34
(ii) Trade receivable	5	220.09	294.89	270.57
(iii) Loans	6	89.66	89.66	195.40
(iv) Others financial assets	7	4.57	4.44	4.19
(f) Deferred tax assets (net)	8	0.18	0.20	0.93
(g) Other non-current assets	9	1,240.16	1,427.69	1,395.00
TOTAL NON-CURRENT ASSETS		**2,545.41**	**2,999.05**	**3,050.28**
CURRENT ASSETS				
(a) Inventories	10	874.12	873.83	915.31
(b) Financial assets				
(i) Investments	4	0.04	0.05	0.03
(ii) Trade receivables	5	55.36	54.70	146.85
(iii) Cash and cash equivalents	11	1.56	2.09	4.82
(iv) Bank balances	11	14.23	11.87	6.98
(v) Loans	6	62.62	65.43	65.95
(vi) Others financial assets	7	34.20	33.33	35.39
(c) Other current assets	9	149.67	159.05	169.68
TOTAL CURRENT ASSETS		**1,191.80**	**1,200.35**	**1,345.01**
TOTAL ASSETS		**3,737.21**	**4,199.40**	**4,395.29**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	12	74.11	74.11	74.11
(b) Other equity	13	(6,570.62)	(5,248.17)	(4,396.41)
Equity attributable to owners of the Company		**(6,496.51)**	**(5,174.06)**	**(4,322.30)**
(c) Non-controlling interests	14	(146.46)	(133.83)	(122.27)
TOTAL EQUITY		**(6,642.97)**	**(5,307.89)**	**(4,444.57)**
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	15	-	-	48.56
(ii) Trade payables				
- Total outstanding dues to Micro and Small Enterprises	16	-	-	-
- Total outstanding dues to other than Micro and Small Enterprises	16	23.21	20.90	25.09
(iii) Other financial liabilities		-	-	-
(b) Provisions	17	0.70	0.60	0.62
(c) Deferred tax liabilities (net)	8	104.35	103.14	103.20
(d) Other non-current liabilities	18	188.95	190.94	189.66
TOTAL NON-CURRENT LIABILITIES		**317.21**	**315.58**	**367.13**
CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	19	572.13	571.67	574.77
(ii) Trade payables				
- Total outstanding dues to Micro and Small Enterprises	16	0.34	0.24	0.25
- Total outstanding dues to other than Micro and Small Enterprises	16	176.17	185.53	191.47
(iii) Other financial liabilities	20	8,929.10	7,993.10	7,278.80
(b) Other current liabilities	21	95.32	158.05	156.82
(c) Provisions	17	284.06	277.27	264.70
(d) Current tax liabilities (net)	22	5.85	5.85	5.92
TOTAL CURRENT LIABILITIES		**10,062.97**	**9,191.71**	**8,472.73**
TOTAL EQUITY AND LIABILITIES		**3,737.21**	**4,199.40**	**4,395.29**

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(All figures are in ₹ in Crore unless otherwise stated)

Sr No.	Particulars	Note No.	April 2021 - March 2022	April 2020- March 2021
I	Revenue from Operations	23	27.85	54.52
II	Other Income	24	13.61	120.72
III	**Total Income (I +II)**		**41.46**	**175.24**
IV	**Expenses**			
	Cost of Sales	25	11.42	14.36
	Subcontracting Expenses	26	14.29	32.18
	Employee benefit expenses	27	8.68	8.06
	Finance Costs	28	870.56	751.95
	Depreciation & amortization expenses	29	3.70	9.10
	Other expenses	30	312.52	119.02
	Total Expenses		**1,221.17**	**934.68**
V	**Profit/(Loss) before exceptional items and tax(III- IV)**		**(1,179.71)**	**(759.43)**
VI	Exceptional items Expense / (Income)	31	-	35.70
VII	**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax**		**(1,179.71)**	**(795.13)**
	Share of profit / (loss) of associates and joint ventures		0.43	(0.34)
VIII	**Profit/(loss) before tax**		**(1,179.28)**	**(795.47)**
IX	**Tax expenses**	32		
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	(1.42)
	Deferred Tax Liability / (asset)		1.23	0.67
	Total tax expenses		**1.23**	**(0.75)**
X	**Profit after tax for the period**		**(1,180.51)**	**(794.72)**
XI	**Other Comprehensive Income:**			
A	**Items that will not be reclassified to profit or loss:**			
	- Remeasurements of the defined benefit plans [net of tax]		0.04	0.10
B	**Items that will be reclassified to profit or loss**			
	- Exchange differences through OCI		47.91	(70.18)
	- Net gain/ (loss) on fair value of equity instruments through OCI		(202.52)	-
	Other Comprehensive Income for the year (A+B)		**(154.57)**	**(70.08)**
XII	**Total Comprehensive Income / (Loss) For The Period (X +XII)**		**(1,335.08)**	**(864.80)**
	Profit for the year attributable to:			
	- Owners of the Company		**(1,167.88)**	**(781.68)**
	- Non- Controlling interest		**(12.63)**	**(13.04)**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		**(154.57)**	**(70.08)**
	- Non- Controlling interest		**-**	**-**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		**(1,322.45)**	**(851.76)**
	- Non- Controlling interest		**(12.63)**	**(13.04)**
XIII	**Earnings per equity share (FV: ₹ 2 each)**	33		
	Basic		**(31.66)**	**(21.19)**
	Diluted		**(31.66)**	**(21.19)**

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Consolidated Cash Flow Statement for the year ended 31 March 2022

(All figures are in ₹ in Crore unless otherwise stated)

	Particulars	April 2021 - March 2022	April 2020- March 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(1,179.71)	(795.13)
	Adjustments for :		
	Depreciation	3.70	9.10
	Interest Expenses and other finance cost	870.56	751.95
	(Profit) / Loss on Sale of Assets	0.17	(1.68)
	Loss on disposal/deconsolidation of Subsidiary	-	44.85
	Fair value of investment	0.02	-
	Loss on recognition of Award	225.79	-
	Provision for Doubtful Debts and Advances	2.52	16.40
	Exceptional Item	-	35.70
	Foreign Exchange Loss / (Gain)	60.92	(97.31)
	Interest Income	(0.17)	(1.06)
	Provision for risk & contingencies	6.79	15.37
	Write off of contract assets	-	7.26
	Sundry balances written off	2.23	3.54
	Asset written off	0.05	1.45
	Sundry balances written back	(7.19)	(7.92)
	Operating Profit Before Working Capital Changes	**(14.32)**	**(17.48)**
	Adjustment for Changes in Working Capital		
	Trade Receivables	3.24	18.61
	Inventories	(0.29)	5.78
	Other financial and non financial asset	11.30	13.18
	Trade Payables and Provision	(0.19)	(10.34)
	Other financial and non financial liabilities	0.01	(4.67)
	CASH GENERATED FROM THE OPERATIONS	**(0.25)**	**5.08**
	Direct Taxes Paid / (Refund)	1.26	(2.60)
	Net Cash from Operating Activities	**(1.51)**	**7.68**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Sale of Fixed Assets	2.11	4.39
	Other Bank Balance	(2.36)	2.27
	Proceeds from sales of investment	-	0.05
	Loans (given)/repaid to/by others	0.25	(0.44)
	Interest received	0.18	0.38
	Net Cash from Investing Activities	**0.17**	**6.65**

Consolidated Cash Flow Statement for the year ended 31 March 2022

(All figures are in ₹ in Crore unless otherwise stated)

Particulars		April 2021 - March 2022	April 2020- March 2021
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	0.00	(6.79)
	(Repayment)/ Proceeds from Short term Borrowings	0.80	(3.09)
	Net Cash from Financing Activities	**0.80**	**(9.88)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**(0.53)**	**4.45**
	Opening Balance	2.09	4.82
	Closing Balance	1.56	9.27
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**(0.53)**	**4.45**
	Components of Cash and Cash Equivalents		
	Cash on Hand	0.01	0.03
	Balances with Bank	1.55	9.24
	Total Balance	**1.57**	**9.27**

Note: Figure in brackets denote outflows.

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Notes to Financial Statements for the year ended March 31, 2022

Statement of Changes in Equity for the period ended March 31, 2022

(All figures are in ₹ in Crore unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2022		March 31, 2021	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Subscribed and Fully Paid up Capital				
Equity shares of INR ₹10 each				
Opening Balance	36,88,47,305	73.77	36,88,47,305	73.77
Changes in equity share capital during the year	-	-	-	-
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 ₹10/- each forfeited	1,70,948	0.34	1,70,948.00	0.34
Total	**36,90,18,253**	**74.11**	**36,90,18,253**	**74.11**

B Other Equity

Reserves & Surplus									Other Comprehensive Income		
Particulars	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Promoters Contribution	Treasury Shares	Net gain/ (loss) on fair value of equity instruments	Gain/ (loss) on exchange fluctuations	Total
Balance as at March 31, 2020	(6,303.23)	105.00	15.49	1,262.20	81.00	363.06	100.00	(1.69)	156.60	(163.99)	(4,385.56)
Impact of restatement (refer note 44)	(15.38)	-	-	-	-	-	-	-	-	-	(15.38)
Transfer to Non Controlling interest (refer note 44)	4.53	-	-	-	-	-	-	-	-	-	4.53
Balance as at April 1, 2020	**(6,314.08)**	**105.00**	**15.49**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**156.60**	**(163.99)**	**(4,396.41)**
Profit/(loss) for the year	(781.68)	-	-	-	-	-	-	-	-	-	**(781.68)**
Fair Valuation of Investment carried at FVTOCI	-	-	-	-	-	-	-	-	-	-	**-**
Exchange difference through OCI	-	-	-	-	-	-	-	-	-	(70.18)	**(70.18)**
Re-measurement of net defined benefit plans	0.10	-	-	-	-	-	-	-	-	-	**0.10**
Balance as at 31 March 2021	**(7,095.66)**	**105.00**	**15.49**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**156.60**	**(234.17)**	**(5,248.17)**
Profit/(loss) for the year	**(1,167.88)**	-	-	-	-	-	-	-	-	-	**(1,167.88)**
Fair Valuation of Investment carried at FVTOCI	-	-	-	-	-	-	-	-	(202.52)	-	**(202.52)**
Exchange difference through OCI	-	-	-	-	-	-	-	-	-	47.91	**47.91**
Re-measurement of net defined benefit plans	**0.04**	-	-	-	-	-	-	-	-	-	**0.04**
Balance as at 31 March 2022	**(8,263.50)**	**105.00**	**15.49**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**(45.92)**	**(186.26)**	**(6,570.62)**

(a) The General Reserve is created to comply with The Companies (Transfer of Profit and 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 ₹ 43.40 crores (PY: ₹ 43.40 crore) being 15% of the amount of Debenture due for redemption as at March 2022 as required by the aforesaid Circular in view of the financial crunch faced by the Company. Since the entire facility is recalled by the lenders the entire amount of Non Convertable Debenture is considered as current and 15% of earmarked fund is calculated on the entire amount.

(d) Capital Reserve

Pursuant to a Scheme of Arrangement between the company, Transrail Lighting Limited (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 and in accordance with the directions of the National Company Law Tribunal ("NCLT") the company has recorded the fair value of the consideration received from TLL by way of 725,000 Equity Shares issued by TLL as Non-Current Investments and has derecognised book values of the assets and liabilities of retained T&D Undertaking transferred to TLL. The resultant difference of ₹ 11.52 crore has been credited to Capital reserve account.

(e) Promoters Contribution

The Company had pursuant to the Shareholders approval in May, 2015, received ₹100 Cr to issue Unsecured Zero Coupon Compulsorily Convertible Debentures 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 Ltd.

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.

(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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

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Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

GAMMON INDIA LIMITED

Note : 1 - Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2022.

A. 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 Promoter 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.

The Consolidated Financial Statements are approved for issue by the Company’s Board of Directors in the meeting held on June 21, 2022

B. Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022 MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definition of assets and liabilities at the acquisition date in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

ii) Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sales proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company does not expect the amendment to have any material impact in its recognition of its property, plant and equipment in its financial statements.

iii) Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the `10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

iv) Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of lease hold improvement by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact on its financial statements.

i) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards(‘IndAS’) notified under the Companies (Indian Accounting Standards) Rules,2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules,2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (`Act’) (to the extent notified).

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 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 twelvemonths and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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.

b) Principles of Consolidation

(i) The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2022 except for the financial statements of ATSL Nigeria, Gammon Italy s.r.l., Finest Spa and whose financial statements were prepared for the period ended December 31, 2016.

(ii) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(iii) Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iv) "Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

- Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.
- Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

ii) The following entities are considered in the Consolidated Financial Statements:

Sr no.	Name of Entity	Nature of Relationship	March 2022		March 2021	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
1	Gammon India Limited	Parent	-	-	-	-
2	ATSL Infrastructure Projects Limited	Subsidiary	51.00%	61.09%	51.00%	61.09%
3	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary	100.00%	100.00%	100.00%	100.00%
4	Gammon International FZE ('GIFZE')	Subsidiary	100.00%	100.00%	100.00%	100.00%
5	P.Van EerdBeheersmaatschappaji B.V. Netherlands ('PVAN')	Subsidiary	100.00%	100.00%	100.00%	100.00%
6	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary	51.00%	70.52%	51.00%	70.52%
7	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary	99.00%	99.00%	99.00%	99.00%
8	Gammon Power Limited. ('GPL')	Subsidiary	90.00%	100.00%	90.00%	100.00%
9	ATSL Holding B.V. Netherlands	Subsidiary	100.00%	100.00%	100.00%	100.00%
10	Associated Transrail Structures Limited., Nigeria	Subsidiary	100.00%	100.00%	100.00%	100.00%
11	Gammon Realty Limited. ('GRL')	Subsidiary	75.06%	75.06%	75.06%	75.06%

Sr no.	Name of Entity	Nature of Relationship	March 2022		March 2021	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
12	Gammon Holdings B.V., Netherlands('GHBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%
13	Gammon Italy S.r.L	Subsidiary	100.00%	100.00%	100.00%	100.00%
14	Gammon International B.V., Netherlands('GIBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%
15	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary	84.16%	84.16%	84.16%	84.16%
16	Gammon Transmission Limited('GTL')	Subsidiary	100.00%	100.00%	100.00%	100.00%
17	Gammon Real Estate Developers Private Limited (GRDL)	Subsidiary	100.00%	100.00%	100.00%	100.00%
18	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary	73.40%	85.37%	73.40%	85.37%
19	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary	100.00%	100.00%	100.00%	100.00%
20	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary	73.99%	73.99%	73.99%	73.99%
21	GIPL - GIL JV	Joint Venture	5.00%	41.61%	5.00%	41.61%
22	Gammon – OjscMosmetrostroy – JV('GOM')	Joint Venture	51.00%	51.00%	51.00%	51.00%
23	Ansaldocaldaie-GB Engineering Private Limited. ('ACGB')	Joint Venture	50.00%	36.70%	50.00%	36.70%
24	Gammon SEW('GSEW')	Joint Venture	90.00%	90.00%	90.00%	90.00%
25	Campo Puma Oriente S.A.	Subsidiary	73.76%	66.39%	73.76%	66.39%
26	Sofinter SPA	Subsidiary	67.50%	67.50%	67.50%	67.50%
27	AJR Infra and Tolling Limited.	Associate	20.60%	20.60%	20.60%	20.60%

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

iv) Summary of other significant accounting policies

a) Use of estimates

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

b) Current and non-current classification

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

An asset is current when:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

c) Revenue Recognition

i. Revenue from Construction Services:

Construction Activity

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Companies performance creates or enhances an asset that the customer controls as the asset is created or enhanced and as per the terms of the contract, the Company has an enforceable right to payment for performance completed till date. Hence the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The Company recognises revenue at the transaction price which is determined on the basis of agreement entered into with the customer. The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation.

