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.: +91 22 22705562

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Ninety Ninth Annual General Meeting** of Gammon India Limited will be held on Thursday, the 30th day of September, 2021 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, 2021, the Audited Consolidated Financial Statements for the said Financial Year and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Anurag Choudhry (DIN: 00955456) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT Mr. Kashi Nath Chatterjee (DIN: 09160384), who was appointed by the Board of Directors as an Additional Director being an Independent Director of the Company effective from 03rd May, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 128 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Kashi Nath Chatterjee, who meets the criteria for Independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 03rd May, 2021 upto 02nd May, 2026."

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 Article 128 of the Articles of Association of the Company, Mr. Sandeep Sheth (DIN: 08781589), who was appointed by the Board of Directors as an Additional Director of the Company effective from 15th April, 2021 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment 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 an 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 15th April, 2021 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 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 to fill up the casual vacancy caused due to the death of Mr. R.S. Raghavan in order to carry out audit of Company's Cost Records for the Financial Year ending 31st March 2021."

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."

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: 7th September, 2021
Place: Mumbai

ANNEXURE TO NOTICE

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Items No. 3, 4, 5 and 6 of the accompanying Notice dated 7th September, 2021.

ITEM No: 3

The Board of Directors ("Board"), on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Kashi Nath Chatterjee (DIN: 09160384) as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective 03rd May, 2021. Pursuant to the provisions of Section 161 of the Act and Article 128 of the Articles of Association of the Company, Mr. Kashi Nath Chatterjee holds office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as Director of the Company. The Company has received from Mr. Kashi Nath Chatterjee (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 and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

Mr. Chatterjee aged 71 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. 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 is an Empaneled Arbitrator of Indian Roads Congress (IRC) and possesses expertise in handling numerous arbitrations in engineering contracts. In the opinion of the Board, Mr. Kashi Nath Chatterjee is a person of integrity, fulfils the conditions as specified in the Act and the Rules made thereunder for such appointment and is Independent of the Management of the Company.

The resolution at Item No. 3 seeks the approval of the Members in terms of Sections 149, 152, 161 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Kashi Nath Chatterjee as an Independent Director of the Company for a period commencing from 03rd May, 2021 upto 02nd May, 2026.

A copy of the draft letter of appointment of Mr. Kashi Nath Chatterjee as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM. The Board recommends the passing of the Ordinary resolution at Item No. 3 of the accompanying Notice for Members approval. None of the Director(s) and/or Key Managerial Personnel of the Company or their respective relatives, except Mr. Kashi Nath Chatterjee, to whom the resolution relates, are concerned or interested in the resolution mentioned at Item No. 3 of the Notice.

Item Nos. 4 & 5

Members are informed that the Board on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Sandeep Sheth as an Additional Whole-Time Director of the Company pursuant to Section 161 and 203 of the Companies Act, 2013 designated as Executive Director of the Company with effect from 15th April, 2021 for a period of 3 years. Mr. Sheth holds such position until this Annual General Meeting.

Mr. Sheth is an eminent Chartered Accountant having post graduate degrees of Chartered Accountant (ICAI), Company Secretary (ICSI) and Masters in Finance (ICFAI) and also having 25 years of rich experience in various Industries, post qualification as a CA and is associated with the Gammon group since last 14 years. He has also acted as the Member of the management team for the company's strategy, growth, and execution and also 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 appointed Mr. Sheth as 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

1. **Period**: 3 (Three) years with effect from 15th April, 2021

2. **Remuneration:**

Salary	:	Not exceeding ₹ 46,00,008/- (Rupees Forty Six Lacs and Eight Only) per annum which includes perquisites.
Commission	:	An amount by way of commission, payable annually in addition to the salary, calculated with reference to the net profits of the Company, if any, in a particular financial year, at the absolute discretion of and as maybe determined by the Board of Directors at the end of each financial year.
Perquisites	:	Subject to the limits contained in Section IV of Part II of Schedule V of the Companies Act, 2013, Perquisites shall be payable as set out in Parts A, B and C as applicable.

Mr. Sheth shall not be paid sitting fees for attending meetings of the Board or any Committee thereof.

PART A:

(i) Mr. Sheth shall also be entitled to perquisites like furnished/unfurnished accommodation or HRA, gas, electricity, water, medical re-imbursement and Leave Travel Concession for self and family, club fees, personal accident insurance etc. in accordance with the rules of the Company.

(ii) Valuation of perquisites shall be done as per the Income-Tax rules, wherever applicable.

PART B:

(i) Car & Telephone:

Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Sheth.

(ii) Reimbursement of expenses

Reimbursement of all expenses actually and properly incurred by him in the course of discharging official duties of the Company.

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) The headquarters of the Whole-Time Director shall, unless otherwise specified, be at Mumbai.
	:	c) The Whole-Time Director shall be entitled to be 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 the office of the Whole-Time Director designated as Executive Director 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.
	:	d) 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.
		e) Such other terms and conditions as may be recommended by the Nomination and Remuneration Committee and as may be approved by the Board.

Additional information in respect of Mr. Sheth pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is given in Corporate Governance Report.

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 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 2020-21 to fill up the casual vacancy caused due to the death of Mr. R.S. Raghavan 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. 6 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.

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. 02/2021 dated January 13, 2021 read with General Circular nos. 20/2020 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/2021/11 dated January 15, 2021 ("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 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 May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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

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 csmjshah@gmail.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 2:00 p.m. on Tuesday, 28th September, 2021.

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 SEBI Listing Regulations 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 Thursday, 23rd September, 2021 to Thursday, 30th September, 2021 (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. However the Company has transferred unclaimed interim dividend for the Financial Year 2011 - 12 which remained unclaimed and unpaid for a period exceeding seven years from its due date aggregating to ₹1,60,720/- (Rupees One Lakh Sixty Thousand Seven Hundred and Twenty only) to the Investor Education and Protection Fund (IEPF) on 16th November, 2019.

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.	Thursday, 23rd September, 2021
Remote e-voting period During this period shareholders' of the Company, holding shares, as on the cut-off date (record date) of 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.	Commence from: Monday, 27th September, 2021 End at Wednesday, 29th September, 2021
URL for remote e-voting	https://instavote.linkintime.co.in

REMOTE E-VOTING : PROCEDURE

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

Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. User ID: Enter your User ID

- 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** Event No + 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. **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 **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
- 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).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
5. E-voting page will appear.
6. 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).
7. 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.
8. Point to remember:

a. 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.

If you have forgotten the password:

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

o Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

b. In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

c. Shareholders/ members 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.

d. 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.

e. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

f. For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

g. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

h. Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

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 panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist 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.

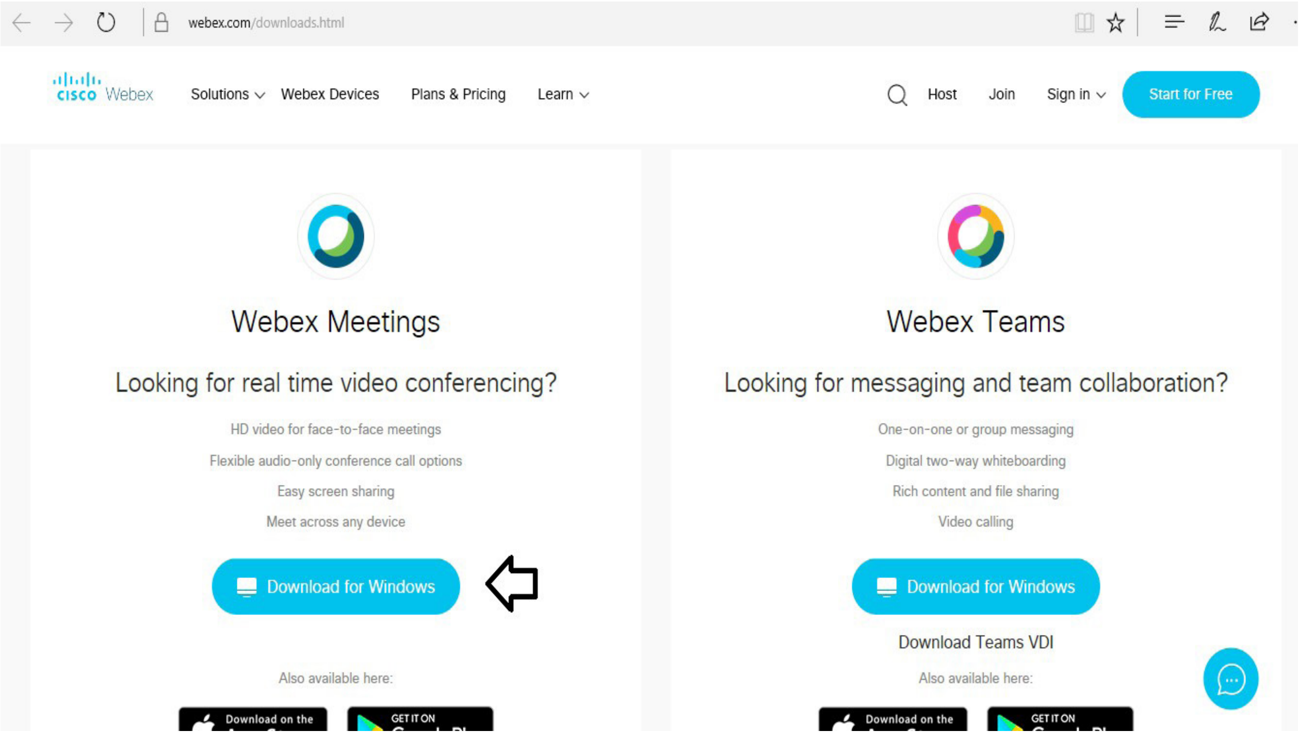
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

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.

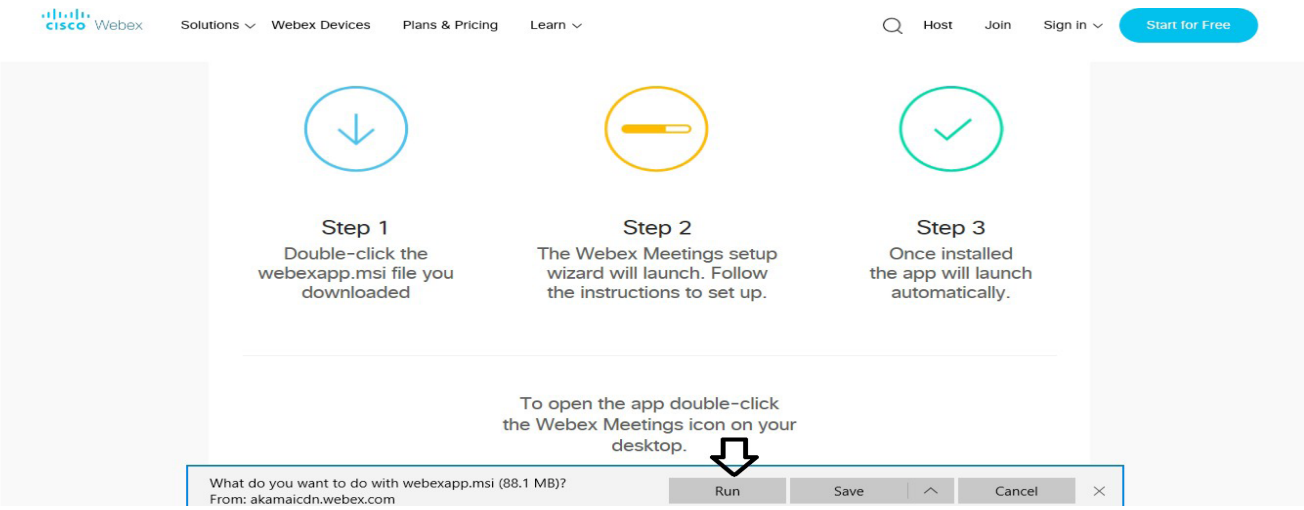
Annexure

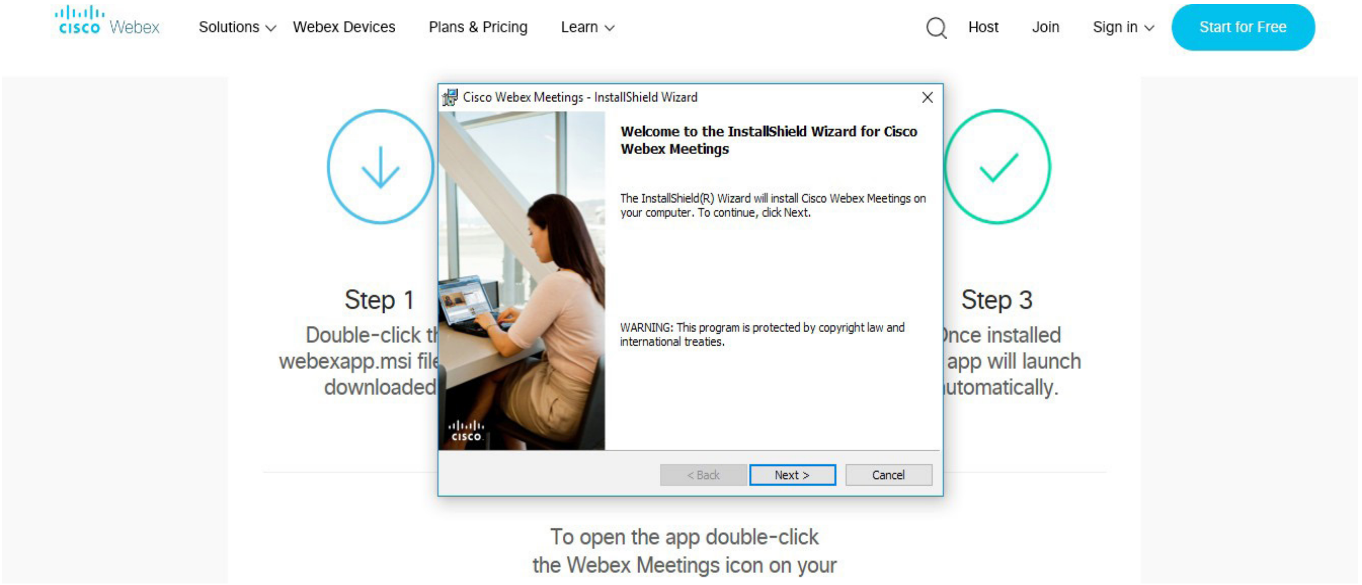
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

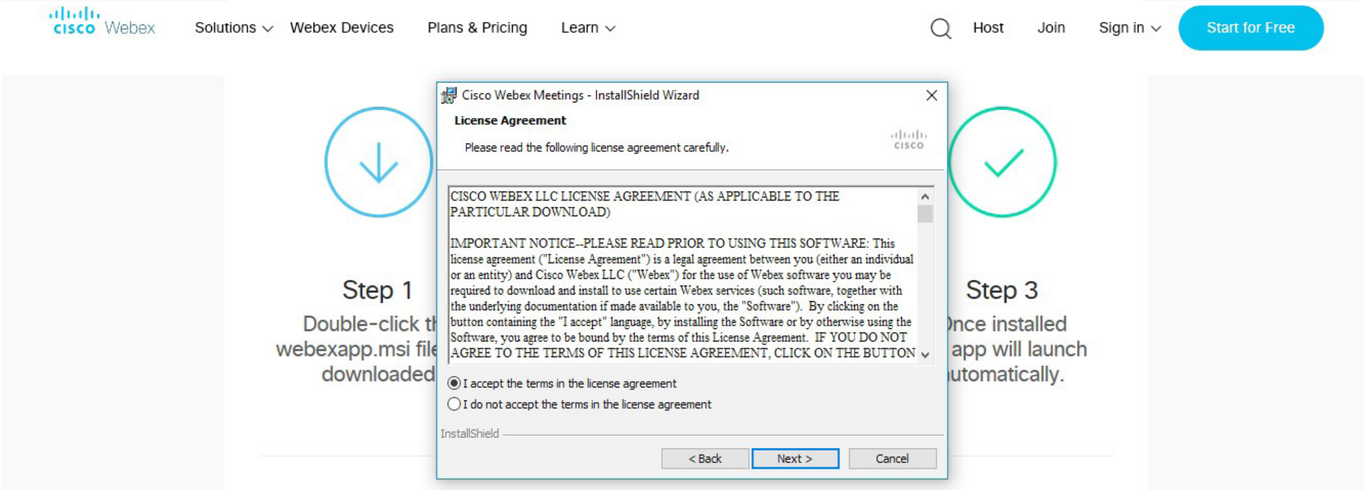
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:



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




cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
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.
< Back
Next >
Cancel
Step 1
Step 3
To open the app double-click
the Webex Meetings icon on your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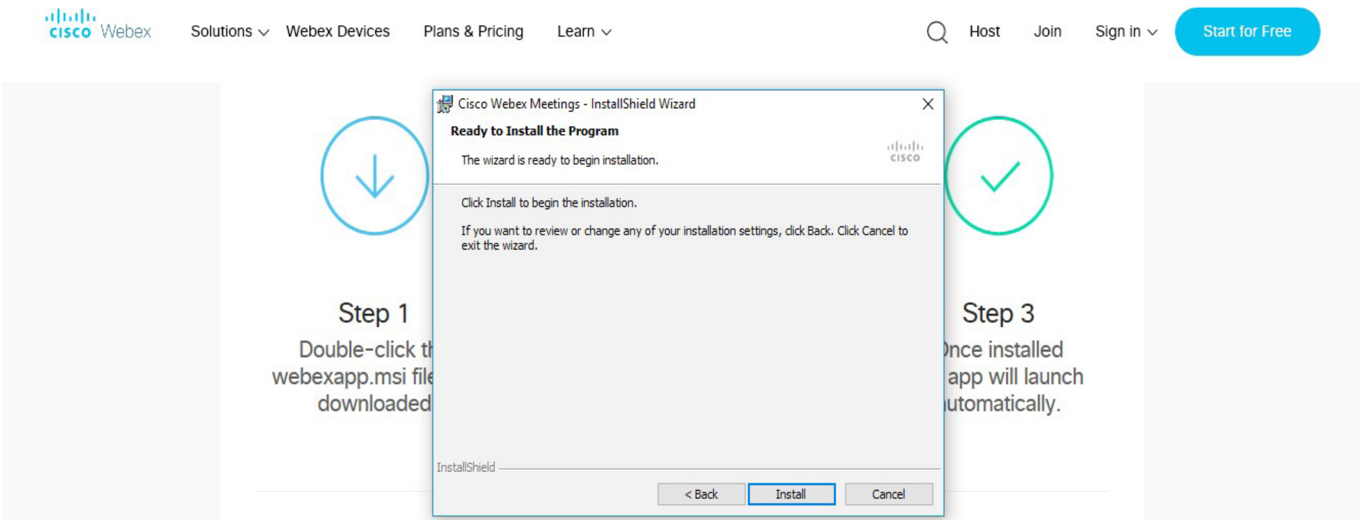
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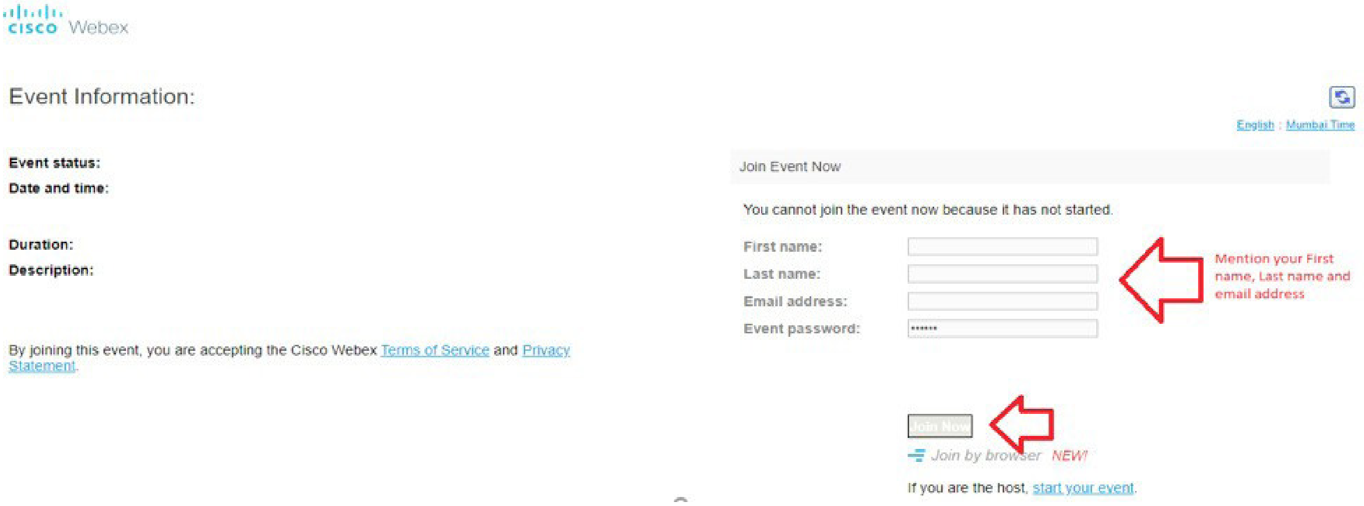
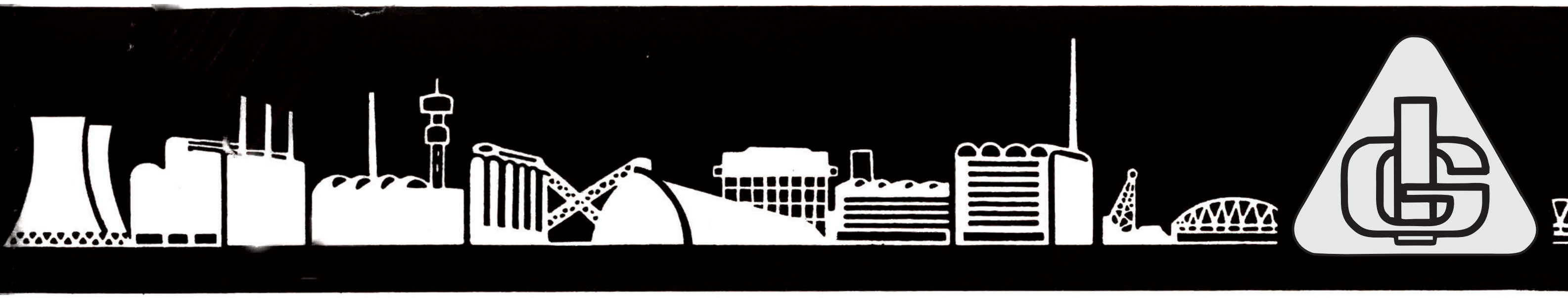


99TH

ANNUAL REPORT

2020-2021



GAMMON INDIA LIMITED

CORPORATE INFORMATION

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.

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

BANKERS/FINANCIAL INSTITUTIONS

IDBI Bank Limited
Bank of Baroda
Canara Bank
ICICI Bank Limited
Union Bank of India
UCO Bank
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

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

CONTENTS:

ABOUT GAMMON GROUP

Gammon India Ltd., has been established in the Construction field as well known Engineering Contractors since 1922 covering a broad spectrum of activities throughout India and abroad. These include structures like Gateway of India to modern Reactor Building at Kalpakkam projects, Water carrying Malabar Hill tunnel to a large size tunnel for Hydro Electric projects at Rampur, from small span bridge in the remote area in the country to over 5 km long bridge across the mighty Brahmaputra like Bogibeel Bridge etc..

Gammon's contribution to the Nation building in every field like Power Sector, Transportation, Ports, Hydro Electric projects, Industrial projects etc. is across the length and breadth of the Company. Gammon had believed in Atma Nirbar Bharat since its inception and brought all the present day technology to the country towards Nation building.

Every Industry/Sector has its ups and downs. Gammon is also subject to such variable and it has affected its performance post 2013 due to economic recession and certain change of policies. The Company was giving constant dividend for approx. 40 years to shareholders. Pursuant to the inability of Gammon to repay its lenders the Company was admitted to the Corporate Debt Restructuring ('CDR'). Thereafter in November 2015, lenders approved the scheme of corporate realignment and SDR. Under SDR, a part of debt was converted into equity thereby giving lenders approx. 62% equity stake in GIL. Further pursuant to RBI Circular dated 7th June, 2019, all the lenders of the Company executed an Intercreditor Agreement (ICA) in 2019. Post execution of the ICA the Company submitted its draft resolution plan to the lenders including restructuring and change in ownership. The resolution plan is in its advanced stages and the company is confident to receive the majority sanction of the consortium of lenders shortly. With the new investor investing further funds in the company, the company will soon revive as an EPC Company. The Company has been making every effort in settling the outstanding Secured lenders dues. Under severe financial conditions, Gammon continued to operate in Irrigation, Metro and Water Supply projects.

Gammon continued to hold strategic Italy-based Sofinter Group. The Group is engaged in the engineering, procurement and construction of steam and power generation boilers, water and waste treatment and flameless combustion technology with application in oil & gas, power generation and industrial sector. Sofinter S.p.A., A.C. Boilers S.p.A (for Ansaldo Calaie S.p.A)., ITEA and Europower are some companies under the Group. The Company has a substantial stake in Puma Oil Block in the Oriente basin in Eucador Prevailing cash flow constraints has affected international business too.

At present the Company's main focus is to meet the Bank obligations so that it can bounce back in the field of:

- Transportation (highways, railways, ports, bridges & flyovers).
- Power Generation (thermal, industrial and cogeneration plants, nuclear and hydro energy, cooling towers and chimneys)
- Environmental engineering
- Irrigation and water supply
- Oil Exploration and Production
- Real Estate Development

EXECUTIVE DIRECTOR'S STATEMENT:

I am pleased to present the 99th Annual Report of Gammon India Limited for the Financial Year ended 31st March 2021.

The financial year 2020-21 was catastrophe specifically for Gammon India who is already passing through challenging times. The COVID-19 pandemic has been the largest global health crisis in decades. Apart from the unfathomable deaths and hospitalizations, resulting in huge human life loss the pandemic has resulted in economic slowdowns, widespread business disruptions, and significant hardships. Almost all commercial, economic and social activities suffered from the COVID-19 pandemic wherein the construction and engineering industries were no different and they have also suffered from this crisis. The GDP of India shrinks 23.9% in Q1FY21. The construction sector accounts for 8% of India's GDP. The impact of the Corona virus on India's construction industry is costing an estimated ₹ 30,000 crore every day.

During these challenging times also our focus was to complete execution of the ongoing balance projects, concentrate on recovering of arbitration monies aggregating to ₹ 3270 cr and actively pursuing existing arbitration matters. Our endeavour has been to repay the lenders as well as to resolve residual debt. The Company has been making every effort in settling the outstanding Secured lenders dues.

Execution of Intercreditor Agreement (ICA)

The Reserve Bank of India had vide its circular dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets' whereby RBI provided a framework for early recognition, reporting and time bound resolution of stressed assets. The following acts were carried on in order to abide by the aforementioned RBI Guidelines:

1. An Intercreditor Agreement (ICA) was executed in July 2019 wherein the ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender will be provided;
2. The Company put forth before the lenders a draft resolution plan including restructuring and change in ownership;
3. The lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequently Duff and Phelps (D&P) were also appointed on behalf of the consortium of lenders for carrying out valuation of the Company.
4. An Independent Credit Evaluation (ICE) of the residual debt by credit rating agencies (CRAs) was proposed to be carried out by the Lenders. Subsequently ICRA Limited and Brickwork Ratings were appointed as credit rating agencies to conduct independent credit evaluation in respect of residual debt of GIL. Currently the Company understands that ICRA has already provided a positive rating for the residual debt to the Lenders. As on the date of this report the reports of Brickwork was still awaited.

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, 2020 and ending on 31st March, 2021. During the FY under review the Turnover of the Company on a Standalone basis stood at ₹ 52.84 crores, as compared to ₹71.71 crores during the previous F.Y. ended 31st March, 2020. The Company posted a Net Loss after Tax of ₹ 716.85 crores during the year ended 31st March, 2021, as against a Net Loss after Tax of ₹ 1122.56 crores during the previous FY ended 31st March, 2020.

On a Consolidated basis, the Turnover of Gammon Group during the year under review stood at ₹ 54.52 crores as compared to ₹ 86.38 crores for the previous F.Y. ended 31st March, 2020. The Group posted a Net Loss after Tax of ₹ 794.72 crores during the F.Y. ended 31st March 2021, as against a Net Loss after Tax of ₹ 630.79 crores during the previous F.Y. ended 31st March, 2020. 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 ₹ 605.96 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.

With Best Wishes

Anurag Choudhry

Executive Director and Chief Financial Officer

ONGOING PROJECTS

Jobs Under Progress

Sr. No.	Name of Project/Works	Clients Name	Location	Contract Value	Balance Contract Value
1	Package ANV2: Construction of Viaduct including Related Works for 5.27 km. length, Kolkatta Metro	Rail Vikas Nigam Ltd.	Kolkata Project Implementation Unit. Kalighat Metro Railway Station Building (North East Corner). Third Floor, 41 A, Rash Behari Avenue Kolkatta – 700026, West Bengal	329.51 Crores	46.00 Crores
2	Kaleshwaram Project, Package Number 19, Investigation, Desin and execution of water conveyor system with a capacity of 84.21 Cumecs from Tipparam Reservoir main canal – Reach – III with al 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	I & CAD Department, Government of Telangana	Office of the Superintending Engineer, I & CADD, Kaleshwaram Project, Construction Circle No.2, Yadadri-Bhongir Dist. Telangana 508116.	764 Crores	698 Crores
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 Basisi.e. Design, Build and 1 year defect liability and 9 years Operation & Maintenance.	Additional Chief Engineer (Project) Public Health Engineering Department, Ajmer (Rajasthan)	Qtr. No. 11/2, PHED Colony, Vaishali Nagar Near RIICO Watch Factory, Ajmer	174.45 crores	40.00 Crores

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

Infrastructure development is one of the vital parameters for contribution to the GDP of the nation. It also generates a substantial percentage of employment opportunities. Being one of the most resilient sectors, it plays a crucial role in accelerating India's overall development, thereby driving its economic growth. Increased government spending on projects offers strength to India's competitiveness across the globe. As per Indian Infrastructure Sector in India Industry Report, India plans to spend US$ 1.4 trillion on infrastructure between 2019 to 2023 which is predicted to boost the expansive growth of the sector. According to the estimates of the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development and construction sector stood at US$ 25.78 billion and US$ 17.22 billion, respectively, between the period April 2000 and September 2020.

Going forward

- By 2025, Construction market in India is expected to emerge as the third largest globally
- By 2025, Construction output is expected to grow on an average by 7.1% each year
- Construction equipment industry revenue stood at $ 6.5 Bn in 2020
- 100% FDI under automatic route is permitted in completed projects for operations and management of townships, malls/ shopping complexes, and business constructions.
- 100% FDI is allowed under the automatic route for urban infrastructures such as urban transport, water supply and sewerage and sewage treatment.

Government initiatives

The Indian Infrastructure Sector has a multiplier effect on several other sectors. Further, to strengthen the sector, the Government has announced several initiatives to have a remarkable impact on the Country's infrastructure. Considering the Country's ongoing scenario, the Government has announced its plans to allocate a huge fund to give a massive push to the sector and enhance transport infrastructure. As a result, an efficacious conclusion will be given to a huge number of infra projects.

For a considerable time Infrastructure Sector was driven based on socio-economic reasons and it remained supressed for initial half century of the Independence. It is only post liberalization it has opened up and India witnessed a spurt in the Sector. It will be one of the major contributor for Honourable Prime Minister's ambitious vision of 5-trillion plan by 2025. Unfortunately for last couple of years there is a set-back due to various reasons, one of it being Pandemic across the world which has affected the growth and brought it to a minimum level.

The COVID-19 Pandemic and consequent nationwide lockdown announced by the Government of India since March 24, 2020 had a significant adverse impact on the operations of the Company as being faced by the Nation and the globe as a whole. Since the Company is involved in Construction related activities which fall under the non-essential category, the Company has temporarily suspended operations in the on-going projects at site.

OPERATIONS OF THE COMPANY

The Company's operations continued to be 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 affected due to weak order booking, paucity of working capital and uncertain business environment. Unfortunately the world as a whole is facing a Pandemic on a larger scale.

The Company is in the advanced stages of discussions in various arbitration matters. After virtual slow down during last year on account of Pandemic the awards are awaited and it is not possible to estimate the full impact of the same on the Company at this stage.

The Government's **Make in India** initiative will have tremendous opportunity for the Infrastructures for the Company, to name a few – Green Energy, Pradhan Mantri Sahaj Bijlee Har Ghar Yojana, Ujjwala Yojana. Each of these schemes or Yojanas have sizeable budgetary provision which will give ample opportunity for the Infrastructure Sector for growth.

The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The Company has been making every effort in settling the outstanding CDR matter.

The Reserve Bank of India had vide its circular no. RBI/2018-19/203 DBR No. BP.BC 45/21.04.048/2018-19 dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets' which came into immediate effect i.e. 7th June, 2019. To take into consideration the above mentioned circular issued by RBI all the lenders executed ICA in July, 2019.

Pursuant to the execution of the ICA, Lenders appointed M/s. Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequently on the recommendation by Deloitte, the Company signed an engagement letter with Duff and Phelps (D&P) to act as valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company.

The main focus of the Company is to work on valuation of assets and its realization. With the acceptance of the Resolution Plan, the new Management will have ample opportunities considering the vast experience and the qualification of the Company in the sectors of Housing, Power, Irrigation, Water Supply and Hydroelectric Power Structures.

Currently, the Company's main focus is on Resolution Plan and expediting the Arbitration Proceedings. However, due to the ongoing Pandemic situation the same is not fully operational as per the original schedule.

The on-going Kota Cooling Tower was terminated by the Client. It was financially non-viable for the Company. Other projects are on schedule and the Company has not secured any new projects due to financial limitations.

REVIEW OF FINANCIAL PERFORMANCE:

The year under review is a period of 12 (twelve) months commencing from 1st April, 2020 and ending on 31st March, 2021. During the FY under review the turnover of the Company on a Standalone basis stood at ₹ 52.84 crores, as compared to ₹ 71.71 crores during the previous F.Y. ended 31st March, 2020. The Company posted a Net Loss after Tax of ₹ 716.85 crores during the FY ended 31st March, 2021, as against a Net Loss after Tax of ₹ 1122.56 crores during the previous FY ended 31st March, 2020.