Measurement of performance obligation

The Company uses cost based input method for measuring progress for performance obligation satisfied over time. Under this method, the Company recognises revenue in proportion to the actual project cost incurred as against the total estimated project cost. The management reviews and revises its measure of progress periodically and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

Contract costs

Costs related to work performed in projects are recognised on an accrual basis. Costs incurred in connection with the work performed are recognised as an expense.

Provision for future losses

Provision for future losses are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Contract balances

a. Contract assets

A contract asset is recognised for amount of work done but pending billing/acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets as stated in notes to financial statement.

b. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

c. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received advance payments from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration received.

Turnover

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

ii. **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.

iii. **Dividend Income**

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

iv. **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.

v. **Income from insurance claim**

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

d) **Joint Ventures**

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

e) **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.

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

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

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

Re-measurements, 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. Re-measurements 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.

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

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

f) Property, plant and equipment and depreciation/amortization

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. 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.
- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.
- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- 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.

g) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

h) 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.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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 de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

i) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has aright to charge for use of the concession infrastructure.

The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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.

k) 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.

The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

l) Equity investment

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

m) 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.

n) Inventories

Raw materials are valued at cost, net of 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

Material at Construction Site and Stores & Spares 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.

Work In Progress – Real Estate reflects value of land, material inputs and project expenses.

Bought Out and Stock in Transit are valued at lower of cost and Net realisable value.

Other -Scrap Material are valued at realisable value.

Finished Unsold Properties - Unsold finished properties are valued at lower of cost (which includes all direct and indirect costs of construction of the properties including land, materials, labour and other construction overhead) and net realizable value.

o) 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.

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

p) Taxes on income

Current Income Tax

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.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 amount in the standalone financial statement 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.

MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

q) Earnings per share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) 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. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

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 whichever is less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

A contingent asset 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.

s) Employee Share – based payment plans ('ESOP')

The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 "Share Based Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

t) Fair Value Measurement

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

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

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

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

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

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.

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.

u) Financial instruments

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.

IV. 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:

- the12-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 analysed.

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 long era 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.

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:

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.

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.

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.

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 de-recognition 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.

III. 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

IV. 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 re-measured 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.

v) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

w) 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.

2 **Property Plant and Equipment** **(₹ in Crore)**

Particulars	Freehold Land *	Leasehold Land *	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipment	Furniture & Fixtures	Total
GROSS BLOCK								
As at 31st March 2020	**393.14**	**0.00**	**41.71**	**106.49**	**2.59**	**1.57**	**1.40**	**546.90**
Additions	-	-	-	-	-	0.01	-	0.01
Disposals/Adjustments	-	-	-	(13.84)	(0.64)	-	-	(14.48)
As at 31st March 2021	**393.14**	**0.00**	**41.71**	**92.65**	**1.95**	**1.58**	**1.40**	**532.43**
Additions	**-**	**-**	**-**	**-**	**-**	0.01	**-**	0.01
Disposals/Adjustments				(13.04)	(0.07)	-	-	(13.11)
As at 31st March 2022	**393.14**	**0.00**	**41.71**	**79.61**	**1.88**	**1.59**	**1.40**	**519.33**
DEPRECIATION								
As at 31st March 2020	**-**	**-**	**31.38**	**80.10**	**2.42**	**1.52**	**1.35**	**116.77**
Charge for the Year	**-**	**-**	0.83	8.22	0.04	0.01	0.01	**9.11**
Disposals/Adjustments	-	-		(11.43)	(0.61)	-	-	**(12.04)**
As at 31st March 2021	**-**	**-**	**32.21**	**76.89**	**1.85**	**1.53**	**1.36**	**113.84**
Charge for the Year			0.83	2.85	0.00	0.01	0.01	3.70
Disposals/Adjustments			-	(10.70)	(0.07)	-	-	(10.77)
As at 31st March 2022	**-**	**-**	**33.04**	**69.04**	**1.78**	**1.54**	**1.37**	**106.77**
NET BLOCK								
As at 31st March 2021	**393.14**	**0.00**	**9.50**	**15.76**	**0.10**	**0.05**	**0.04**	**418.59**
As at 31st March 2022	**393.14**	**0.00**	**8.67**	**10.57**	**0.10**	**0.05**	**0.02**	**412.56**

* Refer note no. 40

3 **Goodwill/ Capital Reserves on Consolidation**

Particulars	March 31, 2022		March 31, 2021	
Goodwill on Consolidation	680.55		680.55	
Less: Goodwill / Capital Reserve of divested subsidiaries	(87.11)	593.44	(87.11)	593.44
Less Provision for Impairment of Goodwill		(597.40)		(597.40)
Total		**(3.96)**		**(3.96)**
Provision for Impairment of Goodwill Consists of:-				
Goodwill of acquisition of-				
Metropolitan Infrahousing Private Limited		597.29		597.29
Gactel Trunkey Project Limited		0.00		0.00
Deepmala infrastructure Private Limited		0.01		0.01
Pvan Eerd Beheersmaatschappij BV		0.09		0.09
Total		**597.40**		**597.40**

The balance of ₹ 3.96 represents Capital Reserve on consolidation of one of the subsidiaries which has been grouped under SOCIE.

4 **Investments**

	Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Non- Current		Current	
A	**Investment valued at Cost, fully paid (Net of Provisions)**				
	Investment in Equity shares (Accounted under Equity method)				
i	In Associate in India	-	-	-	-
ii	In Associate Outside India	-	-	-	-
iii	In Joint Venture in India	-	-	-	-
iv	In Joint Venture Outside India	(101.12)	(100.97)	-	-
v	In Others in India	(0.02)	(0.02)	-	-
vi	In Others Outside India	-	-	-	-

Particulars		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Non- Current		Current	
B	**Investment in Equity shares Carried at Fair value through OCI, fully paid up**				
i	Entity Outside India (Refer Note B (i) and (ii))	671.46	856.71		
ii	Entity in India	7.31	7.31	-	-
C	**Investment in Government Securities**	0.55	0.55	-	-
D	**Investment in Partnership**	-	-	-	-
E	**Other Investments (At Fair value through P&L)**				
i	Equity Shares	-	-	0.04	0.05
ii	Liquid Mutual Funds	-	-	0.00	0.00
	Total	**578.19**	**763.58**	**0.04**	**0.05**
	Disclosure:				
1	Investment carried at Cost	(100.59)	(100.44)		
2	Investment carried at FVTOCI	678.77	864.01		
3	Investment carried at FVTPL	-	-	0.04	0.05
		578.19	**763.58**	**0.04**	**0.05**

I Details of Investments

Non Current Investments

Particulars		Face Value	March 31, 2022		March 31, 2021	
		In ₹	Nos	Amount	Nos	Amount
A	**Investment in Equity shares as per equity method**					
	(Fully paid-up unless otherwise stated)					
1	**In Associate in India**					
	AJR Infra and Tolling Limited (Formerly Gammon Infrastructure Projects Limited)		19,39,99,800.00	20.99	19,39,99,800	20.99
				20.99		**20.99**
	Less: Provision					
	AJR Infra and Tolling Limited (Formerly Gammon Infrastructure Projects Limited)			(20.99)		(20.99)
	Total			**-**		**-**
2	**In Associate Outside India**					
	Finest S.p.A, Italy	EUR 1	7,80,000.00	20.60	7,80,000	20.60
	GBLLC		-	-	-	-
	Sadelmi SpA			58.32		58.32
	Less: Provision					
	Finest S.p.A, Italy			(20.60)		(20.60)
	Sadelmi SpA			(58.32)		(58.32)
	Total			**-**		**-**
3	**In Joint Venture in India**					
	Ansaldo GB-Engineering Pvt Ltd		2,00,00,000.00	13.28	2,00,00,000	13.28
	Less: Provision					
	Ansaldo GB-Engineering Pvt Ltd			(13.28)		(13.28)
				-		-
4	**In Joint Venture Outside India**					
	Campo Puma Oriente S.A.*	USD 1	6,441.00	(101.12)	6,441	(100.97)
	Total			**(101.12)**		**(100.97)**
	* The above share in joint venture is net of advance of ₹177.11 Cr made by the Company to the joint venture.					

	Particulars	Face Value	March 31, 2022		March 31, 2021	
		In ₹	Nos	Amount	Nos	Amount
5	**Investment in equity instruments -Others-Indian**					
	Unquoted Equity Instrument					
	(Fully paid-up unless otherwise stated)					
	Airscrew (India) Limited (₹5 paid up) #	100	200.00	0.00	200	0.00
	Alpine Environmental Engineers Limited #	100	204.00	0.00	204	0.00
	Modern Flats Limited (Unquoted) #	10	2,040.00	0.00	2,040	0.00
	Plamach Turnkeys Limited #	100	600.00	0.01	600	0.01
	Shah Gammon Limited #	100	835.00	0.01	835	0.01
	STFA Piling (India) Limited (Fully Provided) #	10	2,17,321.00	0.22	2,17,321	0.22
	Rajahmundry Godavari Bridge Limited	10	4,41,250.00	0.44	4,41,250	0.44
	Tidong Hydro Power Limited	10	25,500.00	0.03	25,500	0.03
	Indira Container Terminal Private Limited	10	2,64,07,160.00	26.41	2,64,07,160	26.41
	Franco Tosi Turbines Private Limited	10	0.00	-	-	-
				27.12		**27.12**
	Less: Transfer of Beneficial Interest in lieu of Deposit received			(26.43)		(26.43)
				0.69		**0.69**
	Less: Provision					
	Air Screw India Ltd.			(0.00)		(0.00)
	Shah Gammon Limited			(0.01)		(0.01)
	STFA Piling India Ltd.			(0.22)		(0.22)
	Alpine Environmental Engineers Limited #			(0.00)		(0.00)
	Modern Flats Limited (Unquoted) #			(0.00)		(0.00)
	Plamach Turnkeys Limited #			(0.01)		(0.01)
	Rajahmundry Godavari Bridge Limited			(0.44)		(0.44)
	Tidong Hydro Power Limited			(0.03)		(0.03)
				(0.02)		**(0.02)**
	# - In the absence of financials and no operations these equity investments are fully written off and no further shares of profit/loss is considered					
6	**Investment in equity instruments -Others-Foreign**					
	Unquoted Equity Instrument					
	(Fully paid-up unless otherwise stated)					
	Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 # (under Liquidation) (Fully Provided)		1,142.00	0.18	1,142	0.18
				0.18		**0.18**
	Less: Provision					
	Gammon Midest Ltd.			(0.18)		(0.18)
	Total			**-**		**-**

(a) M/s Campo Puma Oriente S.A. (CPO):

The accounts of joint venture 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 company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 4 years ago, which the management believes is still valid. The Company has already made a provision of ₹ 230.41 crores against its exposure.

Under the previous IGAAP, CPO was being accounted as a subsidiary with the partner's share being accounted as minority interest. Under the IndAs, since the said Campo Puma is a jointly controlled entity, the same is accounted under equity method from the transition date.

For the purpose of local regulatory requirements the said Campo has effected changes in the financials for the year ended December 31, 2015 since it submitted unaudited number for the purpose of consolidation. The adjustments made were primarily write back of partner balances to recoup the losses in the Joint venture in the earlier years. The Management of Gammon India Limited, for the purpose of preparing financials for the purposes of consolidation have not considered such adjustments as the losses have been accounted in consolidated financial statement from the joint venture.

The partner in the Joint Venture has filed a suit against the Company in the Court of Oklahoma,USA,inter-alia,for purportedly failing to fund its share of cash calls amounting to $4.4m,due to which it has overpaid its share and is claiming reimbursement. The Company has contested this claim and furthermore has issued a Notice of Breach against the partner and the claims and counterclaims will finally be settled through a combination of court process and arbitration. The hearings are expected to commence in due course on completion of both parties respective responses. The financial statements of CPO S.A.will therefore be signed and released only after the cases are resolved.

The Statutory Auditors have continued to qualify their report since the financial statements are unaudited. The management however believes that there will not be material differences between the financials considered and the financial pursuant to the audit being completed of the said CPO.

B Investment in Equity Shares Valued carried at FVTOCI

	Particulars	Face Value	March 31, 2022		March 31, 2021	
		In ₹	Nos	Amount	Nos	Amount
1)	**In Associate Outside India**					
	Sofinter S.p.A.	Euro 0.76	7,86,82,127.00	671.46	7,86,82,127.00	856.71
	Franco Tosi Meccanica S.p.A.			423.67		423.67
				1,095.13		**1,280.38**
	Less: Provision					
	Franco Tosi Meccania S.p.A.			(423.67)		(423.67)
	Total			**671.46**		**856.71**

(i) Sofinter:

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 said Sofinter is neither accounted as a Subsidiary nor as an Associate. The Company has accounted the said Investment at Fair Value through Other Comprehensive Income from the transition date by making the election as required by the Standards.

The Company has obtained valuation report form third party Independent Valuer in this regard and has accounted for the changes in the fair value of the Sofinter Investment through Other Comprehensive Income.

(ii) Francotosi Mecanica S.p.A (FTM)

The Board of Francotosi Mecanica S.p.A (FTM) filed on May 30th 2013 with the court of Milan (and with the Companies Registry) a “preliminary” request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts (“concordato preventivo”), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 No 267 – further amended in September 2012 in light of acute financial stress being faced by the Company due to several extraneous reasons. The said application was admitted by the Court on 7 June 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations. Thereafter .The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had 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. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised 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.

On account of the above facts and the absence of financial statements of the said FTM, FTM functions under severe long term restrictions which impair its ability to transfer funds to its parent. Further the parent does not have any control whatsoever as the entire control lies with the commissioner and the paret does not have access to information also. The Management of the Company and the Board of FTM have no say in the matter and have no access to records which are with the Commissioner. Therefore, in accordance with INDAS 110 – Consolidated Financial Statements , in the absence of control, the said FTM is excluded from Consolidation. This was also done under the previous IGAAP as per para 11(b) of AS-21 – Consolidated Financial Statements from the period ended 30th September 2014. There is also no influence that can be exercised by the Group despite having 83.94% of the Share holding.

The investment in the equity shares has been shown as financial asset accounted on fair Value through Other Comprehensive Income (FVTOCI).

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure. notwithstanding its ongoing endeavor to recover the value of the non core assets.

Investment in Equity Shares Valued carried at FVTOCI

	Particulars	Face Value	March 31, 2022		March 31, 2021	
		In ₹	**Nos**	**Amount**	**Nos**	**Amount**
2)	**In India**					
	Transrail Lighting Limited *	10	77,954	3.07	77,954	3.07
	Gammon Engineers & Contractors Private Limited*	10	10,94,881	4.24	10,94,881	4.24
				7.31		**7.31**

*Consequent to invocation of pledge shares, GECPL / TLL ceased to be an associate and accordingly is disclosed as Other Investment, The Company has accounted the said Investment at Fair Value through Other Comprehensive Income by making the election as required by the Standards. based on valuation considered by lenders for pledge invocation during the year 2018-19 said investment was fair valued in March 2019.

In the absence of data of revaluation since then , the same carried at the value of March 2019,although the said investment is being accounted on FVTOCI.

C Government Securities

Particulars	Face Value	March 31, 2022		March 31, 2021	
	In ₹	Nos	Amount	Nos	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 :			0.12		0.12
(Indira Vikas Patras and National Savings Certificates)					
Total			**0.55**		**0.55**

D Investment in Partnership Firm

Particulars	Face Value	March 31, 2022		March 31, 2021	
	In ₹	Nos	Amount	Nos	Amount
Unquoted					
Gammon Shah (fully provided for)			0.00		0.00
Less: Provision					
Gammon Shah			(0.00)		(0.00)
Total			**-**		**-**

E Current Investments:-

Investment in Shares and Mutual Funds

Particulars	Face Value	March 31, 2022		March 31, 2021	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
Quoted					
Investments carried at fair value through Profit and Loss					
1 Equity Shares					
Technofab	10	55,000	0.04	55,000	0.05
Total			**0.04**		**0.05**
2 Mutual funds					
HDFC Floating Rate Income Fund		2,048	0.00	2,048	0.00
Birla Sun Life Mutual Fund		150	0.00	150	0.00
Total			**0.00**		**0.00**
Total current investments			**0.04**		**0.05**
Total Non - Current and Current Investments			**578.23**		**763.63**
Aggregate amount of quoted investments			**0.04**		**0.05**
Market Value of Quoted Investment			**0.04**		**0.05**
Aggregate amount of unquoted investments			**578.19**		**763.58**

5 Financial Assets - Trade Receivables

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Trade Receivables : (At amortised cost)				
(Unsecured, considered good unless otherwise stated)				
Considered good	220.79	55.45	295.09	54.98
Considered Doubtful	21.51	216.64	22.00	217.12
Provision for Doubtful debts	(21.51)	(216.64)	(22.00)	(217.12)
	220.79	**55.45**	**295.09**	**54.98**
Less: Expected credit loss	(0.70)	(0.08)	(0.20)	(0.28)
	220.09	**55.36**	**294.89**	**54.70**
Total	**220.09**	**55.36**	**294.89**	**54.70**

A Holding company

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

(i) The Company in evaluating its jobs has considered an amount of ₹ 7.56 Crore (P.Y. ₹ 7.56 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 ₹146.64 Crore (P.Y. ₹ 151.17 Cr) in the previous years, 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 four projects of the Company. The total exposure against these projects is ₹ 236.68 Crore (P.Y. ₹ 266.18 crores) consisting of receivable of ₹ 60.70 crores (P.Y. ₹ 148.05 Crore), inventory ₹ 43.96 crore (P.Y. ₹ 43.39 crores) and other receivables ₹ 132.48 crores (P.Y. ₹ 74.63 Crore) 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 Clients.

(iv) The Company has receivable including retention and work in progress aggregating to ₹ 44.51 Crore (P.Y. ₹ 44.51 Crore) (inventory - ₹ 21.19 crores (P.Y. ₹ 21.19 Crore) and receivables ₹ 23.32 crores (P.Y. ₹ 23.32 Crore) 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.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

B Subsidiary, Associates and Joint Venture:

ACBI

The Company has completed substantial portion of Contract value which was to be executed. However, there is still balance outstanding of ₹ 9.32 Cr as at March 31, 2022. The Company is confident of recovering the aforesaid receivables from the Client which is backed by Corporate Guarantee given by the Client. Pending recovery, the Company has initiated legal proceedings in the form of initial demand notice as a pre cursor to NCLT proceedings. The NCLT proceedings could not be further acted upon on account of lockdown and deferment of proceedings on account of lockdown.

C Movement in the expected credit loss allowance

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	0.20	0.28	1.19	0.06
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.50	(0.20)	(0.99)	0.22
Provision at the end of the period	**0.70**	**0.08**	**0.20**	**0.28**

D Trade Receivable Ageing Schedule

(Ageing from Bill Date)

As at March 31, 2022

Range of O/s period	Undisputed			Disputed			Total
	Considered Good	Significant increase in credit risk	Credit impaired	Considered Good	Significant increase in credit risk	Credit impaired	
Unbilled	-	-	-	-	-	-	-
Not Due	0.28	-	-	-	-	-	0.28
less than 6 months	7.80	-	-	-	-	-	7.80
6 months - 1 year	0.41	-	-	-	-	-	0.41
1-2 year	0.80	-	-	1.94	-	-	2.74
2-3 year	0.71	-	-	3.17	-	-	3.88
> 3 years	9.06	-	212.67	252.06	-	25.47	499.27
Total	**19.06**	**-**	**212.67**	**257.18**	**-**	**25.47**	**514.38**

As at March 31, 2021

Range of O/s period	Undisputed			Disputed			Total
	Considered Good	Significant increase in credit risk	Credit impaired	Considered Good	Significant increase in credit risk	Credit impaired	
Unbilled	-	-	-	-	-	-	-
Not Due	3.68	-	-	-	-	-	3.68
less than 6 months	1.81	-	-	-	-	-	1.81
6 months - 1 year	1.94	-	-	0.10	-	-	2.05
1-2 year	3.77	-	-	-	-	-	3.77
2-3 year	2.65	-	-	66.06	-	-	68.71
> 3 years	11.06	-	213.16	258.99	-	25.96	509.17
Total	**24.92**	**-**	**213.16**	**325.15**	**-**	**25.96**	**589.20**

6 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	1.00	-	1.00	-
Considered Doubtful	392.38	0.52	394.29	0.52
Provision for Doubtful Loans	(392.38)	(0.52)	(394.29)	(0.52)
Other Loans and Advances				
Considered Good	88.66	62.62	88.66	65.43
Considered Doubtful	44.45	7.68	44.45	4.94
Provision for Doubtful Loans	(44.45)	(7.68)	(44.45)	(4.94)
Total	**89.66**	**62.62**	**89.66**	**65.43**

(i) Disclosure of amounts outstanding at period end as per Schedule V of Listing Obligations and Disclosure Requirements 2015

Particulars	March 31, 2022	March 31, 2021
Details of Related parties : Non Current	**Amount**	**Amount**
Considered good:		
RAS Cities and Township Private Limited	1.00	1.00
Total	**1.00**	**1.00**
Considered doubtful:		
Franco Tosi Meccanica SPA	112.44	114.35
Hareda Projects Limited	0.05	0.05
SAE Power lines srl	48.96	48.96
Campo Puma Oriente S.A.	230.41	230.41
Finest S.p.A	0.52	0.52
Total	**392.38**	**394.29**

Particulars	March 31, 2022	March 31, 2021
Details of Related parties : Current	**Amount**	**Amount**
Considered good:		
Considered Doubtful:		
SAE Transmission India Limited	0.11	0.11
Preeti Township Pvt Ltd	0.01	0.01
Rajahmundry Godavari Bridge Limited	0.35	0.35
Tidong Hydro Power Limited	0.02	0.02
Transrail Lighting Limited	0.02	0.02
Total	**0.52**	**0.52**

(ii) Investment by the loanee in the shares of the Company

None of the loanees have, per se , made investments in the shares of the company

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

(iv) Loans and Advances to Promoters, Directors,KMP's and Related Parties.

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are without specifying any terms or period of repayment :

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters		-	-	-
Directors		-	-	-
KMPs		-	-	-
Related Parties	393.90	65.94	395.81	66.05
Total Loans and Advances to Promoter, Director, KMP and Related parties	393.90		395.81	
Total Loans and Advances in the nature of Loan and Advances (A)	597.31		599.29	

7 Other Financial Assets (at amortised cost)

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	1.56	0.56	1.56	0.61
Considered Doubtful	24.03	-	24.03	-
Less : Provision for Doubtful Interest	(24.03)	-	(24.03)	-
Other Receivable	-	5.74	-	5.92
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Deposits				
Considered Good	3.01	3.37	2.88	2.27
Considered Doubtful	3.00	3.60	3.00	3.60
Provision for Doubtful deposits	(3.00)	(3.60)	(3.00)	(3.60)
Total	**4.57**	**34.20**	**4.44**	**33.33**

(i) Excess Managerial Remuneration Receivable :

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 erstwhile Chairman and Managing Director and another erstwhile Executive Director aggregating to ₹ 31.13 crore and has shown the net recoverable amount (after reversal of unpaid salary) of ₹ 24.53 crores as excess managerial remuneration receivable.

8 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2022		March 31, 2021	
Deferred Tax Liability:				
Property, Plant and Equipment	84.51		83.32	
Non Current Investments- Fair Value changes	19.84	104.35	19.83	103.14
Net Deferred tax Liability		**104.35**		**103.14**
Deferred Tax Asset:				
Property, Plant and Equipment	0.15		0.18	
Tax Disallowances	0.03		0.02	
Net Deferred tax Assets		**0.18**		**0.20**

9 Other Assets

Particulars	March 31, 2022		March 31, 2021	
	Non Current	Current	Non Current	Current
Capital Advances	15.00	-	15.00	-
Contract Assets (Refer note below)	805.36	77.42	992.75	85.35
Less : Provision for credit loss	(2.87)	(0.16)	(2.87)	(0.13)
Prepaid Expenses	-	0.26	-	0.25
Advance to Creditors/Subcontractors				
Unsecured Considered goods	9.70	21.35	11.05	23.22
Staff Advances	-	0.24	-	0.71
Balance with Tax Authority	10.90	14.68	10.90	12.95
Other assets	-	2.14	-	2.34
Advance Tax Net of Provision	402.07	-	400.86	-
Others	-	33.74	-	34.36
Total	**1,240.16**	**149.67**	**1,427.69**	**159.05**

a) Unbilled Revenue:

The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to ₹ 231.69 crore as at March 31, 2022 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the quarter and the same are due to them and they have a very good chance of realisation.

b) The Company has received an award in respect of its joint venture relating the Chennai Metro Rail project (CMRL). Company has recently filed appeal against certain items of the award. In spite of the appeal filed, company estimates total recoverability of ₹ 532.00 Cr out of the award. Amount of ₹ 225.79 Cr which is in excess of the estimated recoverable award is written off and included in other expense for the quarter and year ended March 31, 2022. This includes an amount of ₹ 123.08 Cr which is subject matter of appeal being the claim of the Company, which is not accepted, for which the Company is of the opinion that it has a strong case. The aforesaid award is received in the name of the JV but the company has accounted for the entire share to its accounts.

10 Inventories

Particulars	March 31, 2022	March 31, 2021
Raw Material	1.88	1.19
Material at Construction Site	13.24	13.65
Stores and Spares	0.05	0.05
Work In Progress:		
Real Estate- Work In Progress	725.06	725.05
Completed Shops	133.89	133.89
Total	**874.12**	**873.83**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	March 31, 2022	March 31, 2021
Amount of inventories recognised as an expense	11.42	9.38
Amount of write - down of inventories recognised as an expense	-	4.99

During the year the Company reviewed and verified the Inventory and on physical verification and enquiry it has been found that inventory lying on the closed Jobs are not in usable condition and disposing cost is more than the scrap value hence the inventory amounting to ₹ Nil (P. Y.Rs 4.99 Cr) has been Write off during the year.

a) Movement of Property Development account (Real Estate Work in Progress)

Particulars	March 31, 2022		March 31, 2021	
Balance at the beginning of the year		725.05		760.73
Add : expenses incurred during the year and directly charged to the project				
Finance Costs	-	-	-	
Other Expenses	0.01	0.01	0.01	0.01
Less : Impairment of land value			(35.70)	
Less : Cost of Shops/Flats Sold	-		-	
Less : Cost of Unsold Completed Units Inventory - Shops	-		-	
		-		(35.70)
Closing Balance		**725.06**		**725.05**

b) Project Development (Real estate WIP) includes expenses incurred under the following broad heads

Particulars	March 31, 2022	March 31, 2021
Cost of Leasehold Land	343.56	343.56
Cost of Freehold land	777.78	777.78
Land Development Expenses	506.51	506.51
Finance Cost	977.68	977.68
Other Expenses	39.05	39.04
Less : Cost of Shops Sold	(158.98)	(158.98)
Less : Cost of Unsold Completed Units Inventory - Shops	(514.86)	(514.86)
Less : Cost of Land Sold	(977.16)	(977.16)
Less : Impairment of land value	(259.61)	(259.61)
Less : Reduction due to sale of Subsidiary	(8.92)	(8.92)
Total	**725.06**	**725.05**

c) Metro

Balance Land called "PART-B LAND" of 45 acres is valued as per the valuation report issued by Joint Sub Registrar, Kalyan.

d) DIPL

The Group's exposure to a real estate project being carried out in one of the subsidiary Company in Bhopal is ₹ 900.39 crore. Due to slow down in the real estate market and various other factors the subsidiary company is facing problems in the development of its projects and its sale. The Company has already made a provision of ₹ 100 crores against its project development inventory based on internal estimates of the realisable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment. The subsidiary's RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. However, the subsidiary company made a part payment of the amount mentioned in the One Time Settlement in June 2019. The subsidiary company is in negotiation with the lenders to restore its credit facility and for the financial support for completion of the project. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The statutory auditor has also made an Emphasis of Matter on the realisability of its inventory amounting to ₹ 822 crore.

e) ACBI

Materials and consumables amounting to ₹1.18 Crore as at March 31, 2022 are in the custody of the lenders of GB Engineering Enterprises Pvt. Ltd. There is no confirmation available from the lenders of GB Engineering that they are in custody of inventories belonging to the Company..

f) PWS

The Company is not having accessibility to the Inventories since all the materials and consumables as at March 31, 2022 and the same are in the custody of the Client with whome the Company is under arbitration. Also there is no confirmation available from the Client that they are having the custody of the Companies Material..

g) GIL

During the previous year the Company reviewed and verified the Inventory and on physical verification and enquiry it has been found that inventory lying on the closed Jobs are not in usable condition and disposing cost is more than the scrap value hence the inventory amounting to ₹ 4.99 Cr has been Write off during the year.