On a Consolidated basis, the turnover of Gammon Group during the year under review stood at ₹ 54.52 crores as compared to ₹ 86.38 crores for the previous F.Y. ended 31st March, 2020. The Group posted a Net Loss after Tax of ₹ 794.72 crores during the F.Y. ended 31st March 2021, as against a Net Loss after Tax of ₹ 630.79 crores during the previous F.Y. ended 31st March, 2020. 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 ₹ 605.96 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. 30 of the Standalone financial statements.

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) Selective biddings
2) Restricted business is limited to in-house expertise
3) Sub-letting the project on back to back basis
4) Restricting the role as a PMC only
5) Early contractual and legal actions for all contract related matters
6) 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.

HUMAN RESOURCES

Post the demerger of the two businesses, the Company's operations have reduced substantially. The Company continues to operate with sceptical employees, with the Company facing retention of employees as a major challenge.

INTERNAL 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.

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.

Directors' Report

To,

The Members of Gammon India Limited,

Your Directors have pleasure in presenting their 99th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, 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, 2021	**For the Financial Year ended March 31, 2020**	**For the Financial Year ended March 31, 2021**	**For the Financial Year ended March 31, 2020**
Profit before Other Income, Depreciation and Interest	(137.58)	(576.75)	(155.14)	(62.06)
Add:				
Other Income	33.38	51.49	120.72	136.40
Less:				
Depreciation	9.01	9.74	9.11	11.03
Interest	605.96	586.55	715.95	693.87
Profit/(Loss) before Tax	**(719.17)**	**(1121.55)**	**(795.48)**	**(630.56)**
Less:				
Provision for Taxation	(2.32)	1.01	-0.76	0.23
Profit/(Loss) after Tax	**(716.85)**	**(1122.56)**	**(794.72)**	**(630.79)**
Transferred to Minority Interest	-	-	(13.04)	(0.97)
Profit/(Loss) for the year	**(716.85)**	**(1122.56)**	**(781.68)**	**(629.82)**
Add:				
Profit brought forward from the previous year	(6188.19)	(5065.40)	(6303.23)	(5673.09)
Available for Appropriation	**(6905.04)**	**(6187.96)**	**(7084.91)**	**(6302.91)**
Appropriations:				
On Divestment of Subsidiary				
Dividend (Proposed) Equity Shares				
Tax on Dividend				
Other Adjustments	0.10	0.25	0.10	0.32
Balance carried to Balance Sheet	**(6904.93)**	**(6188.19)**	**(7084.81)**	**(6303.23)**

- *The Financial Statements for the year ended* 31st *March, 2021 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, 2020 and ending on 31st March, 2021. During the FY under review the Turnover of the Company on a Standalone basis stood at ₹ 52.84 crores, as compared to ₹71.71 crores during the previous F.Y. ended 31st March, 2020. The Company posted a Net Loss after Tax of ₹ 716.85 crores during the year ended 31st March, 2021, as against a Net Loss after Tax of ₹ 1122.56 crores during the previous FY ended 31st March, 2020.

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During the year under review the Company's operation were limited to execution of the ongoing projects. As the company is currently an NPA with the Banks, it is not in a position to bid for new projects. The Company also focused on receiving monies against arbitration awards however the recovery was negligible. The amount was used for operations and to repay part of lenders dues. The Company is actively pursuing arbitration pending in various stages and hopes to receive favourable awards in its favour. The Company continues to focus on recovering its monies and resolving the lenders dues.

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. 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 Secured lenders dues.

The Reserve Bank of India had vide its circular no. RBI/2018-19/ 203 DBR.No.BP.BC.45/ 21.04.048/2018-19 dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets'. These directions were called the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and which came into immediate effect i.e. 7th June, 2019

These directions were issued by RBI with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. The following compliances were carried out pursuant to the above referred RBI Circular:

1. All the lenders executed the Intercreditor Agreement (ICA) in July 2019 wherein the ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender will be provided;
2. GIL thereafter put forth before the lenders a draft resolution plan including restructuring and change in ownership;
3. Post 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 above mentioned 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. Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. IDBI Bank the current lead monitoring institution or the bank, vide an appointment letter dated 27th January, 2020 appointed Duff and Phelps (D&P) on behalf of the consortium of lenders for carrying out valuation of the Company. The scope of work of D&P included the following:

   - Fair, realisable and distress value of Gammon House;
   - Liquidation value of assets of the Company;
   - Recoverable value of various awarded and arbitration claims of the Company.

   The consortium of lenders requested the Company to obtain Independent Credit Evaluation (ICE) as is provided in the above referred RBI Circular of 7th June, 2019. As per the circular, Resolution Plan involving restructuring / change in ownership in respect of accounts above a prescribed threshold limit, shall require independent credit evaluation (ICE) of the residual debt by credit rating agencies (CRAs) specifically authorised by the Reserve Bank for this purpose. Considering the same the Lenders vide their meeting dated 3rd June, 2021 decided to appoint 2 credit rating agencies. Subsequently ICRA Limited and Brickwork Ratings were appointed as credit rating agencies to conduct independent credit evaluation in respect of residual debt of GIL.

   Everstone Group Proposal

   Everstone Group has proposed to infuse ₹50 crores in the Company. The following are the key points in the proposed investor plans:

   - Everstone to infuse funds as additional or preferential capital in the Company;
   - Everstone will like to revive GIL as an EPC company.

   This arrangement will also ensure INR 50 crores of working capital in the company. The proceeds of the capital raising exercise shall be utilized for the operations of the Company.

   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 the Financial Year ended on 31st December 2020,the group clocked a turnover of Euro 212 million(previous year €227 million)and net loss of Euro 3.3 million against a net profit in the previous year of €3.7 million.

During 2020,the COVID-19 pandemic, on the wane since April 2021 in Italy, had 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, there is a negative impact as a result of the use of alternative sourcing(alternative vendors as well as alternative freight routes to that originally envisaged).This had a cascading impact on the delivery schedules to the end client resulting in contractual claims from them. While some remedies have fructified in the Group's favour, 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 has been 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 physical working commenced in a phased manner since April 2021 and is currently at about 75% capacity. The production units worked in shifts with presence of limited number of employees to the detriment of economy and efficiency. The Group has registered a number of COVID-19 cases among its employees but fortunately with no fatalities.

From a commercial standpoint, the volatility in oil prices, leading to negative prices of the barrel for a few days, led to a slowdown in new investments by the major oil companies many of whom also stopped ongoing works and preferred write-offs instead. This has resulted in a slowdown of new orders in general and the Group has faced the same during the year under review and in the first half of 2021.Moreover,in certain geographical areas the Government has postponed or cancelled direct investments in new projects, instead opting for private enterprise participation with the attendant lengthy procedures and complex rules.

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 backlog for the Group as at the end of December 2020 was approximately €410 million ensuring a healthy revenue visibility for 2021.

The current Banking facilities for the Group in terms of the Agreement with the Banks valid until the last quarter of 2022 are sufficient in size and form, in line with the business needs of the Group. To further strengthen the capital base and ensure enhanced continuation of the banking facilities beyond this period 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 2022.

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

As pointed out in the previous year 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 the non-core assets of the Company. These primarily comprise of approx 60 acres of land in Legnano, Milan, buildings and some equipments within. However in view of the present market situation for disposal of property in Italy, further compounded continuing pandemic during FY 2020 in Italy, there has been hardly any progress in disposing off the same. 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, all wells have been capped during FY 2020 due to the continuing pandemic delaying much needed interventions including water injections, artificial lift etc. as also additional CAPEX. In the absence of undertaking these procedures due to the stringent conditions for funding under SDR on 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. 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 in Ecuador, this is proving to be a significant challenge.

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, 2021.

3. Reserves

No amount was transferred to Reserves for the Financial Year ended March 31, 2021.

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 ₹ 4893.83 crores (amount as on 31st March 2021) (including an amount of ₹ 1120.99 crores pertaining to recalled facility of the SPV's) has become a Non Performing Asset with the lenders as on 30th June, 2017.

The Company was identified as a Large Corporate with reference to the SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Accordingly, the Company made the Annual Disclosure pursuant to the format as specified by SEBI in Annexure B1 as under:

Details of the borrowings (all figures in Rs crore): As on 31st March 2021 the total outstanding debt is ₹ 3745.91 crore

Sr. No.	Particulars	Details
i.	Incremental borrowing done in FY (a)	NIL
ii.	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	NIL
iii.	Actual borrowings done through debt securities in FY (c)	NIL

Sr. No.	Particulars	Details
iv.	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	NIL
v.	Reasons for short fall, if any, in mandatory borrowings through debt securities	The Company is currently a NPA hence no borrowing in current year

5. **Debentures**

As on March 31, 2021 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 2020-21.

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 which is outstanding to be transferred to IEPF authorities pursuant to the provisions of Section 124 of the Companies Act, 2013. However the Company has transferred unclaimed interim dividend for the Financial Year 2011 - 12 which remained unclaimed and unpaid for a period exceeding seven years from its due date aggregating to ₹1,60,720/- (Rupees One Lakh Sixty Thousand Seven Hundred and Twenty only) to the Investor Education and Protection Fund (IEPF) on 16th November, 2019.

Details of Nodal Officer

Pursuant to the provisions of Rule 6 of the 'Investor Education and Protection Fund Authority (Accounting, audit, Transfer and Refund) Amendment Rules, 2017 appointed Ms. Niki Shingade as the Nodal Officer.

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 ₹ 7731.64 Crore as at March 31, 2021. 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.

The Reserve Bank of India had vide its circular no. RBI/2018-19/ 203 DBR.No.BP.BC.45/ 21.04.048/2018-19 dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets'. These directions were called the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and which came into immediate effect i.e. 7th June, 2019

These directions were issued by RBI with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets.

Considering the above mentioned directions, all the lenders executed an Inter Creditor Agreement (ICA) in July 2019. 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.Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. Based on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) on such terms and conditions as directed by IDBI Bank.

11. Impact of COVID- 19 Pandemic

The Covid-19 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 the offices being shut. The COVID -19 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, 2021 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, 2021 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, 2021.

Gammon & Billimoria Limited ceased to be the subsidiary of the Company pursuant to transfer of shares by the Company.

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, 2021 along with comparable as on March 31, 2020 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
- Mr. Kashi Nath Chatterjee was appointed as an Independent Director of the Company w.e.f. 3rd May, 2021.
- Mr. Anurag Choudhry (DIN: 00955456) who retires by rotation and being eligible, offers himself for re-appointment at the ensuing 99th Annual General Meeting of the Company.

All the directors suffer disqualification as on 31st March, 2021 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.

Vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting has been done away with. Accordingly, no such item has been considered in the Notice of the 99th Annual General Meeting.

(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 14th August, 2020 has appointed Mr. R.S. Raghavan as the Cost Auditor of the Company for the financial year 2020 - 21 on a remuneration of ₹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.

However, the Cost Auditor Mr. R.S. Raghavan, appointed for the Financial Year 2020-2021 expired on 16th June, 2021 and there was a Casual Vacancy in the office of the Cost Auditor due to death.

According to the Companies (Cost Records and Audit) Rules, 2014, any casual vacancy in the office of a Cost Auditor, whether due to resignation, death or removal to be filled by the Board of Directors within thirty days of occurrence of such vacancy and the company shall inform the Central Government in Form CRA-2 within thirty days of such appointment of Cost Auditor.

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 and to fill up the casual vacancy caused due to the death of Mr. R.S. Raghavan. The audit fees that will be charged by Mr. Damania will be ₹ 70000/- per Financial Year.

(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, 2020 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 For the Quarter ended June 2020 – Published and filed with the Stock Exchanges on 15th September, 2020.

   Board's Explanation: Pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 considering the ongoing lockdown and the Pandemic every listed company can publish its results for the quarter ended June 2020 by 15th September, 2020. The Company has filed its quarterly results by the permissible timelimits.

2. Secretarial Standards (SS – 1, SS – 2, SS – 3 and SS – 4) issued by the Institute of the Company Secretaries of India (ICSI) was complied to the extent possible. Following observations with reference to Revised SS-1:

- Minutes of few Board meetings comprise difference in time of commencement and conclusion of meeting;
- The Agenda and notes to agenda is not given 7 days in advance;

- With reference to Audit committee meeting minutes, the General Manager of the Company is not shown under list of invitees present;

  Board's 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 strives to comply with SS-1 upto the extent possible.

3. 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.

   Board's 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.

4. 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 paid Annual listing fees of Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). However, the website of BSE comprises a remark that the Company has defaulted in payment of the fees.

   Board's Explanation: The Company has already paid the listing fees of both the exchanges for the FY 2020-21. However BSE has not updated the same and its website comprises of a remark regarding the default in payment of fees. The Company has written various emails to the concerned department of BSE and raised this matter.

5. As per FEMA 1999, a return on Foreign Assets and Liabilities (FLA) is required to be filed by all the Indian companies which have received FDI (foreign direct investment) and/or made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year i.e. who holds foreign Assets or Liabilities in their Balance Sheets. The FLA return for the year ended 31.03.2021 has been filed within the extension provided by the FLA Department of the Reserve Bank of India.

   Board's explanation: The FLA return for the year ended 31.03.2021 has been filed within the extension provided by the FLA Department of the Reserve Bank of India.

18. Material Unlisted Companies:

Regulation 16 of the SEBI Listing Regulations defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Accordingly Gammon Power Limited a wholly owned subsidiary of the Company has exceeded the threshold limit and is deemed to be a 'Material Unlisted Subsidiary Company'.

In addition to the above, Regulation 24A of the SEBI Listing Regulations requires "Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity". Accordingly M/s. Pramod Shah & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors of the Company, to conduct the Secretarial Audit of Gammon Power Limited for the Financial Year ended 31st March, 2021.

The Secretarial Auditor's Report is annexed to this report as ***"Annexure C".***

The auditors have qualified the report with the following observations:

1. Section 149, 152 and 161, an additional director shall be regularized at the ensuing General Meeting. However, Mr. Noorani Choodamani was regularized before the meeting as a Director.

   Board's Explanation: After the appointment of Mr. Noorani Choodamani at a Board Meeting he was appointed as a whole time director and his designation was accordingly changed.

2. Section 92 states that the Company shall prepare the return in the prescribed form, i.e. Form MGT-9, however, in case of the Company the Date, Place and Signing of Directors is not mentioned in the Form MGT-9 as provided to us.

   Board's Explanation: The Company gets the document digitally signed and hence not mentioned the date and place of signing.

3. Section 101 states that notice shall contain a statement of business to be transacted. However, regularization of Mr. Sandeep Sheth has not been mentioned in the notice.

   Board's Explanation: The Board has all revised Notices and Minutes in place. However, the above seems to be a clerical lapse.

4. Section 203 read with Rule 8 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 states that a Company whose Paid Up Share Capital exceeds Rs. 10 Crore shall appoint a whole Time Key Managerial Personnel. The Company has appointed a Chief Financial Officer but has not appointed other KMPs as per the said Section.

   Board's Explanation: The Company had duly appointed a whole time Company Secretary during the financial year under review. However after resignation of the Company Secretary the Company is not able to shortlist a candidate for the same. The Company is in continuous search for a suitable candidate to complywith the provisions of the said regulation.

19. Annual Secretarial Compliance Report:

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations "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 and thereafter provide their observations and report thereon which is annexed as **"Annexure D."**

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

Sr. 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 March, 2020 and year ended March, 2020. For the Quarter and Half Year ended March 2020 – Published and filed with the Stock Exchanges on 14th August, 2020 For the Quarter ended June 2020 – Published and filed with the Stock Exchanges on 15th September, 2020	The state of the Infrastructure sector since the last couple of years is deteriorating, our Company is no exception. To safeguard the interests of the clients and lenders, the Company has hived off part of its business under a Court approved scheme. Pursuant to the same, majority of the operating staff was transferred to the new Company and Gammon continues to operate with skeletal staff. The present financial situation of the Company makes it unable to attract and retain new staff. Further due to the COVID-19 lockdown, the Company has struggled to meet timelines with its already limited staff and the existing staff being affected by the pandemic. Pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 considering the ongoing lockdown and the Pandemic every listed company can publish its results for the quarter ended June 2020 by 15th September, 2020. The Company has filed its quarterly results by the permissible timelimits.
2.	As per FEMA Circular of RBI - A.P. (DIR Series) Circular No. 133 dated June 20, 2012 which stipulates all Indian Companies who have received FDI and/ or have made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year, should file the annual return on Foreign Liabilities and Assets (FLA) in the soft form which can be duly filled-in, validated and sent by e-mail to the Reserve Bank by July 15 of every year.		The Company has filed annual return on Foreign Liabilities and Assets (FLA) but not within the stipulated time because the Financial Statements of the Company were not ready.	Due to delay in approving and publishing of financial results the Company filed its annual return on Foreign Liabilities and Assets (FLA) for the year ended 31st March 2020 after the prescribed time limits.

Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause	Deviations	Observations/ Remarks of the Practising Company Secretary	Board's Explanation
4.	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.
5.	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, beliable 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.

20. Corporate Governance Report and Management Discussion & Analysis

A Report on Corporate Governance and Management Discussion and Analysis for the year ended 31st March, 2021, 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.