11 Cash and Bank Balance

Particulars	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Cash on Hand	0.01	0.03
Balances with Bank	1.55	2.06
Total	**1.56**	**2.09**
Other Bank Balances		
Unpaid dividend	0.58	0.58
Balances with Bank*	9.68	7.18
Bank deposits (on margin account)	3.97	4.11
Total	**14.23**	**11.87**

* The above balance is restricted and not freely available to the company without approval of the lenders.

(a) Other Bank Balances

Other bank balances represents balances in foreign branches 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. The balance as on March 31, 2022 is Nil, (net of provisions of ₹ 2.00 Crore in view of the above), however the Company has provided the entire amount of bank balances in foreign countries on prudent basis.

12 Equity Share Capital

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

Particulars	March 31, 2022		March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital :				
Equity Shares of ₹2/- each	74,71,00,00,000	14,942.00	74,71,00,00,000	14,942.00
6% Optionally Convertible Preference Shares of ₹350/- each	30,00,000	105.00	30,00,000	105.00
Issued, Subscribed and Fully Paid up Capital :				
Issued Capital				
Equity Shares of ₹2/- each, fully paid	37,04,27,845	74.09	37,04,27,845	74.09
Subscribed and Fully Paid up Capital				
Equity Shares of ₹2/- each, fully paid	36,88,47,305	73.77	36,88,47,305	73.77
Share Forfeiture Account				
Money received in respect of Right shares of ₹10/- each forfeited	1,70,948	0.34	1,70,948	0.34
Total		**74.11**		**74.11**

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

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

(b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2022		March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	36,88,47,305	**73.77**	36,88,47,305	73.77
Add: Issued during the year	-		-	-
As at the end of the year	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2022		March 31, 2021	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,92,72,129	10.63%	3,92,72,129	10.63%
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	5.98%	2,21,04,507	5.98%
Allahabad Bank	1,95,82,216	5.30%	1,95,82,216	5.30%

(d) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹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.

(e) Details of Shareholdings by the Promoter/Promoter group

Name of the Promoter	No of Shares		No of Shares		% change during the year
	March 31, 2022		March 31, 2021		
	No of Shares	% of total shares	No of Shares	% of total shares	
Abhijit Rajan	81,72,459	2.22%	81,72,459	2.22%	-
Jagdish Rajan	17,020	0.00%	17,020	0.00%	-
Pacific Energy Pvt Ltd	1,79,13,015	4.86%	1,79,13,015	4.86%	-
Devyani Estate And Properties Pvt Ltd	71,82,805	1.95%	71,82,805	1.95%	-
Nikhita Estate Developers Pvt Ltd	34,85,420	0.94%	34,85,420	0.94%	-
Ellora Organic Industries Pvt Ltd	28,00,000	0.76%	28,00,000	0.76%	-
Masayor Enterprises Limited	30,86,435	0.84%	30,86,435	0.84%	-
Total	**4,26,57,154**	**11.56%**	**4,26,57,154**	**11.56%**	**0.00%**
Total No of Shares issued and Subscribed	36,88,47,305		36,88,47,305		

13 Other Equity

Particulars	March 31, 2022	March 31, 2021
Capital Redemption Reserve	105.00	105.00
Capital Reserve	15.49	15.49
Securities Premium Account	1,262.20	1,262.20
Debenture Redemption Reserves	81.00	81.00
General Reserve	363.06	363.06
Retained earnings	(8,263.50)	(7,095.66)
Perpetual Promoter Contribution	100.00	100.00
Treasury Shares	(1.69)	(1.69)
Other Comprehensive Income:		
Foreign Currency Translation Reserve	(186.26)	(234.17)
Net gain/ (loss) on fair value of equity instruments	(45.92)	156.60
TOTAL	**(6,570.62)**	**(5,248.17)**

14 Non-controlling interests

Particulars	March 31, 2022		March 31, 2021	
Balance, beginning of the period		(133.83)		(122.27)
Share of NCI in profits/(losses) for the current period	(12.63)		(13.04)	
(Decrease) in minority's share on account of subsidiaries divested	-	(12.63)	1.48	(11.56)
TOTAL		**(146.46)**		**(133.83)**

15 Non Current Financial Liabilities - Borrowings

Note: Classification of all credit facilities under Current Financial Liabilities - Refer Note 21

(a) Holding Company:

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 ₹ 2,645.45 crores (P.Y ₹ 2,645.45 crores) are classified as current and disclosed under Current Liabilities together with the disclosure.

On account of the above, a number of lenders have not shared their confirmations as at the year ended March 31, 2022 and to that extent the balances are unconfirmed.

(b) GTPL

(i) The Term Loan for GACTEL is Secured by Hypothecation of Current Assets and Fixed Assets and negative Lien on 75% of land at Bhopal and construction thereon standing in the name of Deepmala Infrastructure Private Limited. - Fellow Subsidiary and Corporate Guarantee of Gammon India Limited, the Holding Company.

Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards.

Axis Bank has assigned the entire outstanding of Term Loan to CFM Asset Reconstruction Pvt. Ltd as per intimation letter no CFM-ARC/2021-22/Intimation letter/238 dated 6th Oct 2021

(ii) Interest on Term Loans -

Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards

(c) Pledge of Shares

The equity shares held by the Company and / or GIL in a Subsidiary and /or Joint Venture Company of the Group are pledged with respective lenders or consortium of lenders for the individual secured loan availed by the said Subsidiary and / or Joint Venture Company from their respective lenders or consortium of lenders.

Company Name	Rate	Number of Equity Shares Pledged	
		As At 31st March 2022	As At 31st March 2021
Gammon Holdings B.V., Netherlands ('GHBV')	€ 100	180	180
Gammon International B.V., Netherlands ('GIBV')	€ 100	180	180
P.Van Eerd Beheersmaatschappaji B.V., Netherlands ('PVAN')	€ 454	35	35
ATSL Holding B.V., Netherlands	€ 100	180	180
GACTEL Turnkey Projects Limited. ('GACTEL')	₹ 10/-	50,49,940	50,49,940
Deepmala Infrastructure Private Limited ('DIPL')	₹ 10/-	5,100	5,100
Transrail Lighting Limited. ('TLL')	₹ 10/-	77,954	77,954
Ansaldocaldaie Boilers India Private Limited ('ACB')	₹ 10/-	3,65,00,000	3,65,00,000
Gammon Infrastructure Projects Limited	₹ 2/-	19,39,99,800	19,39,99,800
Gammon Holdings (Mauritius) Limited	$ 1	15,000	15,000
Gammon Engineers & Contractors Private Limited	₹ 10/-	10,53,169	10,53,169
TOTAL		**23,67,01,538**	**23,67,01,538**

(d) Maturity profile of Term Loans and NCD

Period	March 31, 2022	March 31, 2021
Credit Facility recalled by Lenders	4,861.54	4,801.05
Principal Overdue	-	-
With in 1 years	-	-
1 to 5 years	-	-
beyond 5 years	-	-
TOTAL	**4,861.54**	**4,801.05**

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

16 Financial Liabilities - Trade Payable

Particulars	March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current
Trade Payables				
- Micro and Small Enterprises	-	0.34	-	0.24
- Others	23.21	176.17	20.90	185.53
Total	**23.21**	**176.51**	**20.90**	**185.77**

(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 Auditor

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

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

Particulars	March 31, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	1.83	1.21
Principal amount due	0.34	0.24
Interest due on the above	1.49	0.97
The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
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.	0.34	0.24
The amount of interest accrued and remaining un-paid at the end of the accounting year	1.49	0.97

(v) Trade Payable Ageing Schedule

Ageing from bill date

As at March 31, 2022

Range of O/s period	MSME		Others		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	2.94	-	2.94
Not Due	-	-		-	-
Less than 1 year	0.10	-	16.80	-	16.90
1-2 years	-	-	3.20	0.00	3.21
2-3 year	-	-	2.08	-	2.08
> 3 years	0.24	-	169.46	4.87	174.58
Total	**0.34**	**-**	**194.50**	**4.87**	**199.72**

As at March 31, 2021

Range of O/s period	MSME		Others		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	4.70	-	4.70
Not Due	-	-	-	-	-
Less than 1 year	-	-	16.32	0.00	16.32
1-2 years	-	-	3.04	0.01	3.05
2-3 year	-	-	9.46	-	9.46
> 3 years	0.24	-	167.97	4.94	173.15
Total	**0.24**	**-**	**201.49**	**4.94**	**206.68**

17 Provisions

Particulars	March 31, 2022		March 31, 2021	
	Non-Current	Current	Non-Current	Current
Employee Benefits:				
Provision for Gratuity				
- Indian Companies	0.32	0.27	0.28	0.28
Provision for Leave Encashment	0.38	0.47	0.32	0.46
Others:				
Provision for Risk and Contingencies	-	283.32	-	276.53
Total	**0.70**	**284.06**	**0.60**	**277.27**

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

Provision for Risk and Contingencies

Particulars	Opening	Addition	Utilisation	Closing
Provision for Risk and Contingencies				
Current Year	276.53	6.79	-	283.32
Previous Year	263.75	12.78	-	276.53

(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, 2022	As at March 31, 2021
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.07	0.08
Net Interest Cost	0.03	0.04
Actuarial (Gains)/Losses	-	-
Expenses Recognized	**0.10**	**0.12**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.04)	(0.10)
Return on Plan Assets, Excluding Interest Income	0.00	-
Net (Income)/Expense For the Period Recognized in OCI	**(0.04)**	**(0.10)**
Balance Sheet Reconciliation		
Opening Net Liability	0.56	0.69
Expenses Recognized in Statement of Profit or Loss	0.10	0.12
Liability transferred due to loss of control		(0.12)
Expenses Recognized in OCI	(0.04)	-
Benefit Paid Directly by the Employer	-	-
Employer Contribution	(0.03)	(0.14)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.59**	**0.56**
Category of Assets		
Insurance fund	0.46	0.56
Total	**0.46**	**0.56**

Assumptions	2021-22	2020-21
Expected Return on Plan Assets	6.49%-6.96%	6.83%-7.22%
Rate of Discounting	6.83%-6.96%	6.83%-7.22%
Rate of Salary Increase	4.00%-8.00%	4.00%-8.00%
Rate of Employee Turnover	30% for LMR, 10% and 2% for HO	30% for LMR, 10% and 2% for HO-3%
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	**2021-22**	**2020-21**
Projected Benefit Obligation on Current Assumptions	0.97	1.03
Delta Effect of +1% Change in Rate of Discounting	(0.02)	(0.03)
Delta Effect of -1% Change in Rate of Discounting	0.04	0.04
Delta Effect of +1% Change in Rate of Salary Increase	0.04	0.04
Delta Effect of -1% Change in Rate of Salary Increase	(0.04)	(0.04)
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.00
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	(0.00)

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 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.

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

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

7 The Company's Leave Encashment Liability is entirely unfunded.

8 **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.

18 Other Non-Current Liabilities

Particulars	March 31, 2022	March 31, 2021
Contact Liabilities- Client Advances	144.91	146.92
Unamortised Deferred Rent Income	0.02	0.11
Rent Deposit	1.02	0.91
Others liability	43.00	43.00
Total	**188.95**	**190.94**

19 Current Financial Liabilities - Borrowings

The borrowings are analysed as follows :

Particulars	March 31, 2022	March 31, 2021
Short Term Loan from bank	415.00	414.65
Other Loans and Advances :		
Others	157.13	157.02
TOTAL	**572.13**	**571.67**
The above amount includes		
Secured Borrowings	**415.00**	**414.65**
Unsecured Borrowings	**157.13**	**157.02**

Note: The entire credit facilities of ₹ 1168.13 crores (P.Y ₹ 1127.39 crores) is recalled by the lenders and hence disclosed under current liabilities - Refer note no. 21

A Holding Company

(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.

Some of the loans are at spread below Bank base rate or Bank Prime lending rate or at Negotiable rates. The Spread range from 100 to 250 bps.

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

(iv) Short term loan from consortium Bankers :

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 sahes and corporate guarantee 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 shares 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 asset 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 16,27,94,100 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 16,89,99,900 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 16,89,99,900 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 be released in favour of IDBI Bank / Other Bank who shall be sanctioning the remaining OD facility

(v) In case of Holding Company , 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 loan facilities 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, 2022 and to that extent the balances are unconfirmed.

B Others

ACBI

Securities - Cash Credit from IDBI Bank : - Overdraft Facility is secured against Fixed Deposit with Bank.

DIPL

Term loan from Axis Bank is secured by first charge on 75% of total plot of land admeasuring 14.88 acres situated at South TT nagar in Bhopal (M.P) & construction thereon and extension of exclusive first charge on the entire current assets, receivables and all bank accounts.

This Term Loan has been declared NPA from 30th June, 2018 and has filed the application under section 7 of the Insolvency and Bankruptcy Code, 2016 via application dated 5th October, 2018 for recovery of ₹ 425 crore along with interest up to the date of payment.

Thereafter One Time Settlement for a sum of ₹ 210 crore was entered by the company with Axis Bank vide letter dated 2nd May, 2019. Out of ₹ 210 crore, sum of ₹ 20 crore was paid in June, 2019. There after company was unable to pay the balance amount as per time schedule mention in letter of acceptance of One Time Settlement. On 23rd Jan, 2019 this One Time Settlement stands withdrawn and now the management is in negotiation with Axis Bank to restore the credit facility.

GIBV

Loan from Driya Ltd. is granted for shorter period of maximum one year with 14 days notice for renewal by either party. If no notice is given for the first period of one year, the loan will automatically be renewed for subsequent periods of one year. The interest rate is Fixed at 1% p.a.