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

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

Members' attention is drawn to "Emphasis of Matter" stated in the Auditor's Report dated 28th June, 2021 on the Standalone Financial Statements and in the Auditor's Report dated 28th June, 2021 on the Consolidated Financial Statements of the Company for the year ended 31st March, 2021. 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.

22. 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.

23. 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 F".***

24. 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.

25. 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 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.

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

26. Meetings of the Board

During the Financial Year under review, the Board of Directors of your Company met 4 (Four) times, i.e. on 14th August, 2020,15th September, 2020, 12th November, 2020 and 11th February, 2021.

27. 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 14th August, 2020,15th September, 2020, 12th November, 2020 and 11th February, 2021.

The Audit Committee consists of the following members viz., (1) Mr. Anurag Choudhry – Executive Director and CFO, Mr. Soumendra Nath Sanyal and Mr. Ulhas Dharmadhikari – Independent Directors, Mr. Sandeep Sheth – Executive Director and Mr. Kashi Nath Chattejee – Independent Director.

Mr. Sanyal is the Chairman of the Committee.

28. 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.

29. 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.

30. Particulars of Contracts/Arrangements with Related Parties

All contracts/arrangements/transactions entered into by the Company during the Financial Year ended 31st March, 2021 with the Related Parties were in the ordinary course of business and at arm's length basis. All such Related Party Transactions, if required were placed before the Audit Committee and also the Board for its approval, 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 Regulations 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.

31. 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 Regulations, the Independent Directors evaluated the performance of the Non-Independent Director. 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.

32. 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.

33. 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.

34. 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.

35. 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 G***" to this Report.

36. 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 H***" to this report.

37. 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.

38. 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. 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. The Company is yet to receive any further communication post the above referred personal hearing.

39. 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

Place: Mumbai	**Soumendra Nath Sanyal**	**Anurag Choudhry**
Date: 7th September, 2021	**DIN No. 06485683**	**Executive Director and CFO**

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)**

Sr. No.	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
1	ATSL Infrastructure Projects Limited	Apr 20 - Mar 21	INR	0.05	(0.05)	2.52	2.52	-	-	(0.01)	-	(0.01)	-	51.00%
2	Deepmala Infrastructure Private Limited	Apr 20 - Mar 21	INR	0.01	(107.14)	1,110.78	1,217.90	-	-	(43.17)	-	(43.17)	-	51.00%
3	Gactel Turnkey Projects Limited	Apr 20 - Mar 21	INR	5.05	(300.91)	86.88	382.75	0.01	1.56	(30.10)	0.70	(30.80)	-	100.00%
4	Gammon Power Limited	Apr 20 - Mar 21	INR	22.55	(63.37)	2.45	56.85	13.58	-	8.72	-	8.72	-	99.98%
5	Gammon Realty Limited	Apr 20 - Mar 21	INR	20.05	(57.23)	113.13	150.31	0.00	-	(0.01)	-	(0.01)	-	75.06%
6	Gammon Retail Infrastructure Private Limited	Apr 20 - Mar 21	INR	0.05	(0.00)	0.14	0.12	0.03	-	(0.01)	-	(0.01)	-	99.00%
7	Metropolitan Infrfahousing Private Limited	Apr 20 - Mar 21	INR	0.01	(413.65)	181.08	594.72	-	-	(0.12)	-	(0.12)	-	84.16%
8	Gammon Transmission Limited	Apr 20 - Mar 21	INR	0.05	0.37	0.54	0.13	-	-	(0.00)	-	(0.00)	-	100.00%
9	Gammon Real Estate Developers Private Limited	Apr 20 - Mar 21	INR	0.01	(0.06)	0.01	0.06	-	-	(0.01)	-	(0.01)	-	100.00%
10	Patna Water Supply Distribution Networks Private.Limited	Apr 20 - Mar 21	INR	0.01	(36.64)	32.27	68.89	-	-	(0.03)	(0.00)	(0.03)	-	73.99%
11	Ansaldocaldaie boilers India Private Limited	Apr 20 - Mar 21	INR	50.00	(91.93)	44.55	86.48	-	1.53	(0.21)	0.01	(0.22)	-	73.40%
12	Gammon Italy Srl	Jan 15 - Dec 15	EURO/ 72.501	0.07	(0.20)	0.03	0.17	-	-	-	-	-	-	100.00%
13	SAE Powerlines Srl		EURO	-	-	-	-	-	-	-	-	-	-	-
14	P.Van Eerd Beheersmaatsc-happaji B.V.,Netherlands	Apr 20 - Mar 21	EURO/ 86.09	0.14	(167.58)	-	167.44	-	-	1.76	-	1.76	-	100.00%
15	ATSL Holdings BV, Netherlands	Apr 20 - Mar 21	EURO/ 86.09	0.15	(233.34)	68.23	301.41	-	-	4.13	-	4.13	-	100.00%
16	Associated Transrail Structures Limited., Nigeria	Apr 16 - Mar 17	Naira/ 0.2059	0.21	(2.12)	0.00	1.91	-	-	-	-	-	-	100.00%
17	Gammon Holdings B.V., Netherlands	Apr 20 - Mar 21	EURO/ 86.09	0.15	(1,071.07)	0.32	1,071.24	-	-	37.29	-	37.29	-	100.00%
18	Gammon International B.V., Netherlands	Apr 20 - Mar 21	EURO/ 86.09	0.15	(551.70)	17.81	994.96	425.61	-	6.25	-	6.25	-	100.00%
19	Gammon International FZE	Apr 20 - Mar 21	AED/ 19.92	0.30	(50.72)	76.59	127.02	-	-	(0.05)	-	(0.05)	-	100.00%
20	Gammon Holdings (Mauritius) Limited	Apr 20 - Mar 21	USD/ 73.5047	0.11	26.57	0.00	404.42	431.10	-	(21.56)	-	(21.56)	-	100.00%
21	Franco Tosi Meccanica S.p.A		INR	-	-	-	-	-	-	-	-	-	-	-
22	Franco Tosi Turbines Private Limited. ('FTT')		INR	-	-	-	-	-	-	-	-	-	-	-
23	Sofinter S.p.A. *		EURO	-	-	-	-	-	-	-	-	-	-	-

* The Companyis 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 asan 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.

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 2020	31st Dec 2013	31st Dec 2018
3	Shares of Associate/Joint Ventures held by the companyon 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	20.99	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 – OjscMosmetrostroy – JV('GOM')**	Ansaldocaldaie-GB Engineering Private Limited.('ACGB') @	Gammon SEW('GSEW')	GIPL - GIL JV**
2	Latest audited Balance Sheet Date	31st Mar 2021	31st Mar 2019	31st Mar 2021	31st Mar 2019
3	Shares of Associate/Joint Ventures held by the companyon 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	(1.20)	(0.01)
7	Profit/(Loss) for the year				
	Considered in Consolidation	(0.00)	-	(0.38)	-
	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..

@ Based on Audited accounts of March 2019

^ 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 31ST MARCH, 2021

[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, 2021, 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, 2021 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) S ecretarial 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:***

   For the Quarter ended June 2020 – Published and filed with the Stock Exchanges on 15th September, 2020

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

   Following observations with reference to Revised SS-1:

   i) ***Minutes of few Board meetings comprise difference in time of commencement and conclusion of meeting.***

   ii) ***The Agenda and notes to agenda is not given 7 days in advance.***

   iii) ***With reference to Audit committee meeting minutes, the General Manager of the Company is not shown under list of invitees present.***

3. ***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.***

4. ***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 paid Annual listing fees of Bombay Stock Exchange (BSE)and the National Stock Exchange (NSE).However, the website of BSE comprises a remark that the Company has defaulted in payment of the fees. 6. As per FEMA 1999, a return on Foreign Assets and Liabilities (FLA) is required to be filed by all the Indian companies which have received FDI (foreign direct investment) and/or made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year i.e. who holds foreign Assets or Liabilities in their Balance Sheets. The FLA return for the year ended 31.03.2021 has been filed within the extension provided by the FLA Department of the Reserve Bank of India.***

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 thecomposition 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:A010540C000885150

Date: 4th September, 2021
Place: Mumbai

FORM NO. MR-3

Annexure "C"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To

The Members,

GAMMON POWER LIMITED

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

J.N. Heredia Marg, Ballard Estate,

Mumbai 400038

Dear Sir/ Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **GAMMON POWER LIMITED** (hereinafter called **"the Company"**). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities, 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 financial year ended 31stMarch, 2021, generally 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 reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the books, papers, draft minutes, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2021, as per the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (to the extent applicable to the Company);

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under, to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) **(Not Applicable)**;

(v) 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)**

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable)**

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable)**

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable)**

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **(Not Applicable)**

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable)**

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable)**

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not Applicable)**

I/we have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

The Secretarial Standards have been compiled with to a certain extent, however there are certain clauses of the Secretarial Standards that have not been followed.

Based on the aforesaid information and explanation provided by the Officers of the Company, we report that during the financial year under review, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Standards etc. mentioned above subject to the following observations:

a) ***Section 149, 152 and 161, an additional director shall be regularized at the ensuing General Meeting. However, Mr. Noorani Choodamani was regularized before the meeting as a Director.***

b) ***Noting of MBP-1 and DIR-8 as per Section 184(1) and 164 (2) and rules as appliable in the minutes of the 1st Board Meeting held on 30th April, 2020. –***

c) ***Rule 17 of Companies (Appointment and Qualifications of Directors) Rules, 2014 states that Register of Director and KMP shall contain details of all Directors in the Company since incorporation with details as mentioned in Rules.***

d) ***Section 88 of Companies Act, 2013 provides that every Company shall maintain register of members in prescribed form, however the Company has not updated the register of members.***

e) ***Section 203 states that whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:***

f) ***Section 92 states that the Company shall prepare the return in the prescribed form, i.e. Form MGT-9, however, in case of the Company the Date, Place and Signing of Directors is not mentioned in the Form MGT-9 as provided to us. -***

g) ***In Audit Report, CARO point (d) mentioned Director Mr. Ajay Singh Mehrotra is disqualified under Section 164 (2).***

h) ***Section 101 states that notice shall contain a statement of business to be transacted. However, regularization of Mr. Sandeep Sheth has not been mentioned in the notice.***

i) ***Section 203 read with Rule 8 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 states that a Company whose Paid Up Share Capital exceeds Rs. 10 Crore shall appoint a whole Time Key Managerial Personnel.the Company has appointed a Chief Financial Officer but has not appointed other KMPs as per the said Section.***

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors during the year under review are in agreement with the Provisions of Applicable Acts.

Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance except where consent of Directors was received for circulation of notice, agenda and detailed notes on agenda at a shorter notice, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

It is noted that majority decision is carried through and proper system is in place which facilitates/ ensure to capture and record, the dissenting member’s views, if any, as part of the Minutes.

Based on representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we 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 and regulations during the year under report, the Company has not undertaken any major event/ action having a material bearing on the Company’s statutory compliance and affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Note: This Report has to be read with “Annexure - A”

For Pramod S Shah & Associates
(Practising Company Secretaries)

Bharat Sompura
Partner
ACS – A10540
COP – 5540
UDIN: A010540C000885194

Date: 04/09/2021
Place: Mumbai

'ANNEXURE A'

To,
The Members,
GAMMON POWER LIMITED
Floor 3rd, Plot No - 3/8, Hamilton House,
J.N. Heredia Marg, Ballard Estate,
Mumbai 400038.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained Management representation external opinion from Independent Professional Company Secretary in practice about the compliance of laws, rules and regulations and occurrence of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Pramod S Shah & Associates
(Practising Company Secretaries)

Bharat Sompura
Partner
ACS – A10540
COP – 5540
UDIN: A010540C000885194

Date: 04/09/2021
Place: Mumbai

Annexure "D"

Secretarial Compliance Report of Gammon India Limited for the year ended 31st March, 2021

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, 2021 ("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:-

Sr. 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 March, 2020 and year ended March, 2020. For the Quarter and Half Year ended March 2020 – Published and filed with the Stock Exchanges on 14th August, 2020 For the Quarter ended June 2020 – Published and filed with the Stock Exchanges on 15th September, 2020

Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause	Deviations	Observations/ Remarks of the Practising Company Secretary
2.	As per FEMA Circular of RBI - A.P. (DIR Series) Circular No. 133 dated June 20, 2012 which stipulates all Indian Companies who have received FDI and/ or have made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year, should file the annual return on Foreign Liabilities and Assets (FLA) in the soft form which can be duly filled-in, validated and sent by e-mail to the Reserve Bank by July 15 of every year.		The Company has filed annual return on Foreign Liabilities and Assets (FLA) but not within the stipulated time because the Financial Statements of the Company were not ready.
4.	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
5.	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 oftheseregulations, shall, inadditionto liability foractionintermsofthe securities laws,beliableforthefollowingactions bytherespectivestock exchange(s),inthe manner specified in circulars or guidelines issued by the Board: (a)holdingofdesignatedsecurities,asmaybe applicable, in coordination with depositories.		The Company's trading has been suspended due to penal reasons.

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**

Sr. 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
	NIL			

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

Sr. 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
FCS No.: 334
C P No.: 3804
UDIN: F000334C000254491

Place: Mumbai
Date: 07th May, 2021

Annexure "E"

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. 4 (a) of the 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, 2021 is ₹ 931.69 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 except that we are informed the arbitrations are in progress.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, 2021.	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. 4(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 350.60 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 ₹ 350.60 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 c of Basis of Qualified Opinion	We invite attention to note no. 4(c) 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 ₹ 325.64 crores. The Subsidiary's audited financials are also not available for our review and also the management has not carried out any exercise of determining the realisable value. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposure of ₹ 225.64 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.
Clause d of Basis of Qualified Opinion	We invite attention to note no 4 (d) relating to penal interest and charges of Rs 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 248.58 Crores up to March 31, 2021. 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. In the absence of 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.

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 4(e) relating to exposure of the Company in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure of the subsidiary as at March 31, 2021, Total Exposure of the two Subsidiary is ₹ 807.52 Crores (Net of Provision)..	Unable to do Valuation due to Covid 19 Pandemic

BOARDS' EXPLANATION ON AUDITORS QUALIFICATION ON FINANCIAL STATEMENTS

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. 4 (a) of the 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, 2021 is ₹ 931.69 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 except that we are informed the arbitrations are in progress. 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, 2021	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. 4(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 266.18 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 seven projects of the Company. The total exposure against these projects is ₹ 266.18 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 c of Basis of Qualified Opinion	We invite attention to note no 4 (c) 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 had on prudent basis, based on internal estimates, made a provision of ₹ 100 crores against the exposure of ₹ 325.64 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of ₹ 833.77 crores (net of provision).	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 crores and 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 d of Basis of Qualified Opinion	We invite attention to note no 4 (d) relating to penal interest and charges of Rs 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 248.58 Crores up to March 31, 2021. 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. In the absence of 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 e of Basis of Qualified Opinion	We Invite attention to note no 5(e) relating to exposure of the Group in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence, we are unable to comment whether any adjustments are required towards the fair value of the investment in Sofinter S.p.A. measured at Fair Value through Other Comprehensive Income as at March 31, 2021, Total Exposure of the two Subsidiaries is ₹ 856.71 Crores.	Unable to do Valuation due to Covid 19 Pandemic.
Clause f of Basis of Qualified Opinion	The financial statements of the following material Associate, Subsidiaries andJoint 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 has been not received. There are no audited financial statements after 31st December 2012. ii. M/s Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements have not been received since December 31, 2017 iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 1,111.78 crores and total revenues of ₹ Nil iv. M/s Ansaldo Caldaie Boilers India Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 44.55 crores and total revenues of ₹ 1.87 crores v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. whose financials statement for the year 31st March 2021 has been not received. 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.

Annexure F'

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, 2021 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 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 "G"

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, 2021

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 : 9.14997
2.	Mr. Soumendra Nath Sanyal	Non-Executive Independent Director	--
3.	Mr. Ulhas Dharmadhikari	Non-Executive Independent Director	--
4.	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. Soumendra Nath Sanyal was appointed as a Non-Executive Independent Director w.e.f. 1st April, 2019.
   3. Mr. Ulhas Dharmadhikari was appointed as a Non-Executive Independent Director w.e.f. 17th April, 2019
   4. 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, 2021: NIL

3. Percentage increase in median remuneration of employees:

Emp Group	Median Remuneration (in lakhs)	Increase in median remuneration %
HO Roll Employees		
- Level A	46.00	NIL
- Level B	10.82	NIL
- Level C	07.14	NIL
- Level D	03.71	01.18%
LMR	02.50	NIL

As on 31st March 2021 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 2020
HO Roll Employees	01.02%
LMR	Nil

Affirmation that remuneration is as per remuneration policy of the Company:

   1. 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 ₹1,02,00,000 per annum and not less than ₹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 H

PARTICULARS OF CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Gammon is committed to '*Make In India – Make for India'* initiative of Honourable Prime Minister Mr. Narendra Modi.

Since Gammon's inception, Gammon has absorbed and developed modern technology in the field of civil engineering for the country. This has reduced dependency on foreign country to a great extent. On-going most of the construction technology has been introduced by Gammon long back in the country. This has led to minimization of system losses and improved the efficiency.