20 Other Current Financial Liabilities

Particulars	March 31, 2022	March 31, 2021
Credit Facilities Recalled by Lenders - Secured Including Foreign SPV Companies	4,861.54	4,801.06
Interest Accrued (Refer Note (e) below)	2,062.79	1,895.09
NPA Interest Accrued	1,837.79	1,164.72
Unpaid Dividend (Refer Note (d) below)	0.58	0.58
Other Payables		
- Related Party	14.94	14.25
- Others	151.46	117.40
Total	**8,929.10**	**7,993.10**

(a) Details of continuing defaults in serving principal repayments are as follows:

As at March 31, 2022:

The entire credit facilities of Holding Company and its Foreign SPV's are recalled by the lenders and hence the entire credit facility is shown as default. Total amount credit facility recalled is ₹ 4861.54 which is shown in current liabilities.

As at March 31, 2021:

The entire credit facilities of Holding Company and its Foreign SPV's are recalled by the lenders and hence the entire credit facility is shown as default. Total amount credit facility recalled is ₹ 4801.06 which is shown in current liabilities.

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

As at March 31, 2022	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL (Including overdrawn facilities)	77.89	76.49	145.67	1,541.58	1,841.64
ATSL Holding BV	2.39	-	6.67	42.90	51.96
PVAN	2.12	-	5.92	45.49	53.53
GHBV	6.33	-	17.67	136.88	160.88
GIBV	8.29	4.47	23.35	158.94	195.05
	97.03	**80.96**	**199.28**	**1,925.78**	**2,303.05**

As at March 31, 2021	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL (Including overdrawn facilities)	248.03	50.15	97.85	1,145.51	1,541.54
ATSL Holding BV	2.22	-	7.17	32.20	41.59
PVAN	1.97	-	6.36	35.78	44.11
GHBV	5.88	-	19.00	107.84	132.72
GIBV	3.57	4.33	40.69	109.29	157.88
	261.66	**54.48**	**171.09**	**1,430.61**	**1,917.85**

(c) The above information of default is disclosed only to the extent of information available for the respective Group Companies Financial Statement.

(d) Unpaid dividend includes ₹ 0.54 Crore (P.Y March 2020: ₹0.54 Crore) to be transferred to the Investor Education & Protection Fund

(e) GIL

Interest accrued includes ₹ 1518.40 Crore (P.Y March 2021: ₹ 1097.19 Crore) on account of NPA Interest accrued in the books

GTPL

Interest accrued includes ₹ 88.11 (P.Y. ₹ 68.53) crore on account of NPA Interest accrued in the books

Other Payable

(f) An Amount of ₹ 108.56 Crore (P.Y.Rs 72.53 Crore) is payable to GECPL as at March 31, 2022. This amount has been earmarked against the assignment of specific claims and awards in favour of GECPL, for which the Company has written to the clients. No interest is accrued on the aforesaid amount.

(g) Foreign SPV's:

During the previous periods the Bankers has issued notice to the Holding Company who has guaranteed the repayments, for immediate discharge of its USD loan amount. In view of financial difficulties of Holding Company the said amount has not been discharged and therefore the entire amount has been shown as current liabilities.

Bank Loan balances are as per Bank advice available with the Company and no bank confirmations are available on the record

(h) Corporate Restructuring and Other - Borrowings Notes

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 ₹100 Crore in the Company by promoters, in lieu of bank sacrifice, in the form of Promoters Contribution which can be converted to equity.

(i) 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 ₹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.

(j) 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 + 5%	Spread including penal interest
CC	MCLR 6M + 5.45%	Spread including penal interest

Non Convertible Debentures

Facility	Principal as on 31 March 2022	Rate	Principal as on 31 March 2022
10.50%	65.41	10.50%	65.41
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	**288.36**		**288.36**

(k) 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.

(l) 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 lender

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 -

Deepmala Infrastructure Private Limited

Ansaldocaldaie Boilers India Private Limited

Gactel Turnkey Projects Limited

Transrail Lighting Limited

Gammon Engineers and Contractors Private Limited

Nikhita Estate Developers Private Limited

(m) The company has not taken any fresh loan from banks and financial institutions during the year.

(n) The Company has borrowings from banks or financial institutions on the basis of security of current assets, however during the current year and in the previous year no quarterly returns or statements of current assets are filed by the company with banks or financial institutions as the entire facilities from the lenders have become Non Performing Assets in the month June’17 and the Lenders have recalled all the loans and during the year no new working capital limit was sanctioned.

(o) Registration of Charge - As at March 31, 2022, the Company has registered all charges duly with the Registrar of Companies in favour of the lenders.

Satisfaction of Charge - There are old charges disclosed as outstanding of ₹ 14,335 crores as at March 31, 2022 in respect of borrowings which have been restructured by the lenders long back for which fresh charge is created. The Company is unable to clear the satisfaction of old charges for lack of requisite documentation from the lenders. The matter is being followed up by the Company.

(p) Investment Spv’s (GIBV, GHBV, PVAN, ATSL BV , GHM)

The Loan is secured by charge over DSRA A/c of the Company. The Parent Company has also pledged its entire shareholding of the Company with the Bank and also provided Corporate Guarantee.

During the earlier year Term Loan from ICICI Bank has been rescheduled by which the same are to be repaid by 1 April 2015 by sale of Investments . In case sale does not occur or the proceeds are insufficient ,the same is repayable by the parent Company in quarterly installments from 1 April 2015.The applicable interest rate is equal to 3 months LIBOR plus 275 bps for GIBV and PVAN, and 3 months LIBOR plus 250 bps for GHBV & ATSL B.V. Interest & installment is due and paid on Quarterly basis. The interest rate will increase by 100 bps for GIBV and PVAN while 125 bps for GHBV and ATSL BV, if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV’s.

During the earlier year Term Loan from ICICI Bank, UK PLC has been rescheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale does not occur or the proceeds are insufficient ,the same is repayable by the parent Company in quarterly installments from 1 April 2015.The applicable interest rate is equal to 3 months EUROLIBOR plus 360 bps for GIBV, Interest & installment is due and paid on Quarterly basis. The interest rate will increase by 100 bps if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV’s.

During earlier periods ICICI bank Canada has encashed the Bank Guarantee of the parent but has not appropriated the encashment against the loan amount. However the Company has protested the non appropriation and adjusted the same in its books against the loan amount.

(q) One of the Subsidiary Gactel (Gactel Turnkey Projects Ltd) had availed credit facilities from Axix Bank in the year 2013 for which the Company had given Corporate Guarantee and Shortfall Undertaking for any shortfall by Gactel in meeting its obligations. The current assets of the Subsidiary was Collateral Security. Collateral Security was given by another Subsidiary Deepmala (Deepmala Infrastructure Private Limited) as a Negative Lien of its land at Bhopal and Negative Lien its entire cash flow from the Bhopal Project. In addition Deepmala had borrowed ₹ 425 crores for itself against the said land from Axis Bank

However, the loan of Gactel became an NPA on 29.02.2017 and on 06.12.2017 Axis Bank recalled the entire outstanding borrowings of ₹ 152.53 crores from Gactel. Deepmala also became an NPA in June 2018 and Axis Bank filed in NCLT against the borrower for recovery of its dues. The Company diligently worked with the common lender over prolonged period to resolve the matter and finally an OTS offer was made by Deepmala and same is accepted by Axis bank on 02.05.2019 for payment of ₹ 210 crores against its borrowings of ₹ 425 crores and other interest. The same was accepted by Deepmala. This OTS left Deepmala with sufficient landed assets to cover the borrowings of Gactel, in case of Gactel's failure to pay the lender. However, Deepmala has failed to honour its commitment under the OTS and Axis Bank has withdrawn the OTS offer made earlier and demanded the entire outstanding along with interest, costs and damages from it vide letter dated 23.01.2020.

21 Other Current Liabilities

Particulars	March 31, 2022	March 31, 2021
Contract Liabilities	37.40	64.94
Duty & Taxes Payable	16.02	14.68
Unamortised Guarantee	-	-
Unamortised Deferred Rent Income	0.02	0.02
Share Application Money Pending allotment (refer note (i) below)	16.64	16.64
Other Payables	25.24	61.77
Total	**95.32**	**158.05**

(i) The Company had received amounts as Share Application Money of ₹ 16.64 Cr for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The Reserve Bank of India had on January 29, 2014 directed the Company to refund the said amounts to Ansaldo Caldaie S.P.A. The company has subsequently applied to RBI vide letter dated 28th February 2014 to convert the share application money as ECB which has also been approved by the Board of Ansaldo Caldaie S.P.A. However, on June 25, 2014, RBI had turned down the Company's request to convert the share application money into ECB and directed to allot the share or refund the money within one year. Since, Ansaldo S.P.A was unable to increase its holding in the Company in the absence of equivalent contribution from the Holding Company, it has irrevocably waived its right to be allotted further equity shares and has also waived its right to receive a refund of the advance share application money vide its letter dated 18th May 2015 submitted to Reserve Bank of India.

The Company has received letter from RBI dated August 16 , 2018 directing the Company to refund the excess Share Application money received from Ansaldo Caldaie s.p.A with in 15 days of receipt of the letter falling which will constitute as continuing violation and action under FEMA, 1999 will be taken including the referring to Directorate of Enforcement.

With reference to above the Company has replied to RBI stating various reasons which includes:

- No viability of the Company to generate current and future revenue.
- No sufficient net worth of the Company for repayment
- Cashflow from the current projects of the Company is limited to pending dues of completed projects and towards lenders against Principal and interest.
- Gammon India Limited the holding Company is referred to NCLT and hence is unable to extend and kind of financial support.

The management is hopeful of a favorable response to its reply granting permission not to allot shares and permit non-refund of the amount. The matter is still not concluded and the RBI has sought for further clarification which is being responded by the Company.

22 Current Tax Liabilities

Particulars	March 31, 2022	March 31, 2021
Provision for taxation (net of taxes paid)	5.85	5.85
Total	**5.85**	**5.85**

23 Revenue from Operations

Particulars	2021-22		2020-21	
Revenue from Operations:				
Sale of Services		27.54		52.51
Sale of Products		0.05		1.20
Other Operating revenue		0.26		0.81
Total		**27.85**		**54.52**
(i) Breakup of Revenue from Operations:				
Sale of Services:				
Contract Revenue	27.54	27.54	52.51	52.51
Sale of Products:				
Sale of Products	0.05	0.05	1.20	1.20
Other Operating revenue:				
Sale of Scrap	0.13		0.47	
Miscellaneous Operating Income	0.13	0.26	0.34	0.81
Total		**27.85**		**54.52**

(ii) Disclosure as Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

(The above information of Ind AS 115 is disclosed only to the extent of information available for the respective Group Companies Financial Statement.)

(a)

Method used to determine the contract revenue :	Input Method
Method used to determine the stage of completion of contract :	stage of completion is determined as a proportion of costs incurred up to the reporting date to the total estimated cost to complete

b) Disaggregation of revenue from contracts with customers :

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

Particulars	2021-22	2020-21
Primary geographical markets		
In India	27.85	54.52
Outside India	-	-
Total	**27.85**	**54.52**

c) Significant changes in contract asset and contract liabilities balances during the year are as follows:

	Particulars	March 31, 2022	March 31, 2021
(A)	**Due from contract customers:**		
	At the beginning of the reporting period	**69.58**	**67.51**
	Cost incurred plus attributable profits on contracts-in-progress	-	2.54
	Progress Billings made towards contracts-in-progress	(1.05)	(0.99)
	Receipts from contract customers	(3.69)	0.52
	Significant change due to other reasons	(15.71)	-
	At the end of the reporting period	**49.13**	**69.58**

	Particulars	March 31, 2022	March 31, 2021
(B)	**Due to contract customers:**		
	At the beginning of the reporting period	**90.21**	**91.40**
	Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))	-	-
	Progress billings made towards contracts-in-progress	(29.55)	(1.19)
	At the end of the reporting period	**60.66**	**90.21**

d) **Performance obligation**

The Company undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for construction of highways, water pipeline projects, construction of residential & commercial buildings, and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

GIL

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) Performance obligations to be performed in next year is amounting to ₹ 73.43 crores (previous year amounting to 85.95 crores)

24 Other Income

Particulars	2021-22	2020-21
Interest Income on amortised cost	0.17	1.06
Rent Income	5.04	7.20
Interest Income on award received	1.17	5.52
Foreign Exchange Gain	-	97.31
Sundry balances written back	6.68	7.92
Excess provision written back	0.51	0.00
Profit on Sale of Assets	-	1.68
Profit on Sale of Investments	-	0.03
Others Misc income	0.04	-
Total	**13.61**	**120.72**

25 Cost of Sales

Particulars	2021-22		2020-21	
Opening Stock	14.84		20.64	
Add : Purchases	11.70	26.54	8.56	29.20
Less : Closing Stock		(15.12)		(14.84)
Total		**11.42**		**14.36**

26 Subcontracting Expenses

Particulars	2021-22	2020-21
Subcontracting Expenses	14.29	32.18
Total	**14.29**	**32.18**

27 Employee Benefit expenses

Particulars	2021-22	2020-21
Salaries, Bonus, Perquisites etc.	8.06	7.46
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	0.46	0.45
Staff Welfare Expenses	0.16	0.15
Total	**8.68**	**8.06**

28 Finance Costs

Particulars	2021-22	2020-21
Interest Expense on amortised cost	826.96	751.78
Other Borrowing Costs	43.60	0.17
Total	**870.56**	**751.95**

During the Year ended March 31, 2022 two lenders have levied penal interest and charges of ₹ 76.07 crores. Total amount of penal interest and charges amounts to ₹ 324.65 crores up to March 31,2022. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.

On account of the company being marked as non performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.

29 Depreciation & Amortisation

Particulars	2021-22	2020-21
Depreciation	3.70	9.10
Amortisation	-	-
Total	**3.70**	**9.10**

30 Other Expenses

Particulars	2021-22	2020-21
Plant Hire Charges	1.94	1.42
Consumption of Spares	0.38	0.82
Outward Freight	-	0.00
Power & Fuel	1.99	1.35
Fees & Consultations	2.17	6.27
Rent	1.13	1.13
Rates & Taxes (incl indirect taxes)	0.36	0.56
Travelling Expenses	0.91	0.81
Communication	0.03	0.03
Insurance	0.43	0.84
Repairs to Plant & Machinery	0.02	0.03
Other Repairs & Maintenance	0.17	0.08

Particulars	2021-22	2020-21
Bank Charges & Guarantee Commission	2.37	1.44
Other Site Expenses	1.09	1.85
Sundry Expenses	0.80	0.72
Sundry Balance Written Off	2.23	3.54
Write off of Contract Assets	-	7.26
Provision for Doubtful Debts and Advances	2.52	16.40
Loss on Sale of investment	0.02	57.42
Provision for Risk and Contingency	6.79	15.37
Loss on Sale of Assets	0.17	-
Loss on Recognition of Project Award	225.79	-
Foreign Exchange Loss	60.92	-
Asset written off	0.05	1.45
Remuneration to Statutory auditors	0.18	0.21
Component Auditors Remuneration		
Other (none of the which is more than 1% of the Operating revenue)	0.06	0.02
Total	**312.52**	**119.02**

Remuneration to Auditors of the Company and its Components

Particulars	2021-22		2020-21	
Remuneration to Company Auditor				
Statutory audit	0.15		0.15	
Limited Review	0.03		0.05	
Attestation and Certification	0.00	0.18	0.01	0.21
Remuneration to Component Auditor				
Statutory audit	0.05		0.02	
Other Services	0.01	0.06	-	0.02

31 Exceptional Items

Particulars	2021-22	2020-21
Impairment provisions of Investments , Goodwill and Loans and Receivables	-	35.70
Total	**-**	**35.70**

i) In One of the subsidiary (“Metropolitan Infrahousing Private Limited”) there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres During the previous periods the company had made a provision for impairment of goodwill of ₹ 151.16 Cr and written down carrying amount of property development (inventory) by ₹123.91 Cr,during the year further written down of carrying amount of property development (inventory) amounting to ₹ Nil (P.Y ₹ 35.70 Cr) has been done based on internal estimate.

32 Tax Expense

Particulars	2021-22	2020-21
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Excess short provision for tax	-	(1.42)
Deferred tax	1.23	0.67
Income tax recognised in statement of profit or loss	**1.23**	**(0.75)**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A Current Tax

Particulars	2021-22	2020-21
Accounting profit before income tax	(1,179.28)	(795.47)
Less Non Taxable Profit/(Loss)	(94.58)	(76.30)
Taxable Profit/(Loss)	(1,084.70)	**(719.17)**
Enacted tax rates in India (%)	**29.12%**	**29.12%**
Enacted tax rates in Foreign (%)	-	-
Computed expected tax expenses	(315.87)	(209.42)
Effect of non- deductible expenses	253.32	209.98
Effects of deductible Expenses/ exempt income	(2.92)	(4.91)
Income tax expenses - Net as per normal provision	**(65.47)**	**(4.35)**
Tax As per MAT provision	-	-
Total Tax	**(65.47)**	**(4.35)**

B Deferred Tax

Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	(82.48)	(0.66)		(83.14)
Non Current Investments *	(19.83)	(0.01)		(19.83)
Employee Benefits	0.01	0.01		0.02
As at March 31, 2021	**(102.30)**	**(0.65)**		**(102.94)**
Property, Plant and Equipment	(83.14)	(1.23)		(84.37)
Non Current Investments	(19.83)	-		(19.83)
Employee Benefits	0.02	0.00		0.03
As at March 31, 2022	**(102.94)**	**(1.23)**		**(104.17)**

33 Earning Per Share

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

Particulars	2021-22	2020-21
Net Profit attributable to the Equity Share holders	(1167.88)	(781.68)
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	36,88,47,305
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,95,73,105
Earning Per Share – Basic (₹)	(31.66)	(21.19)
Earning Per Share – Diluted (₹)	(31.66)	(21.19)

Reconciliation of weighted number of outstanding during the year :

Particulars	2021-22	2020-21
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	36,88,47,305
Add : Issue of shares	-	-
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	36,88,47,305
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	36,88,47,305	36,88,47,305
Add : Shares kept in abeyance	7,25,800	7,25,800
Weighted Avg no. of shares in calculating Dilutive EPS	36,95,73,105	36,95,73,105

34 Disclosure under Indian Accounting Standard (Ind AS) 116 Leases

The Company has taken various residential / godowns / offices premises (including Furniture and Fittings, if any) under lease and license agreements for periods which generally range between 11 months to 3 years These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the company has given refundable security deposits. The lease payments are recognized in Statement of Profit and Loss under Rent Expenses.

Particulars	2021-22	2020-21
Less than one year	2.06	4.93
One to five years	-	2.06
	2.07	**7.00**

35 Contingent Liability

	Particulars	March 31, 2022	March 31, 2021
1	Corporate Guarantees and Counter Guarantees given to Bankers towards Guarantees given by them for Client of the Company and Company's share in the Joint Ventures.	8.76	8.77
2	Disputed Sales Tax Liability for which the Company has gone into appeal	50.20	36.56
3	Claims against the Company not acknowledged as debts	208.46	59.97
4	Disputed Service Tax Liability	2.76	7.79
5	In respect of Income Tax Matters of Company and its Joint Ventures	151.58	338.00
6	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
7	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
8	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96
9	Contingent Liabilities on account of Associates (restricted to the carrying value of investments)	20.99	20.99
10	Disputed Property Tax Liability	8.83	-
11	Other Matter	-	0.26

12 There is a disputed demand of UCO Bank pending since 1986, of USD 436,251 i.e. ₹3.02 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹.0.21 Crore, which adjustment has not been accepted by the Company.

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

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

15 GIL 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.

16 **MIPL-** Subsidiary has received notice dated 19th March, 2012 from Tahasildar, Kalyan demanding "Unearned Income" sum of ₹ 463.68 crores on Land at Ghariwali, Thane. Company challenged the demand of Tahasildar, Kalyan in High Court, Bombay in the year 2012. Order of High Court, Bombay came in 2015 for permitting company to sale "PART-A LAND" and remaining "PART-B LAND" is subject to resolution of demand of "Unearned Income" of ₹ 463.68 crores raise by Tahasildar, Kalyan.

Company filed Special Leave Petition in Supreme Court in the year 2017 for sale of "PART-B LAND" on which proceeding for demand of "Unearned Income" is going on in High Court, Bombay. Supreme Court ordered in February, 2019 giving permission to the company for sale of "PART-B LAND" subject to filling of "Joint Affidevit of Undertaking" by buyer and seller stating that both will be liable jointly and severally for payment of demand of "Unearned Income" raise by Tahasildar, Kalyan, if found payable. The same "Joint Affidevit of Undertaking" is filed with Supreme Court.

The inventory (balance "PART-B LAND") is valued as per valuation report issued by the adjudicating officer in the month of December 2018. The valuation as per applicable Stamp Act is higher than adjudicating value. Management has an opinion that valuation of inventory by the adjudicating officer is already at lower than its net realisable value and therefore valuation of inventory should not affect by COVID-19.

17 **DIPL -** There are certain cases pending with RERA, Sales Tax, NCLT, High Court etc. The Company does not expect any outflow and the quantum of outflow in amount is also not ascertainable, so the Company has not made any provision nor disclose any contingent liability.

36 Segment Reporting as per IND AS108 " Operating Segments"

(a) The Group is engaged in "Construction and Engineering" and "Real Estate Development" segment.

Revenue and expenditure haven been identified to a segment on the basis of relationship to operating activities of the segment.

Segment assets and segment liabilities represents assets and liability in respective segments. Disclosure of segments is given in Statement A

(b) Major Customers

Holding Company (GIL):

Revenue of ₹ 27.54 Crore (PY: ₹ 52.84 Crore) arising from three (PY two) major customer each contributing more than 10% of the total revenue of the Company.

37 The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had 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. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised 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.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure of ₹ 767.87 Crore during the earlier periods notwithstanding its ongoing endeavor to recover the value of the non core assets.

38 One of the step down Subsidiary SAE Powerlines S.r.L. (Held through ATSL Holdings BV) has declared the bankruptcy in 2017 and filed for liquidation as per the laws of the land. Due to the aforementioned reasons the financials of the company are not available since December 2017. GIL has stopped consolidating the step down subsidiary in the current year. GIL has provided for entire exposure in the net assets of the said step down subsidiary during the previous periods.

39 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.

40 Material Uncertainty Relating to Going Concern

Holding Company

(a) 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. Also the Company's current liabilities exceed the current assets by ₹ 8871.17 Crore as at March 31, 2022. The facilities of the Company with the Secured 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 liquidity crunch is affecting the Company's operation with increasing severity. The Secured 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

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

Pursuant to the execution of the ICA the lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequent to the abovementioned appointment the representatives of Deloitte attended one of the Joint Lenders Meeting held on 13th January, 2020, wherein the plans regarding the way forward on the resolution process were presented. Subsequently on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company and on such terms and conditions as directed by IDBI Bank.

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, Seven lenders including the lead monitoring institution provided their in-principle sanction to the company and the company is pursuing for the approval with other lenders as well.

Due to delay in approval of resolution plan by other Bankers the fund through which Everstone (Investor) was intended to invest was closed. However, Everstone has shown a keen desire to invest with next available fund.

Due to time constraint, Gammon has proposed an alternate investor with the same terms and conditions for the revival of the Company which is accepted by the Bankers. The lenders discussed the above matter at the Joint Lenders meeting dated 5th March 2022 and while accepting the offer were willing to take up with their higher management for resolution plan of the Company.

The Company is awaiting the sanction of the lenders. The resolution process is in the advanced stage and the management is hopeful that the sanctions will be received soon.

Meanwhile the company has received a notice from Union Bank of India and Punjab National Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, taking over the possession of the Gammon House property including the land appurtenant to it, the company has been restrained from parting with the rights over the said property. The total demand raised by this notice is ₹ 1136.71 Cr.

The management is hopeful of obtaining approval of all the lenders to the above plan and execute documents accordingly and maintain its going concern status and to that effect is continuously engaged with the lenders for a solution.

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. The above action plan of the Company for repaying the debts and servicing the same including the necessary value of the balance stake being available and realisation of the claim amounts filed by the Company, monetisation of the stake sale of investments and also the acceptance of the resolution proposal by the lenders is exposed to material uncertainties which may affect the going concern assumption.

(b) Other Group Companies

(i) Ansaldo Caldaie Boilers India Pvt Ltd

The Company is facing financial difficulties and material uncertainties relating to Operations and cashflows which is significantly impairing its ability to continue as a going concern. More specifically the company is facing the following issues:

1. The company has incurred substantial cash losses in its operations (in previous periods) and more than than 50% of its net worth is eroded.
2. The Current liabilities of the Company is more than the Current Assets by ₹ 77.64 crores .
3. There are no Orders on hand and the power sector is already laden with troubled projects and facing uncertainties.
4. The RBI has directed the Company to refund the excess share application money received.
5. The investment in Ansaldo GB-Engineering Pvt Ltd is facing impairment issues on account of defaults to their bankers resulting in possession of properties of ACGB by lenders for auction.

The management is hopeful of tiding over these problems with amicable resolution with lenders and RBI. The the Company has made loss in the current year and out of the collection repaid its majority of the debts towards lenders. The Company is also in negotiation with various customers for getting manufacturing and spares contracts and succeeded in getting few. The Company is also taking up the overseas opportunities with its associate companies which can give the new order to substantiate future operations of the Company.

The management also is constantly perusing new opportunities in the power sector and therefore is of the view that there are material uncertainties relating to going concern but is hopeful of reviving the Company.

(ii) ATSL Holding BV

As at March 31, 2022 Current liabilities exceed current assets by Euro 2.06 crores (₹174.25 crores), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

(iii) Gammon Holding BV

As on 31st March, 2022, current liabilities exceed current assets by Euro 7.09 crores (₹ 600.37 crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A.which in turn depends upon the value of non-core assets of the said Franco Tossi Mechanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

(iv) Gammon International BV

As on 31st March, 2022, current liabilities exceed current assets by Euro 7.77 crores (₹ 657.43 crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A.. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

(v) Gammon International FZE

As on 31st March, 2022, current liabilities exceed current assets by AED 1.25 crores (₹ 25.89 crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(vi) PvanEerd Beheersmaatschappij B.V

As on 31st March, 2022, current liabilities exceed current assets by Euro 1.76 crores (₹ 148.81 crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SpA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions

(vii) Gammon Holdings Mauritius Limited

As on 31st March, 2022, current liabilities exceed current assets by USD 4.42 crores (₹ 334.82 crores). This Condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial Statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the Shareholder.

41 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.

42 Disclosure related to interest in other entities as required by IND AS 112 are given in a separate Statement - C

43 Disclosure related to entity wise disclosure of breakup of net assets and profit after tax as required under schedule III of the Companies Act, 2013 is given in Statement- D

44 Restatement of earlier year financial statements

Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates" requires retrospective adjustment of prior period errors and omissions by restating the comparative amounts for prior period presented or, where the errors relates to the period(s) before the earliest prior period presented, restating the opening balance of assets, liabilities and equity for that period.

The Consolidated financials included unaudited financials based on management prepared accounts of a subsidiary Deepmala Infrastructure Private Limited from FY 2016-17 to FY 2020-21, due to non-availability of audited accounts. The subsidiary's audit could not be finalised due to incident of fire at site which led to non-availability of documents. This was compounded by slump in the market and piling up of inventory followed by lack of manpower due to financial constraints and suspension of RERA registration

The subsidiary's accounts for all the previous unaudited periods are audited in the current financial year. Material errors have been noted between the unaudited financials used for consolidation in the previous years and the audited financials mainly in 2017-18, 2018-19 and 2019-20. Accordingly, the company has corrected the errors by retrospectively restating and regrouping each of the affected financial statement line items for the earliest prior period presented i.e. the opening balance sheet as at April 1, 2020 which is presented as an additional disclosure.

Disclosure of such changes is given in Statement E

45 Deepmala Infrastructure Private Limits ("Company), which is in the business of developing a mixed use real estate project in Bhopal, has been under stress due to various reasons and the sole lender of the Company is seeking resolution of their outstanding dues for the asset. The Company has been seeking and inviting proposals from various parties to take over the project on a Change in Management process framework of Reserve Bank of India

The company has received a Binding Expression of Interest from one of the prospective investors for acquisition of a majority stake in the Company. The lenders of the Company have accepted the same subject to the Axis bank undertaking a bidding process seeking a resolution plan or bid proposals from eligible bidders following the broad contours of the "Swiss Challenge" process and the proposal of the Investor has been considered as an Anchor/Base Plan. The Lenders of Gammon have also in principle indicated their ability to release pledge to enable transfer the interest of 51% stake in the Company pursuant to completion of conditions precedent which interalia includes release of Corporate Guarantee issued by Gammon India Limited in favour of another Subsidiary

It is expected that the Swiss Challenge process shall be initiated in the near future and the transaction shall be completed in the financial year 2022-23.