Towards environment and safety, GIL encouraged electronic media over print media. Gammon also encouraged pooling method for transportation and encouraged the staff to practice this method in a way to conservation of fuel. All project establishment are operating with fuel efficient and power saver devices.

Technology absorption are based on socio-economic consideration to ensure benefit to the affected people in the project and also meet the basic principle of 'Make in India – Made for India'.

Total Foreign Exchange used & earned during the year:

Particulars	**Current Period**	**Previous Period**
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	₹ 1,32,68,938	₹ 6,72,959

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 (“SEBI Listing Regulations”), we furnish below the Corporate Governance Report for the Financial Year ended 31st March, 2021. The information given in this Report is as on 31st March, 2021, 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 Regulations.

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 Regulations, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31st March, 2021, the Board of Directors comprised of 4 (four) Directors which includes 1 (one) Whole - Time Director designated as Executive Director and Chief Financial Officer (Chairman) and 3 (three) 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 Regulations, 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.

b) Changes in Board Composition

During the Financial Year ended 31st March, 2021, the following changes have taken place in the Board composition:

- Ms. Vinath Hegde was appointed as Non-Executive Independent Director of the Company w.e.f. 25th December, 2019 and as per the provisions of the Companies Act, 2013, her appointment was regularized by the shareholders at the Annual General Meeting held on 29th December, 2020.

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 14th August, 2020, 15th September, 2020, 12th November, 2020 and 11th February, 2021.

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, 2020 which was held on 29th December, 2020), 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 held and attended (01/04/2020 – 31/03/2021		Attendance at the last Annual General Meeting held on 29th December, 2020	Directorships in other Listed Companies in India (as on 31st March, 2021) (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	Absent	0	0	0
Mr. Soumendra Nath Sanyal	Non-Executive & Independent Director	4	4	Present	0	0	0
Mr. Ulhas Dharmadhikari	Non-Executive & Independent Director	4	4	Present	0	0	0
Ms. Vinath Hegde #	Non-Executive & Independent Director	4	4	Present	0	0	0
Mr. Ajit B. Desai	Chief Executive Officer	4	4	Present	0	0	0
Ms. Niki Shingade	Company Secretary	4	4	Present	0	0	0

Ms. Vinath Hegde was appointed as a Non-Executive Independent Director of the Company w.e.f. 25th December, 2019 and as per the provisions of the Companies Act, 2013, her appointment was regularized by the shareholders at the Annual General Meeting held on 29th December, 2020.

e) Information to the Board

The Board Meetings are held at the Registered Office of the Company or within the city limits. 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 Regulations 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.

Details of Familiarization sessions held pursuant to the Policy are as follows:

Date of program	Area covered
18.08.2021	**Arbitration matters of the Company**

Details of attendance of Independent Directors in Familiarization Sessions are as follows:

Sr. No.	Name of the Independent director	No. of sessions attended	No. of hours spent in the sessions attended
1.	Mr. Soumendra Nath Sanyal	1	Minimum 1 hour per session
2.	Mr. Ulhas Dharmadhikari	1	Minimum 1 hour per session
3.	Ms. Vinath Hegde	1	Minimum 1 hour per session
4.	Mr. Kashi Nath Chatterjee	1	Minimum 1 hour per session

3. BOARD COMMITTEES

In compliance with the requirements of the Companies Act, 2013, the SEBI Listing Regulations, 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, 2021 comprised of 2 (two) Non-Executive 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), and (3) Mr. Anurag Choudhry (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 Regulations 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 Directors' 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, 2021, the Audit Committee held 4 (four) meetings on 14th August, 2020, 15th September, 2020, 12th November, 2020 and 11th February, 2021. 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. Ulhas Dharmadhikari – Member	4

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.

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 Regulations, 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, 2021, 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, 2021, the Committee held 1 (one) meeting on 11th February, 2021 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	1
Mr. Ulhas Dharmadhikari	1
Mr. Anurag Choudhry	1

Details of Investor Complaints

No queries/complaints were received by the Company from Investors as detailed below. As on 31st March, 2021, there were no pending letters / complaints. The status of Investors complaints received up to 31st March 2021 is as stated below:

No. of Complaints received during the financial year ended 31st March, 2021	Nil
No. of Complaints resolved as on 31st March, 2021	Nil
No of Complaints pending as on 31st March, 2021	Nil
No. of pending share transfers as on 31st March, 2021	Nil

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

Ms. Niki Shingade - Company Secretary

Gammon India Limited, Floor 3rd, Plot No - 3/8,

Hamilton House, J.N. Heredia Marg, Ballard Estate, Mumbai 400038, Maharashtra, India.

iii. Nomination & Remuneration Committee Composition

As on 31st March, 2021, 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, 2021, the Committee held 1 (One) meeting on 11th February, 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 Regulations, 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, 2021

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 wherever necessary.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the Financial Year ended 31st March, 2021 is as follows:

(Amount in Rs)

Name of Director	**Mr. Anurag Choudhry** **Salary for the year ending 31st March, 2021**
Salary	54,00,000
Perquisites *	--
Commission	--
Performance Linked incentives	--
Total	54,00,000
Tenure:	
From	01st April, 2020
To	31st March, 2021
Shares of ₹ 2/- each held as on 31st March, 2021	200

* Perquisites includes employer's 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 –

Non-Executive 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, 2021 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 Dharmadhikar	72,000	90,000	162,000
Ms. Vinath Hegde	72,000	18,000	90,000

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

Details of Shareholding of Non-Executive Directors as on 31st March, 2021 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

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. Corporate Social Responsibility Policy

viii. Insider Trading Prohibition Code

ix. Familiarization Programme

x. 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, 2020, financial year ended 31st March, 2019 and financial Year ended 31st March, 2018 were held, as detailed below:

AGM	Financial year/Period	Date & Time	Venue
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
96th	31st March, 2018	7th June, 2019 at 3:00 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025

Special Resolutions passed in the previous three Annual General Meetings:

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.
7th June, 2019	i. Special Resolution for Appointment of Mr. Jaysingh L. Ashar (DIN: 07015068) as a Whole- Time Director of the Company for a period of 3(three) years w.e.f. 19th February, 2019 and to approve the remuneration of Mr. Ashar for the period. ii. Special Resolution pursuant to Section 196 and 197 read with Schedule V of the Companies Act, 2013 for ratification of payment of remuneration to Mr. Anurag Choudhry (DIN: 07015068) erstwhile Executive Director of the Company.

No resolutions were passed via Postal Ballot during the Financial Year 1st April, 2020 – 31st March, 2021.

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. The List of penalties paid/levied by the Stock Exchanges (i.e. NSE & BSE) for non-compliance with the provisions of Regulation 33 of the SEBI Listing Regulations for the previous 3 (three) Financial Years is as follows:

Amount in ₹

Financial Year	NSE	BSE
During Financial Year ended 31st March, 2021	--	--
During Financial Year ended 31st March, 2020	--	--
During the Financial Year ended 31st March, 2019	15,35,826	-

Save as mentioned above, no other penalties / strictures have been imposed on the Company by SEBI or any other Statutory Authority on any matter related to capital markets, during the last three 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 Regulations pertaining to CEO / CFO Certification for the period ended 31st March, 2021.

v. The Company has structured a Risk Management policy in terms of the SEBI Listing Regulation. 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 Regulations 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 Regulations 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 99th Annual General Meeting	Thursday, 30th September, 2021 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, 2021 - 31st March, 2022 (Tentative)	Results for the quarter ending 30th June, 2021 - Third week of August, 2021. • Results for the half year ending 30th September, 2021 - Second week of November, 2021. • Results for the quarter ending 31st December, 2021 - Second week of February, 2022. • Results for the year ending 31st March, 2022 - Second week or last week of May, 2022.
Date of Book Closure	23rd September, 2021 to 30th September, 2021
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 2020-21, the Company has paid Listing Fees to both the Stock Exchanges i.e. the National Stock Exchange of India and BSE Limited.
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, 2021:

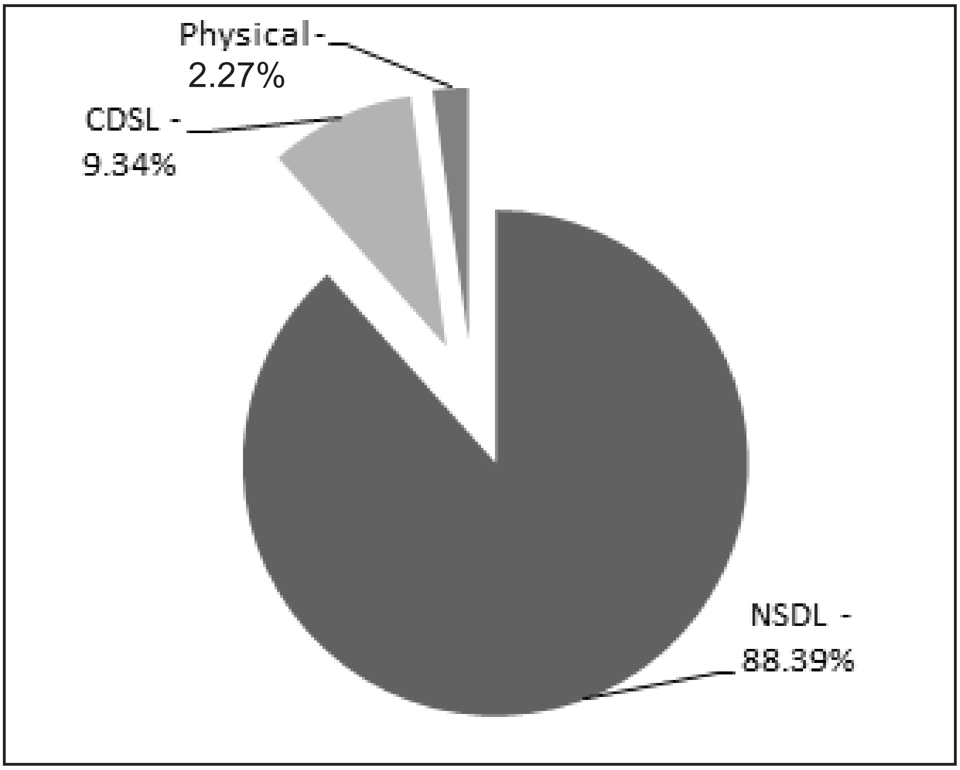
Shareholding of Shares	No. of Shareholders	% of Total Shareholders	Total Shares	% of Total Shares
Upto 500	28044	64.14	4786903	1.30
501 - 1000	6073	13.89	5260611	1.42
1001 - 2000	3921	8.97	6356826	1.72
2001 - 3000	1548	3.54	4077831	1.10
3001 - 4000	819	1.87	2997433	0.81
4001 - 5000	795	1.82	3824799	1.04
5001 - 10000	1387	3.17	10694067	2.89
10001 and above	1135	2.60	331574635	89.72
TOTAL	**43722**	**100**	**369573105**	**100**

12. DEMATERIALISATION OF SHARES AS ON 31ST MARCH 2021:

Particulars	No. of Equity Shares	% of Share Capital
NSDL	32,66,78,944	88.39
CDSL	3,45,30,901	09.34
Physical	83,63,260	2.27
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, 2021

Sr. No.	Name of the Shareholder	Category	No. of shares	% of Shareholding
1	Canara Bank-Mumbai	Public	52814769	14.29
2	Punjab National Bank	Public	42960599	11.62
3	ICICI Bank Ltd	Public	39272129	10.63
4	Canara Bank	Public	22696508	6.14
5	Bank Of Baroda	Public	22104507	5.98
6	Indian Bank	Public	19974706	5.40
7	Pacific Energy Pvt Ltd	Promoter Group	17913015	4.85
8	IDBI Bank Ltd.	Public	14053827	3.80
9	Abhijit Rajan	Promoter	8172459	2.21
10	Devyani Estate And Properties Pvt Ltd	Promoter Group	7182805	1.94

14. 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

16. ADDRESS FOR CORRESPONDENCE

Registered Office:

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

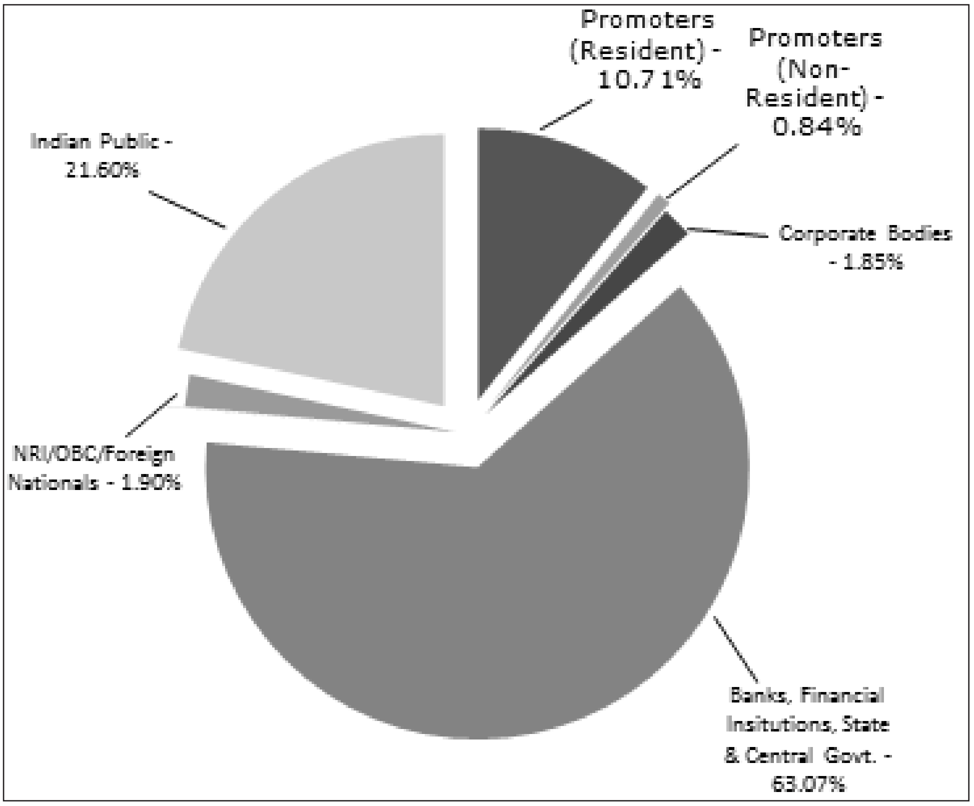
J.N. Heredia Marg, Ballard Estate, Mumbai - 400 038. Telephone : 022 - 22705562.

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

17. CATEGORIES OF SHAREHOLDERS: (AS ON 31ST MARCH 2021)

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	68,49,055	1.85
5	Banks, Financial Institutions, State & Central Govt.	23,30,79,399	63.07
6	Foreign Institutional Investors	1,39,302	0.03
7	NRIs / OCBs / Foreign Nationals / GDRs	70,35,108	1.90
8	Indian Public & Others	7,98,12,987	21.60
	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 Regulations 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, 2021.

For **Gammon India Limited**

Date: 25th August, 2021
Place: Mumbai

Ajit B. Desai
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, 2021, 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. There was a delay in submission of financial results for the Quarter ended 30/06/2020 (the delay was accordingly informed to the Stock Exchanges). However, the same were subsequently adopted at the Board Meeting held on 15th September, 2020.

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 30th June, 2020 and 30th September, 2020. The same was communicated to the Stock Exchange and thereafter the shareholding pattern was submitted on 16th December, 2020.

For V. V. Chakradeo & Co.,
Company Secretary
V. V. Chakradeo
COP 1705
UDIN number F003382C000831651

Date: 25th August, 2021
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of

Gammon India Limited

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone financial statements of **Gammon India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone 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 (a) to (d), the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

Basis of Qualified Opinion

(a) We invite attention to note no. 7 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, 2021 is ₹ 931.69 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 except that we are informed the arbitrations are in progress. 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, 2021.

(b) 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 ₹ 350.60 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.

(c) We invite attention to note no. 38 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 ₹ 325.64 crores. The Subsidiary's audited financials are also not available for our review and also the management has not carried out any exercise of determining the realisable value. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposure of ₹ 225.64 crores.

(d) We invite attention to note no 27 of the Financial Statement relating to penal interest and charges of ₹ 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to ₹ 248.58 Crores up to March 31, 2021. 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. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.

(e) We Invite attention to note no 36 (b) of the Financial Statement relating to exposure of the Company in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure of the subsidiary as at March 31, 2021, Total Exposure of the two Subsidiary is ₹ 807.52 Crores (Net of Provision).

Material Uncertainty Related to Going Concern

We invite attention to the note no. 37 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 ₹ 7736.65 Crore. 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, until there is a finality and settlement of penalty to be paid by the Company for all the past delays in its filings to stock exchanges. The Company has made an application for waiver of penalty and the response is awaited on the matter from the stock exchange. 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 two lenders as detailed in the note no.37 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 opinion, 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 ₹151.17 crores as at March 31, 2021 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, 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 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 Annual Report but does not include the Standalone 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 Standalone 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 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.

When we read the “Other Information” which will be made available to us after the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with the Standards on Auditing.