46 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

	Particulars	Carrying Value		Fair Value	
		March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	152.28	155.09	152.28	155.09
	Others	38.78	37.77	38.78	37.77
	Trade receivables	275.45	349.60	275.45	349.60
	Cash and cash equivalents	1.56	2.09	1.56	2.09
	Bank Balance	14.23	11.87	14.23	11.87
(ii)	FVTPL				
	Mutual Funds & Equity Instrument	0.04	0.05	0.04	0.05
(iii)	FVTOCI				
	Investments	678.77	864.01	678.77	864.01
	Total Financial Assets	**1,161.11**	**1,420.48**	**1,161.11**	**1,420.48**
	Financial Liabilities				
(i)	Amortised Cost				
	Borrowings	572.13	571.67	572.13	571.67
	Trade payables	199.72	206.68	199.72	206.68
	Others	8,929.10	7,993.10	8,929.10	7,993.10
	Total Financial Liabilities	**9,700.95**	**8,771.45**	**9,700.95**	**8,771.45**

(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.

Particulars	Fair Value measurement using				
	Date of Valuation	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 - FVTPL					
Shares	March 31, 2022	0.04		-	Market Value of Shares
Equity Investments - FVTOCI					
Equity Shares	March 31, 2022		7.31	-	Based on Valuation considered by lenders for pledge invocation
Equity Shares	March 31, 2022			671.46	Based on Independent Valuation Report
Total financial assets		**0.04**	**7.31**	**671.46**	
Financial assets measured at fair value					
Investment in Current Investments -FVTPL					
Shares	March 31, 2021	0.03	-	-	Market Value of Shares
Equity Investments - FVTOCI					
Equity Shares	March 31, 2021	-	7.31	-	Based on Valuation considered by lenders for pledge invocation
Equity Shares	March 31, 2021	-	-	856.71	Based on Independent Valuation Report
Total financial assets		**0.03**	**7.31**	**856.71**	

<u>In case of Investment in FTM which is carried at FVTOCI:</u>

In the absence of data of FTM, the same cannot be fair valued and therefore the same is carried at its carrying value as per books although the said investment is being accounted on FVTOCI. Carrying value ₹ Nil as investment has been fully provided.

(ii) Valuation Details of Sofinter as per IND AS 113 " Fair Value Measurements"

Valuation Approach & Methodology:

For arriving at the fair value of equity of Sofinter S.p.A as of the Valuation Date, the valuer have considered following valuation approach & methodologies:

Approach Methodologies

Approach	Methodologies
Income Approach	Discounted Cash Flow Method ("DCF")
Market Approach Comparable	Comparable Companies Method ("CCM")

For the purpose of arriving at the concluded fair value of equity of Sofinter S.p.A, the valuer have considered the Income Approach. The CCM has been used for corroborative purpose only.

Inputs Used

Date	Key Inputs	Sofinter SpA	Itea SpA
March 31, 2022	Discount Rate	**12.00%**	**12.00%**
March 31, 2022	Terminal Growth Rate	**2.00%**	**2.00%**

Summary of Valuation

The fair value of equity of Sofinter S.p.A based on valuation approach and methodology discussed herein. The fair value of equity of Sofinter S.p.A as at different Valuation Date are as under:

Valuation Date	Equity Value
	(Euro '000)
31-Mar-22	1,17,500

Effects of Valuation on Other Comprehensive Income

Valuation Date	Carrying value of Investments
31-Mar-22	671.46
31-Mar-21	856.71

47 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 financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

(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, 2022	March 31, 2021

Foreign currency	Receivable	Payable	Receivable	Payable
USD - US Dollar	34,52,51,600	10,37,02,270	34,37,40,716	10,37,02,270
EUR - Euro	7,01,63,862	2,32,64,585	7,01,63,862	2,32,64,585
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, 2022 is ₹ 3217.65 Crore and March 31, 2021 is ₹ 3138.51 Crore.

Payable : As at March 31, 2022 is ₹ 983.81 Crore and March 31, 2021 is ₹ 963.44 Crore

(b) 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 rate fluctuations between the previous reporting period and the current reporting period.

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

	March 31, 2022		March 31, 2021	
Increase/(decrease) in profit or loss	**1 % Increase**	**1 % decrease**	**1 % Increase**	**1 % decrease**
USD - US Dollar	18.31	(18.31)	17.64	(17.64)
EUR - Euro	3.97	(3.97)	4.04	(4.04)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.05	(0.05)	0.07	(0.07)

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.

(c) 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 ₹ 350.27 crore and ₹ 350.16 crore as of March 31, 2022 and March 31, 2021 respectively, unbilled revenue amounting to ₹ 934.39 crore and ₹ 934.39 crore as of March 31, 2022 and March 31, 2021, 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.

(d) 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, 2022	Plus 100 basis point	(54.34)
	Minus 100 basis points	54.34
March 31, 2021	Plus 100 basis point	(54.08)
	Minus 100 basis points	54.08

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

(e) 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.

Current Assets of the Company

Particulars	March 31, 2022	March 31, 2021
Cash and Cash Equivalent	1.56	2.09
Bank Balance	14.23	11.87
Current Investments in mutual Funds and Shares	0.04	0.05
Inventory	874.12	873.83
Current Trade Receivable	55.36	54.70
Current Loans & Advances	62.62	65.43
Current Other Financial Assets	34.20	33.33
Total	**1,042.14**	**1,041.31**

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 year	Total
As at March 31, 2022			
Long term Borrowing	-		-
Short term borrowings	572.13		572.13
Trade payables	176.51	23.21	199.72
Other financial liabilities	8,929.10		8,929.10
Total	**9,677.74**	**23.21**	**9,700.95**
As at March 31, 2021			
Long term Borrowing	-	-	-
Short term borrowings	571.67	-	571.67
Trade payables	185.77	20.90	206.68
Other financial liabilities	7,993.10	-	7,993.10
Total	**8,750.54**	**20.90**	**8,771.45**

(f) Competition Risk:

The Group is operating in a highly competitive environment with various Companies wanting a pie in the project whether in a cash contract or a BOT Contract. 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.

(g) 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.

48 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, 2022	March 31, 2021
Gross Debt	5,433.67	5,407.64
Less:		
Cash and Cash Equivalent	1.56	9.29
Bank Balance	14.23	4.69
Marketable Securities -Liquid Mutual Funds and Equity Shares	0.04	0.05
Net debt (A)	5,417.84	5,393.60
Total Equity (B)	(6,496.51)	(5,163.21)
Gearing ratio (A/B)	**(0.83)**	**(1.04)**

49 The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

50 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.

51 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other notes forms an integral part of the financial statements of the Company for the year ended March 31, 2022.

52 In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 036410
Mumbai, Dated : June 21, 2022

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Soumendra Nath Sanyal
Audit Committee chairman
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer

Niki Shingade
Company Secretary
M.No.ACS 19594

Statement - A (Refer note no. 36)

Segment Reporting as per Ind AS 108 "Operating Segments" **In ₹ crores**

Particulars	Real Estate Development		Construction and Engineering		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Segment Revenue						
External Turnover	**-**	**-**	**27.85**	**54.52**	**27.85**	**54.52**
Less : Internal Segment Turnover	-	-	-	-	-	-
Value of Sales and Services (Net)	**-**	**-**	**27.85**	**54.52**	**27.85**	**54.52**
Segment Result before Interest and Taxes	**(0.19)**	**(36.13)**	**(309.88)**	**(13.96)**	**(310.07)**	**(50.09)**
Less: Interest Expense	(43.11)	(43.12)	(827.44)	(708.84)	(870.56)	(751.95)
Add: Other Income	-	-	-	-	-	-
Add: Interest Income	-	0.26	1.34	6.32	1.34	6.58
Profit Before Tax	**(43.30)**	**(78.99)**	**(1,135.98)**	**(716.48)**	**(1,179.28)**	**(795.47)**
Less: Current Tax	-	-	-	-	-	-
Less: Deferred Tax	(0.00)	(0.00)	1.23	0.67	1.23	0.67
Excess / Short Provision of Earlier years	-	-	-	(1.42)	-	(1.42)
Profit after Tax (before adjustment for Non - Controlling Interest)	**(43.30)**	**(78.98)**	**(1,137.22)**	**(717.15)**	**(1,180.51)**	**(794.72)**
Add: Share of (Profit) / Loss transferred to Non - Controlling Interest	12.76	12.75	(0.13)	0.29	12.63	13.04
Profit after Tax (after adjustment for Non-Controlling Interest)	**(30.53)**	**(66.24)**	**(1,137.35)**	**(716.86)**	**(1,167.88)**	**(781.68)**
Other Information						
Segment Assets	981.11	968.71	2,756.10	3,230.69	3,737.21	4,199.40
Segment Liabilities	973.51	954.07	9,406.67	8,553.22	10,380.18	9,507.29
Capital Employed	7.60	14.64	(6,650.56)	(5,322.53)	(6,642.97)	(5,307.89)
Capital Expenditure	-	-	412.56	418.59	412.56	418.59
Depreciation / Amortisation and Depletion Expense	0.01	0.01	3.69	9.09	3.70	9.10

Statement B

Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures"

A List of Related Parties

JOINT VENTURE

1 Gammon OJSC Mosmetrostroy

2 Gammon SEW

3 Campo Puma Oriente S.A

4 Sofinter S.p.A

5 GIPL GIL Jv

Subsidiary

1 SAE Powerline s.r.l

ASSOCIATES

1 Finest S.p.A Italy

2 AJR Infra and Tolling Limited (Formely Gammon Infrastructure Projects Limited)

Entities Having Significant Influence

1 Franco Tosi Turbines Private Limited

2 Franco Tosi Meccanica S.p.A

Key Managerial Personnel

1 Mr. Anurag Choudhry (Executive Director and Chief Financial Officer)

2 Mr. Ajit B. Desai (Chief Executive Officer)

3 Mr. Sandeep Sheth (From 15th April 2021 to 14th Oct 2021)

4 Mrs. Niki Shingade

Independent Director

1 Mr. Soumendra Nath Sanyal

2 Mr. Ulhas Prabhakar Dharmadhikari

3 Mr. Vinath Hegde

4 Mr. Kashi Nath Chatterjee (From 3rd May 2021)

Statement B

₹ In Crore

B Nature of Transactions / relationship / major parties	Subsidiary*	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
Rent Income	-	-	**0.01**	-	-	**0.01**
	-	-	**(0.01)**	-	-	**(0.01)**
AJR Infra and Tolling Limited	-	-	0.01	-	-	**0.01**
	-	-	**(0.01)**	-	-	**(0.01)**
Reimbursement of expenses inccured by the Company	-	**0.11**	-	-	-	**0.11**
	-	**(0.17)**	-	-	-	**(0.17)**
Gammon SEW	-	0.11	-	-	-	**0.11**
	-	(0.17)	-	-	-	**(0.17)**
Reimbursement of expenses inccured on behalf of the Company	-	**0.48**	-	-	-	**0.48**
	-	**(0.13)**	-	-	-	**(0.13)**
Gammon SEW	-	0.48	-	-	-	**0.48**
	-	(0.13)	-	-	-	**(0.13)**
Fund Received for above Reimbursement	-	**0.67**	-	-	-	**0.67**
	-	-	-	-	-	-
Gammon SEW	-	0.67	-	-	-	**0.67**
	-	-	-	-	-	-
Guarantees and Collaterals Outstanding	-	133.45	-	-	-	133.45
	-	**(133.45)**	-	-	-	**(133.45)**
Gammon OJSC Mosmetrostroy	-	133.45	-	-	-	**133.45**
	-	(133.45)	-	-	-	**(133.45)**
Key Managerial Personnel	-	-	-	-	**1.74**	**1.74**
Short Term Benefit (Managerial Remuneration)	-	-	-	-	**(1.49)**	**(1.49)**
Mr. Anurag Choudhry	-	-	-	-	0.54	**0.54**
	-	-	-	-	(0.54)	**(0.54)**
Mr. Ajit B. Desai	-	-	-	-	0.79	**0.79**
	-	-	-	-	(0.79)	**(0.79)**
Mr. Sandeep Sheth	-	-	-	-	0.20	**0.20**
	-	-	-	-	-	-
Nikki Shingade	-	-	-	-	0.20	**0.20**
	-	-	-	-	(0.16)	**(0.16)**
Post Employment benefit						
Nikki Shingade					0.01	**0.01**
					(0.01)	**(0.01)**
Director Sitting fees and Commission	-	-	-	-	**0.06**	**0.06**
	-	-	-	-	**(0.05)**	**(0.05)**
S N Sanyal	-	-	-	-	0.02	**0.02**
	-	-	-	-	(0.02)	**(0.02)**
Ulhas Dharmadhikari	-	-	-	-	0.02	**0.02**
	-	-	-	-	(0.02)	**(0.02)**
Kashi Nath Chatterjee	-	-	-	-	0.01	**0.01**
	-	-	-	-	-	-

₹ In Crore

B Nature of Transactions / relationship / major parties	Subsidiary*	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
Vinath Hegde	-	-	-	-	0.01	**0.01**
	-	-	-	-	(0.01)	**(0.01)**
Loans & Advances	**48.96**	**230.41**	**-**	**112.44**	**-**	**392.38**
	(48.96)	**(230.41)**	**-**	**(114.35)**	-	**(394.24)**
Campo Puma Oriente S.A.	-	230.41	-	-	-	**230.41**
	-	(230.41)	-	-	-	**(230.41)**
SAE Powerline s.r.l	48.96	-	-	-	-	**48.96**
	(48.96)	-	-	-	-	**(48.96)**
Franco Tosi Meccanica S.p.A	-	-	-	112.44	-	**112.44**
	-	-	-	(114.35)	-	**(114.35)**
Provision made for doubtful debts	**241.82**	**230.41**	**-**	**112.44**	**-**	**586.44**
	(241.82)	(230.41)	-	(114.35)	**-**	**(587.10)**
Franco Tosi Meccanica S.p.A	-	-	-	112.44	-	**112.44**
	-	-	-	(114.35)	-	**(114.35)**
SAE Powerline s.r.l	241.82	-	-	-	-	**241.82**
	(241.82)	-	-	-	-	**(241.82)**
Campo Puma Oriente S.A.	-	230.41	-	-	-	**230.41**
	-	(230.41)	-	-	-	**(230.41)**
Interest Receivable	-	**1.25**	**-**	**-**	**-**	**1.25**
	-	**(1.25)**	**-**	**-**	**-**	**(1.25)**
Fin Est S.p.A	-	1.25	-	-	-	**1.25**
	-	(1.25)	-	-	-	**(1.25)**
Trade & Other Receivable	**192.86**	**532.00**	**-**	**-**	**-**	**725.02**
	(192.86)	**(771.64)**	**-**	**-**	**-**	**(964.61)**
SAE Powerline s.r.l	192.86					**192.86**
	(192.86)	-	-	-	-	**(192.86)**
Gammon OJSC Mosmetrostroy	-	532.00	**-**	**-**	**-**	**532.00**
	-	(771.64)	**-**	**-**	**-**	**(772.13)**
Trade & Others Payable	-	**8.88**	**-**	**-**	**-**	**9.35**
	-	**(8.26)**	**-**	**-**	**-**	**(8.74)**
Gammon OJSC Mosmetrostroy	-	7.07	-	-	-	**7.07**
	-	(7.07)	-	-	-	**(7.07)**
Gammon SEW	-	1.81	-	-	-	**1.81**
	-	(1.19)	-	-	-	**(1.19)**

(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.

*One of the step down Subsidiary SAE Powerlines S.r.L. (Held through ATSL Holdings BV) has declared the bankruptcy in 2017 and filed for liquidation as per the laws of the land. Due to the aforementioned reasons the financials of the company are not available since December 2017. GIL has stopped consolidating the step down subsidiary in the previous year. GIL has provided for entire exposure in the net assets of the said step down subsidiary during the previous periods.

Statement-C (refer note no. 42)

1 **The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations**

In ₹ crores

Particulars	ACB		DIPL	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	36.36	38.93	2.73	2.74
Current assets	8.23	5.62	1,069.93	1,070.55
Non-current liabilities	(0.09)	(0.07)	(126.18)	(126.28)
Current liabilities	(85.86)	(86.4125)	(1,112.27)	(1,069.51)
Capital Contributions	(5.84)	(5.84)	-	-
Net assets	**(47.22)**	**(47.77)**	**(165.79)**	**(122.50)**
Net assets attributable to NCI	**(12.56)**	**(12.71)**	**(48.87)**	**(36.11)**
Revenue	0.18	1.53	-	-
Profit for the year	(0.16)	(0.22)	(43.29)	(43.17)
Profit/(Loss) allocated to NCI	**(0.04)**	**(0.06)**	**(12.76)**	**(12.73)**
Other comprehensive income	0.02	-		
OCI allocated to NCI	0.00	-	-	-
Cash flow from operating activities	(0.64)	0.04	(209.70)	(0.03)
Cash flow from investing activities	0.31	2.62	0.01	0.01
Cash flow from financing activities	0.34	(2.67)	209.69	(0.19)
Net increase/ (decrease) in cash and cash equivalents	0.01	(0.01)	(0.00)	(0.21)

Particulars	GRIPL		ATSLInfra	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	0.03	0.03	-	
Current assets	0.14	0.14	2.51	2.52
Non-current liabilities	(0.01)	-		
Current liabilities	(0.12)	(0.12)	(2.51)	(2.52)
Net assets	**0.04**	**0.05**	**(0.00)**	**0.00**
Net assets attributable to NCI	**0.00**	**-**	**(0.00)**	**0.00**
Revenue		-	-	-
Profit for the year	(0.01)	(0.01)	(0.01)	(0.01)
Profit/(Loss) allocated to NCI	**-**	**-**	**(0.00)**	**(0.00)**
Other comprehensive income		-	-	-
OCI allocated to NCI		-	-	-
Cash flow from operating activities	(0.01)	(0.01)	(0.00)	0.00
Cash flow from investing activities	-	-	-	-
Cash flow from financing activities	-	0.00		(0.00)
Net increase/ (decrease) in cash and cash equivalents	-	(0.00)	(0.00)	(0.00)

Statement-C (refer note no. 42)

In ₹ crores

Particulars	PWS		METRO	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	5.78	5.80	97.18	97.18
Current assets	26.47	26.47	83.12	83.91
Non-current liabilities	(0.01)	(0.01)	(420.20)	(417.18)
Current liabilities	(68.88)	(68.88)	(173.76)	(177.54)
Net assets	**(36.64)**	**(36.63)**	(4.38)	(4.38)
Net assets attributable to NCI	**(9.53)**	**(9.52)**	**(418.03)**	**(418.01)**
Revenue	-	-	**(66.22)**	**(66.21)**
Profit for the year	(0.01)	(0.87)	-	-
Profit/(Loss) allocated to NCI	**(0.00)**	**(0.23)**	(0.02)	(0.12)
Other comprehensive income	-	-	**(0.00)**	**(0.02)**
			-	-
OCI allocated to NCI	-	-		
			-	-
Cash flow from operating activities	(0.01)	(0.01)		
Cash flow from investing activities	0.01	0.01	(0.14)	0.91
Cash flow from financing activities	-	-	(0.64)	(0.12)
Net increase/ (decrease) in cash and cash equivalents	-	(0.00)	(0.79)	0.79

Particulars	GRL	
	March 31, 2022	March 31, 2021
Non-current assets	18.23	17.85
Current assets	95.28	95.27
Non-current liabilities	(142.24)	(142.08)
Current liabilities	(8.46)	(8.23)
Capital Contributions	-	-
Net assets	**(37.19)**	**(37.18)**
Net assets attributable to NCI	**(9.28)**	**(9.27)**
Revenue	-	-
Profit for the year	(0.01)	(0.01)
Profit/(Loss) allocated to NCI	**(0.00)**	**(0.00)**
Other comprehensive income	-	-
OCI allocated to NCI	-	-
Cash flow from operating activities	0.23	(0.01)
Cash flow from investing activities	0.00	(0.00)
Cash flow from financing activities	-	0.01
Net increase/ (decrease) in cash and cash equivalents	0.23	(0.00)

Statement-C (refer note no. 42)

2 Table below provide summarised financial information for Joint venture **₹ in Crore**

Particulars	GOMCHN / OJSC (*)		GSEW	
	51%		90%	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	-	-	6.10	12.85
Current assets				
Cash and Cash equivalents	-	-	0.55	0.40
- Other assets	-	-	7.19	4.81
Current assets	-	-	7.74	5.21
Non-current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-	1.49	5.85
- Other liabilities	-	-	4.75	7.04
Non-current liabilities	-	-	6.24	12.89
Current liabilities				
- Financial liabilities (excluding trade payables , other payables and provisions)	-	-	-	-
- Other liabilities	-	-	7.50	5.12
Current liabilities	-	-	7.50	5.12
Net assets	-	-	0.10	0.05
Group share of net assets	-	-	0.09	0.05
Revenue	-	-	19.16	
Interest Income	-	-	0.00	0.02
Depreciation and amortisation	-	-	-	-
Finance cost	-	-	0.00	-
Profit/ (Loss) for the year before tax	-	-	0.72	(0.45)
Income tax expenses	-	-	0.25	(0.07)
Profit/ (Loss) for the year	-	-	0.47	(0.38)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	0.47	(0.38)
Group share of profit/ (Loss)	-	-	0.43	(0.34)
Group share of OCI	-	-	-	-
Group share of total comprehensive income	-	-	0.43	(0.34)

3 Table below provide summarised financial information for Associates *

(*) In the absence of financial statements of the company no effects are taken in financial statements and therefore no details are given

Statement D- Disclosure as required under schedule III of the Companies Act, 2013 (Refer note no.43)

Entity wise disclosure of breakup of net assets and profit after tax **(Rs in crores)**

Sr. No.	Particulars	As at March 31, 2022				As at March 31, 2021			
		Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company:									
1	GIL	33.10%	(2,174.87)	83.37%	(973.67)	21.49%	(1,127.97)	115.41%	(902.18)
	Subsidiaries:								
2	ACB	1.19%	(78.47)	(0.03%)	0.40	1.58%	(82.85)	0.02%	(0.16)
3	ATSLBV	3.70%	(243.32)	1.21%	(14.13)	4.52%	(237.33)	(0.04%)	0.28
4	ATSLInfra	0.00%	(0.03)	0.00%	(0.00)	0.00%	(0.02)	0.00%	(0.01)
5	ATSLNigeria	0.05%	(3.47)	0.00%	-	0.07%	(3.47)	0.00%	-
6	DIPL	3.30%	(216.91)	2.61%	(30.53)	3.55%	(186.39)	3.89%	(30.45)
7	GACTEL	5.04%	(331.20)	1.68%	(19.68)	5.94%	(311.52)	3.94%	(30.80)
8	GBL	0.00%	-	0.00%	-	1.18%	(61.81)	5.77%	(45.13)
9	GHBV	16.89%	(1,110.11)	4.24%	(49.58)	20.91%	(1,097.61)	(2.51%)	19.66
10	GHM	1.29%	(84.74)	1.03%	(12.00)	(0.65%)	34.36	1.34%	(10.47)
11	GIBV	10.71%	(703.77)	5.01%	(58.48)	10.63%	(557.66)	(1.18%)	9.22
12	GIFZE	0.40%	(26.32)	(0.22%)	2.56	0.53%	(27.79)	0.19%	(1.48)
13	GPL	11.10%	(729.36)	0.00%	(0.00)	13.90%	(729.35)	0.00%	(0.01)
14	GRDL	0.00%	(0.02)	0.00%	(0.00)	0.00%	(0.05)	0.00%	(0.00)
15	GRIPL	0.00%	(0.00)	0.00%	(0.00)	0.00%	0.00	0.00%	(0.01)
16	GRL	0.64%	(41.97)	0.00%	(0.00)	0.80%	(41.96)	0.00%	(0.01)
17	GTL	(0.01%)	0.36	0.00%	(0.00)	-0.01%	0.37	0.00%	(0.00)
18	ISRL	0.00%	(0.23)	0.00%	-	0.00%	(0.23)	0.00%	-
19	METRO	5.51%	(361.93)	0.00%	(0.01)	6.90%	(361.91)	4.58%	(35.80)
20	PVEB	2.57%	(168.97)	1.13%	(13.16)	3.03%	(159.26)	0.10%	(0.78)
21	PWS	0.41%	(27.12)	0.00%	(0.01)	0.52%	(27.11)	0.08%	(0.65)
22	SAE	0.00%	-	0.00%	-	0.00%	-	(31.65%)	247.42
Joint Ventures									
1	ACGB	(0.20%)	13.32	0.00%	-	(0.25%)	13.32	0.00%	-
2	GOMCHN / OJSC	0.04%	(2.49)	0.00%	-	0.05%	(2.49)	0.00%	-
3	GSEW	0.01%	(0.78)	(0.04%)	0.43	0.02%	(1.20)	0.04%	(0.34)
4	GGJV	0.00%	(0.01)	0.00%	-	0.00%	(0.01)	0.00%	-
5	CAMPO	4.23%	(278.23)	0.00%	-	5.30%	(278.23)	0.00%	-
Associates									
1	GIPL					0.00%	-		-
	Grand Total	**100%**	**(6,570.62)**	**100%**	**(1,167.88)**	**100%**	**(5,248.17)**	**100%**	**(781.68)**

Statement - E - Restatement of earlier year financial statements (Refer note no. 44)

a) **Changes in Statement of Profit and loss**

Particulars	2020-21	Effects to Retained Earning as at 1/4/2020
Increase in Revenue	-	20.62
Increase in Cost	-	38.93
Decrease in Cost	0.003	2.95
(Increase) in Income Tax	0.004	0.01
Net Increase in Loss	(0.001)	(15.38)
Decrease in Equity	(0.001)	(15.38)

b) **Changes in earning per share**

	2020-21 (Restated)	2020-21 (Reported Earlier)
Basic and Diluted	(21.19)	(21.19)

c) **Changes in Balance Sheet** **(Rs in crores)**

Balance sheet	March 31, 2021	Increase/ (decrease) due to correction of error	March 31, 2021 (Restated)	April 01, 2020	Increase/ (decrease) due to correction of error	'April 01, 2020 (Restated)
Property, plant and equipment	418.60	(0.01)	418.59	430.14	(0.01)	430.12
Loans	79.12	10.54	89.66	184.86	10.54	195.40
Others financial assets	1.56	2.88	4.44	1.56	2.63	4.19
Deferred tax assets (net)	0.18	0.03	0.20	0.90	0.03	0.93
Other non-current assets	1,425.29	2.40	1,427.69	1,392.61	2.39	1,395.00
TOTAL NON-CURRENT ASSETS	2,983.22	15.83	2,999.05	3,034.71	15.58	3,050.28
Inventories	906.64	(32.81)	873.83	948.12	(32.81)	915.31
Trade receivables	55.27	(0.56)	54.70	147.43	(0.58)	146.85
Cash and cash equivalents	9.29	(7.20)	2.09	4.83	(0.00)	4.82
Loans	66.04	(0.61)	65.43	68.66	(2.71)	65.95
Others financial assets	28.95	4.38	33.33	28.74	6.66	35.39
Other current assets	169.56	(10.52)	159.05	180.16	(10.47)	169.68
TOTAL CURRENT ASSETS	1,240.50	(40.14)	1,200.35	1,384.94	(39.92)	1,345.01
TOTAL ASSETS	4,223.71	(24.30)	4,199.40	4,419.65	(24.34)	4,395.29
Other equity	(5,237.32)	(10.85)	(5,248.17)	(4,385.56)	(10.84)	(4,396.41)
Non-controlling interests	(129.30)	(4.53)	(133.83)	(117.74)	(4.53)	(122.27)
TOTAL EQUITY	(5,292.51)	(15.38)	(5,307.89)	(4,429.19)	(15.38)	(4,444.57)
Trade payables	20.94	(0.04)	20.90	25.13	(0.04)	25.09
Other non-current liabilities	206.95	(16.01)	190.94	205.67	(16.01)	189.66
TOTAL NON-CURRENT LIABILITIES	331.63	(16.05)	315.58	383.18	(16.05)	367.13
Borrowings	606.58	(34.90)	571.67	609.67	(34.90)	574.77
Trade payables	0.89	(0.65)	0.24	0.25	-	0.25
Trade payables	182.07	3.46	185.53	188.71	2.76	191.47
Other financial liabilities	7,978.76	14.34	7,993.10	7,264.46	14.33	7,278.80
Other current liabilities	132.11	25.95	158.05	130.89	25.93	156.82
Current tax liabilities (net)	6.92	(1.07)	5.85	6.99	(1.07)	5.92
TOTAL CURRENT LIABILITIES	9,184.59	7.13	9,191.71	8,465.68	7.05	8,472.73
TOTAL EQUITY AND LIABILITIES	4,223.71	(24.30)	4,199.40	4,419.65	(24.34)	4,395.29

Notes to Changes in Balance Sheet

The Consolidated financials included unaudited financials based on management prepared accounts of a subsidiary from FY 2016-17 to FY 2020-21, due to non-availability of audited accounts for the reasons given in Note 44.The subsidiary's accounts for all the previous unaudited periods are now audited. The company has corrected the errors by retrospectively.

There were few advances received from the customers after receipt of information and documents are now accounted as sales of ₹ 20.60 crores. The corresponding cost of the sale of flat was included in Work-in-Progress- Real Estate now recognised in Profit & Loss account of ₹ 29.91 Cr. Interest charged on loan is now recognised additionally of ₹ 6.06 Crore. The total net impact of the rectification recognised in the earlier period is of ₹ 15.38 Cr.

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