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 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 Responsibility 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A , a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) we have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
   (b) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity dealt with by this Report are in agreement with the books of account
   (d) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon

(e) The matters described in paragraphs under the Basis for Qualified Opinion and Emphasis of Matter paragraph and Qualified Opinion paragraph of Annexure B to this report, in our opinion, may have an adverse effect on the functioning of the Company

(f) On the basis of written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, all the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act.

(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 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"

(i) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements

   ii. The Company has provided for all material foreseeable losses arising out of long-term contracts including derivative contracts

   iii. The Company has to transfer amount of ₹ 0.54 crores to the Investor Education and Protection Fund during the year.

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

K N Padmanabhan
Partner
Membership No. 36410

Mumbai, Dated: June 28, 2021
UDIN: 21036410AAAADS7794

Annexure A to the Independent Auditor's Report

Referred to in clause 1 of paragraph under "Report on Other Legal and Regulatory Requirements" of our report of even date

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

(b) Property, Plant & Equipment have been physically verified by the management during the period at reasonable intervals and no material discrepancies were identified on such verification except assets at some of their terminated sites where the access to the assets are presently prohibited and the matter is under dispute. The total value of assets at such sites is ₹ 5.19 crores (Net WDV).

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

(ii) (a) Inventories, being project materials have been physically verified by the management at reasonable intervals during the year except for inventories at terminated sites valued at ₹ 6.11 crores. In our opinion, the frequency of such verification is reasonable.

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

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

(iii) According to the information and explanations given to us, the Company has during the year not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, however in respect of loans outstanding:

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

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

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

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections. Accordingly, the provision of clause 3(v) is not applicable to the Company.

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

(vii) (a) The Company has several instances of delay in depositing undisputed statutory dues including Provident Fund, Professional Tax, Employees State Insurance, works contract tax, Service tax/VAT, Cess and sales tax, Goods and Services Tax dues with the appropriate authorities observed on a test check basis. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable, a statement of such undisputed Statutory Dues outstanding for more than 6 months is given in Statement -1

(b) According to the information and explanation given to us, the details of Sales tax, Income Tax, Service Tax, Goods and Service Tax and Excise duty that have not been deposited on account of dispute are given in the Statement of disputed statutory dues outstanding attached herewith in Statement -2

(viii) According to information and explanations given to us, the Company has defaulted in servicing interest and principal repayment due to debenture holders, financial institutions and banks. The 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 ₹ 3772.84 Crores. Details are disclosed in statement 3. The amounts of delays in interest servicing in respect of Rupee Term Loan, FITL, Priority Loan, Working Capital Term Loan, Short term Loan, NCD, NCD FITL, CC and OD were shown in statement 4.

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

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

(xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

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

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

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review except for allotment to lenders at the prescribed pricing norms prescribed by Securities and Exchange Board of India. The necessary compliances under the Companies Act have been carried out. Further since the same is conversion of loan into equity there are not purposes specified for the utilisation of the proceeds.

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

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

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

K N Padmanabhan
Partner
Membership No. 36410

Mumbai, Dated: June 28, 2021
UDIN: 21036410AAAADS7794

Annexure - B

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

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

We have audited the internal financial controls with reference to Financial Statements of Gammon India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statement of the Company for the year ended on that date.

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, 2021, 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

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.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

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

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

K N Padmanabhan
Partner
Membership No. 36410

Mumbai, Dated: June 28, 2021
UDIN: 21036410AAAADS7794

Statement -1

Undisputed Statutory liabilities Outstanding for more than 6 months as On 31st March 2021, referred to In Para 4(vii)(a) of The Annexure to Auditors' Report

Name of Dues *(Below mentioned dues are payable to various statues)*	Amount (₹ in Crs.)	Period to which it relates	Due Date
Profession Tax	0.18	Prior to April 2020	Prior to April 2020
Profession Tax	0.00	Prior to September 2020	Prior to Sep 2020
Custom Duty Draw Back	2.07	Prior to April 2020	Prior to April 2020
Works Contract Tax	0.67	Prior to April 2020	Prior to April 2020
Sales tax payables	0.05	Prior to April 2020	Prior to April 2020
Provident Fund	0.04	Prior to April 2020	Prior to April 2020
Provident Fund	0.02	Prior to September 2020	Prior to Sep 2020
Tax deducted at source	0.31	Prior to September 2020	Prior to Sep 2020
Goods and Service Tax	0.27	Prior to Sep-19	Prior to Sep 2020

Statement -2

Statement of Statutory Dues outstanding on account of disputes, as on 31st March 2021, referred to In Para 4(VII)(b) of the Annexure to Auditors' Report

Name of the Statute	State	Nature of the dues	Amount (₹ in Crs.)	Period to which it relates	Forum where Dispute is pending
The Income Tax Act 1961		Income Tax Assessment Order	303.96	A.Y. 2006-07 to A.Y. 2011-12	ITAT Appeal
The Income Tax Act 1961		Income Tax Assessment Order	17.08	A.Y. 2012-13 to A.Y. 2013-14	CIT Appeal
The Income Tax Act 1961		TDS Intimation U/s 200A	8.93	A.Y. 2007-08 to A.Y. 2020-21	Not yet Filled
The Income Tax Act 1961		TDS Intimation U/s 200A	0.07	A.Y. 2008-09 to A.Y. 2020-21	Not yet Filled
The Income Tax Act 1961		Joint Venture Assessment	3.74	A.Y. 2010-11 to 2013-14	CIT Appeal
	Total		**333.78**		
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)	0.78	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)	1.88	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)	0.29	2007-08	AC Appeal
Sales Tax Act	Maharashtra	Denial of deduction on Pre cost component	0.06	1993-94 to 1997-98	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
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	0.98	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)

Name of the Statute	State	Nature of the dues	Amount (₹ in Crs.)	Period to which it relates	Forum where Dispute is pending
Sales Tax Act	West Bengal	Tax demand	5.64	2008-09 & 2009-10	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	West Bengal	Tax demand.	0.21	2015-16	Yet to be filed
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	Yet to be filed
	Total		**30.21**		
The Finance Act 1994		Service Tax	1.73	August, 2012 to January, 2016	Appeal yet to be filed
The Finance Act 1994		Service Tax	0.25	July, 2006 to December 2007	CESTAT Mumbai
The Finance Act 1994		Service Tax	5.80	October, 2004 to August, 2008	Appeal yet to be filled
The Finance Act 1994		Service Tax	0.02	April 2007 to March, 2008	Appeal yet to be filled
	Total		**7.79**		

Statement -3

Principal Default as at March 31st, 2021, referred to In Para 4(viii) of The Annexure to Auditors' Report

Name of the Lender	Amount in Crs.	Date of Payment
Allahabad Bank	141.79	Prior to April 2018
Bank of Baroda	545.57	Prior to April 2018
Bank Of Maharashtra	132.48	Prior to April 2018
Canara Bank	272.69	Prior to April 2018
Central Bank of India	17.34	Prior to April 2018
DBS Bank	101.93	Prior to April 2018
GIC	31.19	Prior to April 2018
ICICI Bank	207.26	Prior to April 2018
IDBI Bank	811.39	Prior to April 2018
Indian Bank	8.67	Prior to April 2018
Karnataka Bank	8.68	Prior to April 2018
Life Insurance Corporation	178.44	Prior to April 2018
Oriental Bank Of Commerce	107.76	Prior to April 2018
Punjab National Bank	145.48	Prior to April 2018
Syndicate Bank	356.32	Prior to April 2018
UCO Bank	177.82	Prior to April 2018
United India Insurance	17.84	Prior to April 2018
Union Bank of India	244.40	Prior to April 2018
United Bank of India	265.79	Prior to April 2018
Total	**3772.84**	

Statement -4

Interest Default as at March 31st, 2021, referred to In Para 4(viii) of The Annexure to Auditors' Report

Name of the Lender	Amount in Crs.	Date of Payment
Allahabad Bank	1.36	From 1 to 365 days
Allahabad Bank	19.31	More than 365 days
Bank of Baroda	13.54	More than 365 days
Bank of Maharashtra	0.96	From 1 to 365 days
Bank of Maharashtra	25.88	More than 365 days
Canara Bank	60.04	From 1 to 365 days
Canara Bank	195.55	More than 365 days
Central Bank of India	1.83	From 1 to 365 days
Central Bank of India	7.85	More than 365 days
DBS Bank	7.61	From 1 to 365 days
DBS Bank	44.77	More than 365 days
GIC	3.11	From 1 to 365 days
GIC	13.01	More than 365 days
ICICI Bank	33.59	More than 365 days
IDBI Bank	73.14	More than 365 days
Indian Bank	0.91	From 1 to 365 days
Indian Bank	3.88	More than 365 days
Karnataka Bank	0.91	From 1 to 365 days
Karnataka Bank	3.96	More than 365 days
Life Insurance Corporation	18.59	From 1 to 365 days
Life Insurance Corporation	77.12	More than 365 days
Oriental Bank of Commerce	14.33	From 1 to 365 days
Oriental Bank of Commerce	36.22	More than 365 days
Punjab National Bank	49.99	From 1 to 365 days
Punjab National Bank	13.98	More than 365 days
Syndicate Bank	56.15	From 1 to 365 days
Syndicate bank	166.40	More than 365 days
UCO Bank	36.35	More than 365 days
Union Bank of India	135.63	More than 365 days
Union Bank of India	49.87	More than 365 days
United Bank	63.73	More than 365 days
United India Insurance	1.70	From 1 to 365 days
United India Insurance	6.92	More than 365 days
Total	**1238.22**	

Balance Sheet as at 31, March 2021

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

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	418.07	429.51
(b) Capital work-in-progress		-	1.73
(c) Financial assets			
(i) Investments	3	121.67	211.97
(ii) Trade receivable	4	283.37	354.93
(iii) Loans	5	726.27	739.69
(iv) Others	6	91.94	82.04
(d) Deferred tax assets (net)		-	-
(e) Other non-current assets	7	1,387.00	1,347.54
TOTAL NON-CURRENT ASSETS		**3,028.32**	**3,167.42**
CURRENT ASSETS			
(a) Inventories	8	33.13	38.92
(b) Financial assets			
(i) Investments	3	0.05	0.03
(ii) Trade receivables	4	26.23	24.75
(iii) Cash and cash equivalents	9	7.20	3.37
(iv) Bank balances	9	0.58	0.58
(v) Loans	5	5.30	7.91
(vi) Others	6	26.73	26.51
(c) Current tax assets (net)		-	-
(d) Other current assets	7	104.74	113.04
TOTAL CURRENT ASSETS		**203.96**	**215.11**
TOTAL ASSETS		**3,232.28**	**3,382.53**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	74.11	74.11
(b) Other equity	11	(4,981.48)	(4,264.75)
TOTAL EQUITY		**(4,907.37)**	**(4,190.64)**
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	12.74	16.93
(iii) Other financial liabilities	14	12.00	12.00
(b) Provisions	15	0.53	0.56
(c) Deferred tax liabilities (net)	16	103.14	103.19
(d) Other non-current liabilities	17	70.63	70.73
TOTAL NON-CURRENT LIABILITIES		**199.04**	**203.41**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	19	1.21	0.25
- Total outstanding dues to other than Micro and Small Enterprises	19	104.08	112.73
(iii) Other financial liabilities	20	7,334.79	6,755.87
(b) Other current liabilities	21	62.26	71.29
(c) Provisions	15	438.27	429.62
(d) Current tax liabilities (net)	22	-	-
TOTAL CURRENT LIABILITIES		**7,940.61**	**7,369.76**
TOTAL EQUITY AND LIABILITIES		**3,232.28**	**3,382.53**

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. 36410
Mumbai, Dated : June 28, 2021

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 2021

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

Particulars		Note No.	April 2020 - March 2021	April 2019 - March 2020
I	Revenue from Operations	23	52.84	71.71
II	Other Income	24	33.38	51.49
III	**Total Income**		**86.22**	**123.20**
IV	**Expenses:**			
	Cost of material consumed	25	13.98	16.71
	Subcontracting Expenses		32.10	50.74
	Employee benefits expense	26	7.44	7.63
	Finance Costs	27	605.96	586.55
	Depreciation & amortization	28	9.01	9.74
	Other expenses	29	41.34	64.44
	Total Expenses		**709.83**	**735.81**
V	**Profit/(Loss) before exceptional items and tax**		**(623.61)**	**(612.61)**
VI	Exceptional items Income / (Expense)	30	(95.56)	(508.94)
VII	**Profit / (Loss) before tax**		**(719.17)**	**(1,121.55)**
VIII	**Tax expenses**	31		
	Current Tax		-	-
	Excess / Short Provision of Earlier years		(2.27)	-
	Deferred Tax Liability / (asset)		(0.05)	1.01
	Total tax expenses		**(2.32)**	**1.01**
IX	**Profit / (Loss) for the year**		**(716.85)**	**(1,122.56)**
X	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss			
	Remeasurement gain / loss on Actuarial		0.10	(0.32)
	Net gain/ loss on equity instrument through OCI		-	(0.08)
			0.10	**(0.40)**
XI	**Total Comprehensive Income / (Loss) for the period**		**(716.75)**	**(1,122.96)**
XII	Earnings per equity share of the face value of ₹ 2 each	32		
	Basic		**(19.43)**	**(30.43)**
	Diluted		**(19.43)**	**(30.43)**

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : June 28, 2021

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Chief Executive Officer

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Company Secretary
M.No.ACS 19594

Cash Flow Statement for the year ended 31 March 2021

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

Particulars		2020-21	2019-20
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax and Extraordinary Items	**(719.17)**	**(1,121.55)**
	Adjustments for :		
	Depreciation	9.01	9.74
	(Profit) / Loss on Sale of Assets	(1.68)	(1.82)
	(Profit) / Loss on Sale of Investments	4.98	0.50
	Income recognised towards corporate guarantee	-	(1.60)
	Interest Expenses	605.96	586.55
	Provision for Doubtful Debts and Advances	6.04	7.96
	Foreign Exchange Loss / (Gain)	1.57	13.06
	Interest Income	(11.54)	(12.08)
	Exceptional Items	95.56	508.94
	Assest W/off	1.37	-
	Write off of Contract Assets	7.26	-
	Sundry Balances Written off	3.54	23.62
	Excess Provision Written Back	-	(2.20)
	Sundry Balances Written Back	(7.92)	(23.46)
	Operating Profit Before Working Capital Changes	**(5.02)**	**(12.34)**
	Trade and Other Financial Receivables	26.55	(2.86)
	Inventories	5.79	6.55
	Trade Payables and Provision	(7.66)	5.42
	Other Non Financial Assets	1.03	2.85
	Other financial liabilities	(12.47)	(3.05)
	Other non-financial liabilities	(9.13)	(0.22)
	CASH GENERATED FROM THE OPERATIONS	(0.91)	(3.65)
	Direct Taxes Paid / (Refund)	(0.10)	(2.23)
	Net Cash from Operating Activities	**(0.80)**	**(5.88)**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Property Plant and Equipment and CWIP disposal	4.46	3.80
	Sale of Investments		
	- Subsidiary, Joint Ventures & Associates	0.05	0.24
	- Others	-	0.49
	Loan Given to Subsidiary and others	1.81	2.61
	Interest Received	0.41	(0.37)
	Net Cash from Investment Activities	**6.72**	**6.77**

Cash Flow Statement for the year ended 31 March 2021

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

Particulars	2020-21	2019-20
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2.09)	(0.09)
(Repayment) from Long term Borrowings	-	(0.24)
Net proceeds from Short term Borrowings	-	-
Net Cash from Financing Activities	**(2.09)**	**(0.33)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3.83**	**0.56**
Opening Balance	**3.37**	**2.81**
Closing Balance	**7.20**	**3.37**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3.83**	**0.56**
Components of Cash and Cash Equivalents		
Cash on Hand	0.02	0.05
Balances with Bank	7.18	3.32
Total Balance	**7.20**	**3.37**

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. 36410
Mumbai, Dated : June 28, 2021

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

Notes to Financial Statements for the year ended March 31, 2021

Statement of Changes in Equity for the period ended March 31, 2021

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

A Equity Share Capital

Particulars	March 31, 2021		March 31, 2020	
	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	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 2019	**(5,065.40)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**2.43**	**(3,141.85)**
Profit for the year	(1,122.56)									**(1,122.56)**
Re-measurement of net defined benefit plans	(0.32)									**(0.32)**
Fair Valuation of Investment carried at FVTOCI	0.08								(0.08)	**-**
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 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)**

(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 crore) being 15% of the amount of Debenture due for redemption as at March 2021 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 Crore 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. 36410
Mumbai, Dated : June 28, 2021

For and on behalf of the Board of Directors
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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, 2021

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

B. NEW AND AMENDMENT STANDARD

i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the standalone financial statements of the Company.

ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, " information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's standalone 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 reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

ii) Revenue Recognition

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 (PPE) *(All Figures are in ₹ in Crore unless otherwise stated)*

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

Tangible Assets

Particulars	Leasehold Land	Freehold Buildings	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK							
As at 01 April 2019	393.14	41.71	110.29	3.10	0.79	0.46	**549.49**
Additions	-	-	-	-	-	-	**-**
Disposals/Adjustments	-	-	4.99	0.86	-	-	**5.85**
As at 31 March 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**
DEPRECIATION							
As at 01 April 2019	-	30.56	75.25	2.83	0.77	0.46	**109.87**
Charge for the Year	-	0.83	8.82	0.09	-	-	**9.74**
Disposals/Adjustments	-	-	4.66	0.82	-	-	**5.48**
As at 31 March 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**
NET BLOCK							
As at 31 March 2020	**393.14**	**10.32**	**25.89**	**0.14**	**0.02**	**(0.00)**	**429.51**
As at 31 March 2021	**393.14**	**9.49**	**15.36**	**0.07**	**0.02**	**(0.00)**	**418.07**

3 Financial Assets Investments

		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Non- Current		Current	
A	**Investment carried at amortised Cost**				
1	Equity Instrument of Subsidiaries -Indian	98.91	178.59	-	-
	Equity Instrument of Subsidiaries -Indian - Impaired	1,544.52	1,478.33		
	Less - Provision for impairment	(1,544.52)	(1,478.33)		
2	Equity Instrument of Subsidiaries - Foreign	14.94	25.07	-	-
	Equity Instrument of Subsidiaries - Foreign - Impaired	30.33	20.20		
	Less - Provision for impairment	(30.33)	(20.20)		
3	Equity Instrument - Others- India	-	0.49	-	-
	Equity Instrument - Others- India - Impaired	0.71	0.24		
	Less - Provision for impairment	(0.71)	(0.24)		
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 -Imapired	0.00	0.00	-	-
	Less - Provision for impairment	(0.00)	(0.00)		
	Total	**114.39**	**204.69**	**-**	**-**
B	**Other Investments (At Fair value through OCI)**				
	Equity Shares	7.28	7.28		
	Total	**7.28**	**7.28**	**-**	**-**

		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Non- Current		Current	
C	**Other Investments (At Fair value through P&L)**				
1	Equity Shares	-	-	0.05	0.03
2	Liquid Mutual Funds	-	-	0.00	0.00
	Total	**-**	**-**	**0.05**	**0.03**
	Grand Total	**121.67**	**211.97**	**0.05**	**0.03**
	Disclosure:				
i)	**Investment carried at Cost**	**114.39**	**204.69**	**-**	**-**
ii)	**Investment carried at FVTPL**	**-**	**-**	**0.05**	**0.03**
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, 2021		March 31, 2020	
		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
Gactel Turnkey Projects Limited	10	-	-	50,50,000	8.62
Gammon & Billimoria Limited	10	-	-	51,000	5.00
Gammon Power Limited	10	2,25,45,000	5.82	2,25,45,000	5.82
Gammon Realty Limited	10	-	-	-	-
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	91.07
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		-	-	-	-
Total			**98.93**		**178.62**
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received			0.03		0.03
			98.91		**178.59**
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	-	10.97
Gammon Billimoria Limited		-	-	-	8.49
Metropolitan Infrahousing Private Limited		-	711.48	-	645.41
Gammon Realty Limited		-	59.85	-	59.85
Total			**1,544.52**		**1,478.33**

2) **Investment in equity instruments of Subsidiaries (Foreign)**

Particulars	Face Value	March 31, 2021		March 31, 2020	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
ATSL Holdings B.V. (Netherland)	EUR 100	-	-	180	2.18
ATSL Holdings B.V. (Netherland) (for SAE Power lines srl)	-	-	-	-	5.91
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
Gammon International FZE	AED 150000	-	-	1	0.17
P.Van Eerd Beheersmaatschappij B.V.	EUR 453.78	-	-	35	1.87
Total			**14.94**		**25.07**

Investment in equity instruments of Subsidiaries (Foreign) - Impaired

Particulars	Face Value	March 31, 2021		March 31, 2020	
		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	-	-
ATSL Holdings B.V. (Netherland) (for SAE Power lines srl)	-	-	5.91	-	-
Gammon International FZE	AED 150000	1	0.17	-	-
P.Van Eerd Beheersmaatschappij B.V.	EUR 453.78	35	1.87	-	-
Campo Puma Oriente S.A.	USD 1	6,441	4.66	6,441	4.66
Total			**30.33**		**20.20**

3) **Investment in equity instruments -Others- Indian**

Particulars	Face Value in ₹	March 31, 2021		March 31, 2020	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Alpine Environmental Engineers Limited	100	-	-	204	0.00
Modern Flats Limited (Unquoted)	10	-	-	2,040	0.00
Plamach Turnkeys Limited	100	-	-	600	0.01
Indira Container Terminal Private Limited	10	2,64,07,160	26.41	2,64,07,160	26.41
Rajahmundry Godavari Bridge Limited	10	-	-	4,41,250	0
Tidong Hydro Power Limited	10	-	-	25,500	0
Less : Transfer of Beneficial Interest in lieu of Deposit received			(26.41)		(26.41)
Total			**-**		**0.49**

Investment in equity instruments -Others- Indian - Impaired

Particulars	Face Value in ₹	March 31, 2021		March 31, 2020	
		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	-	-
Modern Flats Limited (Unquoted)	10	2,040	0.00	-	-
Plamach Turnkeys Limited	100	600	0.01	-	-
Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44	-	-
Tidong Hydro Power Limited	10	25,500	0.03	-	-
Others		-	0.00	-	0.00
Total			**0.71**		**0.24**

4) Investment in equity instruments -Others- Foreign

Particulars	Face Value in ₹	March 31, 2021		March 31, 2020	
		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, 2021	March 31, 2020
	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, 2021	March 31, 2020
	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 in ₹	March 31, 2021		March 31, 2020	
		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**		**211.97**

C **Current Investments:-**

Investment in Shares and Mutual Funds

Particulars	Face Value in ₹	March 31, 2021		March 31, 2020	
		Nos/ Units	Amount	Nos/ Units	Amount
Quoted					
1) 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	0.05	55,000	0.03
Total			**0.05**		**0.03**

Particulars	Face Value In ₹	March 31, 2021		March 31, 2020	
		Nos/ Units	Amount	Nos/ Units	Amount
2) Mutual funds					
SBI Dynamic Bond Fund		-	-	-	-
HDFC Balanced Fund		-	-	-	-
ICICI Liquid Plan		-	-	-	-
HDFC Floating Rate Income Fund		2,048	0.00	2,048	0.00
Total			**0.00**		**0.00**
Total current investments			**0.05**		**0.03**
Total Non - Current and Current Investments			**121.72**		**212.00**
Aggregate amount of quoted investments			**0.05**		**0.03**
Market Value of Quoted Investment			**0.05**		**0.03**
Aggregate amount of unquoted investments			**121.67**		**211.97**

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, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Considered good	284.08	26.30	355.82	24.82
Considered Doubtful	11.61	216.63	8.40	217.16
Provision for Doubtful debts	(11.61)	(216.63)	(8.40)	(217.16)
	284.08	26.30	355.82	24.82
Less: Expected credit loss	(0.71)	(0.07)	(0.89)	(0.06)
	283.37	26.23	354.93	24.75
Total	**283.37**	**26.23**	**354.93**	**24.75**

(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 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 ₹ 151.17 Crore (Net of Provision), 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 ₹ 350.60 Crore consisting of receivable of ₹ 148.05 crores, inventory ₹ 43.49 crore and other receivables ₹ 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 Crore (inventory - ₹ 21.19 crores and receivables ₹ 23.31crores) 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.

Movement in the expected credit loss allowance

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	0.89	0.06	0.91	0.07
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.18)	0.00	(0.02)	(0.01)
Provision at the end of the period	**0.71**	**0.07**	**0.89**	**0.06**

5 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	724.77	-	736.64	0.61
Considered Doubtful	2,732.91	77.23	2,733.71	76.60
Less : Provision for Doubtful Loans	(2,732.91)	(77.23)	(2,733.71)	(76.60)
Deposits				
Considered Good	1.50	2.23	1.50	4.29
Unsecured Considered Doubtful	3.00	3.60	3.00	3.60
Less : Provision for Doubtful	(3.00)	(3.60)	(3.00)	(3.60)
Other Loans and Advances				
Unsecured Considered good	-	3.07	1.55	3.01
Unsecured Considered Doubtful	4.58	4.94	3.03	4.94
Less : Provision for Doubtful	(4.58)	(4.94)	(3.03)	(4.94)
Total	**726.27**	**5.30**	**739.69**	**7.91**

(i) Details of Loans given to Related Parties

Name of the Related Party	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Considered good:				
Deepmala Infrastructure Private Limited	152.61	-	152.55	-
RAS Cities and Township Private Limited	1.00	-	1.00	-
Gactel Turnkey Projects Limited	-	-	1.53	-
Sikkim Hydro Power Ventures Limited	-	-	0.00	-
Haryana Biomass Power Limited (Hareda Projects)	-	-	0.07	-
Gammon International B.V.	207.68	-	213.00	-
Ansaldocaldaie Boilers India Private Limited	29.57	-	29.57	-
Gammon Holdings (Mauritius) Limited	293.86	-	301.39	-
Patna Water Supply Distribution Network Private Limited	40.05	-	40.04	-
ATSL Holding B.V. (Netherland)	-		(2.52)	
Franco Tosi Meccanica S.P.A	-	-	-	0.11
Rajahmundry Godavari Bridge Limited	-	-	-	0.35
Tidong Hydro Power Limited	-	-	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	-	-	0.00
Gammon Real estate Developers Private Limited	-	-	-	0.01
Preeti Township Private Limited	-	-	-	0.01
SAE Transmission India Limited	-	-	-	0.11
Total	**724.77**	**-**	**736.64**	**0.61**

Name of the Related Party	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Considered Doubtful:				
Deepmala Infrastructure Private Limited	61.77	-	61.77	-
Gammon Realty Limited	84.68	-	84.67	-
Metropolitan Infrahousing Private Limited	262.96	-	262.85	-
Gammon & Billimoria Limited	39.87	-	39.87	-
Gactel Turnkey Projects Limited	228.33	-	226.79	-
Gammon International FZE	96.87	-	96.87	-
P.Van Eerd Beheersmaatschappij B.V.	85.07	-	85.07	-
Gammon International B.V.	500.95	-	500.95	-
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	-
ATSL Holding B.V. (Netherland)	197.14	-	199.66	-
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	-	-	-
Franco Tosi Meccanica S.P.A	-	0.11	-	-
Rajahmundry Godavari Bridge Limited	-	0.35	-	-
Tidong Hydro Power Limited	-	0.02	-	-
Gammon Renewable Energy Infrastructure Limited	-	0.00	-	-
Gammon Real estate Developers Private Limited	-	0.01	-	-
Preeti Township Private Limited	-	0.01	-	-
SAE Transmission India Limited	-	0.11	-	-
ATSL Holding B.V. (Netherland)	-	0.02	-	-
Associated Transrail Structure Limited Nigeria	-	3.21	-	3.21
Sikkim Hydro Power Ventures Limited	0.00	-	-	-
Total	**2,732.91**	**77.23**	**2,733.71**	**76.60**

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
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)	197.16	197.14	197.16	197.14
Campo Puma Oriente S.A.	406.11	406.11	406.11	406.11
Deepmala Infrastructure Private Limited	214.38	214.32	214.38	214.32
Finest S.p.A	0.52	0.52	0.52	0.52
Franco Tosi Hydro Private Limited	-	-	-	0.01
Gactel Turnkey Projects Limited	228.33	228.32	228.33	69.92
Gammon & Billimoria Limited	39.87	39.87	39.87	39.87
Gammon Holdings (Mauritius) Limited	293.86	301.39	301.39	301.39
Gammon Holdings B.V.	709.62	709.62	709.62	709.62
Gammon International B.V.	708.63	713.95	713.95	713.95
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	84.67	84.68	85.67
Gammon Renewable Energy Infrastructure Limited	0.00	0.00	0.00	0.00
Gammon Retail Infrastructure Private Limited	-	-	-	-
Gammon Sew Joint Venture	-	-	-	-
Haryana Biomass Power Limited (Hareda Projects)	0.05	0.07	0.07	0.07
Metropolitan Infrahousing Private Limited	262.96	262.85	262.96	262.85
OSE Gammon Joint Venture	-	-	0.14	0.14
P.Van Eerd Beheersmaatschappij B.V.	85.07	85.07	85.07	85.07
Patna Water Supply Distribution Network Private Limited	50.05	50.04	50.05	50.04
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	0.20
Sikkim Hydro Power Ventures Limited	0.00	0.00	0.00	0.00
Tidong Hydro Power Limited	0.02	0.02	0.02	0.02
Franco Tosi Meccanica S.P.A	0.11	0.11	0.11	0.11
Total	**3,534.91**	**3,547.56**	**3,547.90**	**3,390.39**

(iii) Investment by loanee in the subsidiary Companies Shares

Name of the Company	Invested in Subsidiary Company	March 31, 2021	March 31, 2020
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A	439.22	423.67
	Gammon Itlay S.r.L	0.15	0.14
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.L	110.47	100.54
Gammon & Billimoria Limited	GBLLC	-	0.63
Gammon Realty Limited	Deepmala Infrastructure Private Limited	0.00	0.00
P.Van Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A	64.62	62.33
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 impairement 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, 2021	March 31, 2020
Deepmala Infrastructure Private Limited	Subsidiary	Advance towards Operations	0.04	0.08
Gactel Turnkey Projects Limited	Subsidiary	----do-----	0.01	-
Gammon International B.V.	Subsidiary	----do-----	-	-
Metropolitan Infrahousing Private Limited	Subsidiary	----do-----	0.11	-
Patna Water Supply Distribution Network Private Limited	Subsidiary	----do-----	0.01	0.05

6 Other Financial Assets (at amortised cost)

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	91.94	0.67	82.04	0.65
Considered Doubtful	373.91	-	373.91	-
Less : Provision for Doubtful Interest	(373.91)	-	(373.91)	-
Other Receivable	-	1.53	-	1.33
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Total	**91.94**	**26.73**	**82.04**	**26.51**

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 Chairman and erstwhile 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.

7 Other Assets

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Prepaid Expenses	-	0.22	-	0.04
Contract Assets	984.72	74.31	944.74	78.82
Less : Provision for credit loss	(2.86)	(0.13)	(0.17)	(0.13)
Advance to Creditors/Subcontractors				
Unsecured Considered goods	11.04	23.15	11.04	27.29
Unsecured Considered doubtful	-	3.05	-	3.05
Less: provision for doubtful	-	(3.05)	-	(3.05)
Staff Advances	-	1.07	-	1.06
Balance with Tax Authority	-	3.35	-	3.85
Other assets		2.34		1.64
Advance Tax Net of Provision	394.10	-	391.93	-
Others	-	0.43	-	0.47
Total	**1,387.00**	**104.74**	**1,347.54**	**113.04**

Unbilled Revenue

The Company has evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration have assess the likely amount of claims (at the time of accouting of those claims) being settled in favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to ₹ 931.69 crores (P.Y. ₹ 894.41 crore) will be reasonably certain to be settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realisation.

8 Inventories

Particulars	March 31, 2021	March 31, 2020
Material at Construction Site	11.18	16.97
Work In Progress - Real Estate	21.95	21.95
Total	**33.13**	**38.92**

a) It is the normal practice of the Company to physically verify the inventories at March end for its valuation. However, this was not possible to be done till the previous year ended March 2020 due to the lockdown declared by the Government in view of COVID-19 pandemic. The management proposes to get the stock verified by its Internal Auditors in the near future after normalcy is restored.

During the year the Company reviewed and verified the Inventory and on physiacal verfication 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 Writte off during the year.

Particulars	March 31, 2021	March 31, 2020
Amount of inventories recognised as an expense	8.99	16.71
Amount of write - down of inventories recognised as an expense	4.99	-

9 Cash and Bank Balance

Particulars	March 31, 2021	March 31, 2020
Cash and cash equivalents		
Cash on Hand	0.02	0.05
Balances with Bank	7.18	3.32
Total	**7.20**	**3.37**
Other Bank Balances		
Unpaid dividend	0.58	0.58
Total	**0.58**	**0.58**

10 Equity Share Capital

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

Particulars	March 31, 2021		March 31, 2020	
	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 Crore of Share Premium collected on application in respect of forfeited shares.

(b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2021		March 31, 2020	
	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**

In the year 2015-16 and 2016-17 pursuant to the invocation to SDR scheme, the bankers have converted an amount of ₹ 4.90 Crore being principal and interest outstanding in to Equity and have been allotted 41,24,496 Equity Shares of ₹ 2 each at a premium of ₹ 9.89 per equity share during the said period representing 1.12% of the Equity Capital.

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2021		March 31, 2020	
	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.

11 Other Equity

Particulars	March 31, 2021	March 31, 2020
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	(6,904.93)	(6,188.19)
Treasury shares	(1.69)	(1.69)
Other Comprehensive Income:		
Net gain/ (loss) on fair value of equity instruments	2.35	2.35
TOTAL	**(4,981.48)**	**(4,264.75)**

12 Non Current Financial Liabilities - Borrowings

Note: Classification of all credit facilities under Current 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, 2021 and to that extent the balances are unconfirmed.

13 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2021	March 31, 2020
Retention / Deposits	12.74	16.93
Total	**12.74**	**16.93**

14 Other financial liabilities

Particulars	March 31, 2021	March 31, 2020
Margin Money Received	12.00	12.00
	12.00	**12.00**

15 Provisions

Particulars	March 31, 2021		March 31, 2020	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:				
Provision for Gratuity	0.27	0.17	0.23	0.36
Provision for Leave Encashment	0.26	0.45	0.33	0.49
Others:				
Provision for Risk and Contingencies	-	437.65	-	428.77
Total	**0.53**	**438.27**	**0.56**	**429.62**

(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, 2020	346.43	82.34	-	428.77
March 31, 2021	428.77	8.88	-	437.65

(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, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	0.83	0.45
Interest Cost	0.05	0.03
Current Service Cost	0.06	0.02
Liability transferred out - on scheme and BTA	-	-
Benefit Paid Directly by the Employer	-	(0.00)
Benefit Paid From the Fund	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.00)	0.03
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.09)	0.30
Present Value of Benefit Obligation at the End of the Period	**0.85**	**0.83**
Fair Value of Plan Assets at the Beginning of the Period	0.24	0.23
Interest Income	0.02	0.02
Contribution by Employer	0.14	-
Assets transferred out - on scheme and BTA	-	-
Benefit Paid from the Fund	-	-
Return on Plan Assets, Excluding Interest Income	0.01	0.00
Fair Value of Plan Assets at the End of the Period	**0.41**	**0.24**
Present Value of Benefit Obligation at the end of the Period	(0.85)	(0.83)
Fair Value of Plan Assets at the end of the Period	0.41	0.24
Funded Status (Surplus/ (Deficit))	(0.44)	(0.58)
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.44)**	**(0.58)**
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.06	0.02
Net Interest Cost	0.04	0.02
Past Service Cost	-	-
Expenses Recognized	**0.10**	**0.04**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.09)	0.32
Return on Plan Assets, Excluding Interest Income	(0.01)	-0.00
Net (Income)/Expense For the Period Recognized in OCI	**(0.10)**	**0.32**
Balance Sheet Reconciliation		
Opening Net Liability	0.58	0.23
Expenses Recognized in Statement of Profit or Loss	0.10	0.04
Expenses Recognized in OCI	(0.10)	0.32
Net Liability/(Asset) Transfer Out	0.00	0.00
Benefit Paid Directly by the Employer	-	(0.00)
Employer Contribution	(0.15)	-
Net Liability/(Asset) Recognized in the Balance Sheet	**0.44**	**0.58**
Category of Assets		
Insurance fund	0.41	0.24
Total	**0.41**	**0.24**

Assumptions	**2020-21**	**2019-20**
Expected Return on Plan Assets	6.43%	7.22%
Rate of Discounting	6.43%	7.22%
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	**2020-21**	**2019-20**
Projected Benefit Obligation on Current Assumptions	0.85	0.83
Delta Effect of +1% Change in Rate of Discounting	(0.03)	(0.03)
Delta Effect of -1% Change in Rate of Discounting	0.03	0.04
Delta Effect of +1% Change in Rate of Salary Increase	0.03	0.04
Delta Effect of -1% Change in Rate of Salary Increase	(0.03)	(0.03)
Delta Effect of +1% Change in Rate of Employee Turnover	0.00	0.01
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, 2021		March 31, 2020	
Deferred Tax Liability:				
Property, Plant and Equipment	(83.31)		(83.36)	
Non Current Investments	(19.83)		(19.83)	
		(103.14)		(103.19)
Deferred Tax (Liabilities) / Assets (Net)		**(103.14)**		**(103.19)**

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, 2021	March 31, 2020
Contact Liabilities- Client Advances	26.62	26.78
Advance received against Real Estate Joint development	43.00	43.00
Unamortised Deferred Rent Income	0.10	0.14
Rent Deposit	0.91	0.81
Total	**70.63**	**70.73**

18 Current Financial Liabilities - Borrowings

Note: The entire credit facilities of ₹ 1127.39 crores (P.Y ₹ 1084.99 crores) is recalled by the lenders and hence disclosed under current liabilities - Refer note no. 20

19 Current Financial Liabilities - Trade Payables

Particulars	March 31, 2021	March 31, 2020
Trade Payables		
- Total outstanding dues to Micro and Small Enterprises	1.21	0.25
- Total outstanding dues to other than Micro and Small Enterprises	104.08	112.73
Total	**105.29**	**112.98**

(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.

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

Particulars	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	1.21	0.89
Principal amount due	0.24	0.25
Interest due on the above	0.97	0.64
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.	0.24	0.25
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.97	0.64

20 Other Current Financial Liabilities

Particulars	March 31, 2021		March 31, 2020	
Credit facilities recalled by lenders - Secured (Refer Security details given below)		3,772.84		3,730.44
Credit facilities recalled by lenders - Secured (For SPV) *		1,120.99		1,133.46
Interest Accrued and Due (Refer Note (C) below)				
- Bank		1,238.22		886.27
- Others		1.49		0.99
Interest Accrued (Refer Note (E) below)		1,097.19		888.17
Unpaid Dividend (Refer Note (D) below)		0.58		0.58
Other Payables :				
- Related Party	12.07		11.80	
- Others	91.41		104.16	
		103.48		115.96
Total		**7,334.79**		**6,755.87**

* 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, 2021 (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 Crore in the Company by promoters, in lieu of bank sacrifice, in the form of Promoters Contribution which can be converted to equity.

(b) Securities for Term Loans and NCD :

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

1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
2) 2nd pari-passu charge on the Gammon House, entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

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

1) 1st pari-passu charge on Gammon House.
2) 2nd pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
3) 2nd pari-passu charge on entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

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

1) 3rd pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.
2) 3rd pari-passu charge on the Gammon House.

Working Capital Term Loan (WCTL) -

1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
2) 2nd pari-passu charge on the Gammon House, entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

Priority Loan -

1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
2) 2nd pari-passu charge on the Gammon House, entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

Non Convertible Debentures (NCD) and FITL thereon -

1) 1st pari-passu charge by mortgage of Gujarat Property and hypothecation over the pari-passu security with the Non Convertible Debentures.
2) 3rd pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.
3) 3rd pari-passu charge on the Gammon House.
4) In case of 9.95% NCD of ₹ 50 Crore, being not part of CDR scheme, interest is not converted in to FITL. This redeemable NCD is secured by hypothecation of specific Plant and Machinery with pari-passu charge by mortgage of immovable property in Gujarat.

Funded Interest Term Loan (FITL) -

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

(c) Interest on Term Loans -

Facility	Interest Rate	Remarks
OD	MCLR 6M + 5.55%	Spread including penal interest
WCTL	I Base + 10.25%	Spread including penal interest
PL	MCLR 1Y + 5%	Spread including penal interest
CC	MCLR 6M + 5.45%	Spread including penal interest

Non Convertible Debentures

Facility	Principal as on 31 March 2021	Rate	Principal as on 31 March 2020
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, 2021	March 31, 2020
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, 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**

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

As at March 31, 2020	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 sahes and corporate gurantee of Nikhita Estate Developers Private Limited (100%)

Pledge on Promoters holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Pledge on Gammon India Limited’s holding in EPC

Pledge on Gammon India Limited’s holding T&D

Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

2nd Charge on Investments, Loans & Advances, Long Term Receivables (claims) of Gammon India Limited Residual

Second charge on shares of Metropolitan Infra Housing Private Limited (Dombivali)

pledge on shares of Deepmala Infra Private Limited (76%)

pledge on shares of Ansaldocaldaie Boilers India Pvt Ltd (73%)

Pledge on sahres and corporate guarantee of Nikhita Estate Developers Pvt Ltd (100%)

pledge on Promoter’s holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Other contractual comforts and undertakings taken at the time of CDR

c) IDBI - STL

Primary Security

pari-passu charge on the entire current assets, loans & advances investments, long term trade receivables and other assets of Gammon India Limited by way of deed of hypothecation

2nd pari passu charge on the entire fixed assets (immovable and movable) of Gammon india Limited excluding the fixed asste 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, 2021:

Facility	**₹ in Crore**
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,127.39
Total	**1,127.39**

Facility overdrawn as at March 31, 2020:	
Facility	**₹ in Crore**
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,084.99
Total	**1,084.99**

(C) The continuing default on Interest 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
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**

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

As at March 31, 2020	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	9.23	8.91	16.52	251.23	285.90
PL	12.46	12.19	23.15	203.20	251.00
FITL	0.09	0.09	0.17	24.00	24.35
WCTL	10.45	10.18	18.95	151.17	190.75
NCD	7.31	7.55	14.86	90.88	120.60
STL	-	-	-	58.02	58.02
WCDL	-	-	-	-	-
Cash credit	7.64	7.57	14.23	184.34	213.79
Total	**47.18**	**46.49**	**87.89**	**962.84**	**1,144.40**

(D) Unpaid dividend includes ₹ 0.54 Crore (P.Y March 2020: ₹ 0.54 Crore) to be transferred to the Investor Education & Protection Fund.

(E) Interest accrued includes ₹ 1097.19 Crore (P.Y March 2020: ₹ 888.16 Crore) on account of NPA Interest accrued in the books.

(F) Other Payable:

An Amount of ₹ 72.53 crore is payable to GECPL as at March 31, 2021 on account of payment of ₹ 107.16 crores made from the common pool of funds at the time of demerger during the period July 1, 2016 to March 31, 2017. 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	**Total**
Opening balance	**3,730.44**
Interest accrued and payable	**2,381.39**
Changes from financing cash flows -	
(Repayment) from Long term Borrowings	-
Interest Paid	(2.09)
Closing balance	**6,109.74**

21 Other Current Liabilities

Particulars	**March 31, 2021**	**March 31, 2020**
Contract Liabilities - Client Advances	54.89	55.93
Duty & Taxes Payable	4.88	7.72
Income Tax Payable	2.26	-
Others	0.21	7.54
Unamortised Deferred Rent Income	0.02	0.10
Total	**62.26**	**71.29**

22 Current Tax Liabilities

Particulars	**March 31, 2021**	**March 31, 2020**
Provision for taxation (net of taxes paid)	-	-
Total	**-**	**-**

23 Revenue from Operations

Particulars	**April 2020 - March 2021**		**April 2019 -March 2020**	
Turnover		52.37		71.14
Other Operating Revenue:				
Sale of Scrap	0.47		0.57	
		0.47		0.57
Total		**52.84**		**71.71**

Disclosure as required by Indian Accounting Standard (Ind AS) 115 - Revenue from contracts with customers

(a) Disaggreagtion of revenue from contracts with customers :

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

Particulars	**March 31, 2021**	**March 31, 2020**
Primary geographical markets		
In India	52.37	71.14
Outside India	-	-
Total	**52.37**	**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, 2021	March 31, 2020
(i)	**Due from contract customers:**		
	At the beginning of the reporting period	54.50	53.73
	Cost incurred plus attributable profits on contracts-in-progress	-	-
	Progress Billings made towards contracts-in-progress	-	3.11
	Due from contract customers impaired during the reporting period	-	-
	Receipts from contract customers.	(2.40)	-
	Significant change due to other reasons	-	(2.34)
	At the end of the reporting period	**52.10**	**54.50**
(ii)	**Due to contract customers:**		
	At the beginning of the reporting period	82.71	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	(1.19)	-
	At the end of the reporting period	**81.52**	**82.71**

(c) Performamce 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 ₹ 85.95 crores (previous year amounting to 57.55 Crores).

24 Other Income

Particulars	April 2020 - March 2021	April 2019 -March 2020
Interest Income on EIR on Financial Assets at amortised cost	11.54	12.08
Lease Income	7.20	9.97
Excess provision written back	-	2.20
Profit on Sale of Assets	1.68	1.82
Fair value of current investment	0.03	-
Corporate Guarantee Commission	-	1.60
Interest Received on award	5.01	0.33
Sundry Balances Written Back	7.92	23.46
Share of Profit on Joint Venture	-	0.03
Total	**33.38**	**51.49**

25 Cost of Materials Consumed

Particulars	April 2020 - March 2021	April 2019 -March 2020
Opening Stock	16.97	23.52
Add : Purchases (Net of Discount)	8.19	10.16
Less : Closing Stock	11.18	16.97
Total	**13.98**	**16.71**

26 Employee Benefits

Particulars	April 2020 - March 2021	April 2019 -March 2020
Salaries, Bonus, Perquisites etc.	6.90	7.12
Contribution to Providend and other fund	0.39	0.36
Staff Welfare Expenses	0.15	0.15
Total	**7.44**	**7.63**

27 Finance Cost

Particulars	April 2020 - March 2021	April 2019 -March 2020
Interest Expense	605.79	586.24
Unwinding Interest on financial Liabilities	0.10	0.09
Other Borrowing Costs	0.07	0.22
Total	**605.96**	**586.55**

During the current and in the previous periods one of the lenders has levied penal interest and charges as reversal of benefit of CDR of ₹ 248.48 crores (P.Y. ₹179.93 Crores) 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.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 Companys liability to pay this amount.

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.

28 Depreciation & Amortisation

Particulars	April 2020 - March 2021	April 2019 -March 2020
Depreciation	9.01	9.74
Total	**9.01**	**9.74**

29 Other Expenses

Particulars	April 2020 - March 2021	April 2019 -March 2020
Plant Hire Charges	1.31	2.00
Consumption of Spares	0.82	0.28
Power & Fuel	1.34	1.42
Fees & Consultations	5.47	6.87
Rent	0.98	1.04
Rates & Taxes (incl indirect taxes)	0.49	0.74
Travelling Expenses	0.75	1.16
Communication	0.03	0.04
Insurance	0.83	0.61
Repairs to Plant & Machinery	0.03	0.01
Other Repairs & Maintenance	0.07	0.05
Bank Charges & Guarantee Commission	1.41	1.28
Other Site Expenses	1.84	2.79
Sundry Expenses	0.69	0.65
Sundry Balance Written Off	3.54	23.62
Write off of Contract Assets	7.26	-
Share of loss on Joint Venture	0.34	-
PPE Written Off	1.37	-
Provision for Doubtful Debts and Advances	6.04	7.96
Loss on sale of Investments	4.95	0.50
Foreign Exchange Loss (net)	1.57	13.06
Audit Fees	0.21	0.36
Total	**41.34**	**64.44**

(a) Remuneration to Statutory Auditors

Particulars	April 2020 - March 2021	April 2019 -March 2020
Audit Fees	0.15	0.30
Limited Review	0.05	0.06
Certification & Other Attest Services	0.01	-
Total	**0.21**	**0.36**

30 Exceptional Items

Particulars	April 2020 - March 2021	April 2019 -March 2020
Impairment provision of investment (net of Deferred Tax)	85.30	59.85
Impairment provisions of Loans	3.90	367.75
Provision for Risks & Contingency	8.88	82.34
Write back of Provision of Loans	(2.52)	(1.00)
Total	**95.56**	**508.94**

i) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹1281.14 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 ₹ 8.88 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

ii) The Company's investment in Metropolitan introducing 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 ₹66.18 crores and the same has been shown as exceptional item.

iii) The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹ 1363.98 crores of which Gammon International BV is ₹ 962.76 Crores and Gammon Holding Mauritius Limited is ₹ 401.22 Crores. Based on the valuation carried out by an independent valuer in March 2020, 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 August 11, 2020 for the purposes of the financial statement of March 31, 2020 the reduction in equity value of ₹ 556.46 crores has been provided. The Company has not carried out valuation as at March 31, 2021 due to Covid-19 Pandemic. In the absence of fair valuation report no impact if any on the carrying value of the exposure has been recognised.

iv) 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.

During the previous year there has been incremental provisioning of ₹ 0.69 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

v) 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. Since, the land of Deepmala was the Collateral Security, the Company still showed its Bank Guarantee of ₹ 160 crores to Axis Bank for Gactel's borrowings as contingent liability in its accounts. 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. Considering the total borrowings by both the subsidiaries from Axis Bank and its inability to repay the bank, During the previous year the Company had shown its bank guarantee of ₹ 160 crores to Axis Bank as a current liability and debited Gactel for its recovery. However, the entire exposure of Gactel is provided by the Company.

31 Tax Expense

Particulars	April 2020 - March 2021	April 2019 -March 2020
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Excess short provision for tax	(2.27)	-
Deferred tax	(0.05)	1.01
Income tax recognised in statement of profit or loss	**(2.32)**	**1.01**

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

Accounting profit before income tax for 12 months	(719.17)	(1,121.55)
Enacted tax rates in India (%)	29.12%	29.12%
Computed expected tax expenses	(209.42)	(326.60)
Effect of non- deductible expenses	209.98	332.62
Effect of tax losses and deductable expenses	(4.91)	(6.03)
Net Tax Effects	(4.35)	(0.00)

B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2021
Property, Plant and Equipment	(82.54)	0.82	-	(83.36)
Non Current Investments (*)	(19.64)	0.19	-	(19.83)
Mar-20	**(102.18)**	**1.01**	**-**	**(103.19)**
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)**

(*) Adjusted in Exceptional Items

32 Earning Per Share

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

Particulars	April 2020 - March 2021	April 2019 -March 2020
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 (₹)	(19.43)	(30.43)
Earning Per Share – Diluted (₹)	(19.43)	(30.43)

Reconciliation of weighted number of outstanding during the year :

Particulars	April 2020 - March 2021	April 2019 -March 2020
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

33 Contingent Liability

	Particulars	March 31, 2021	March 31, 2020
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)	248.53	1,075.46
ii	Disputed Sales Tax Liability for which the Company has gone into appeal	30.20	29.33
iii	Claims against the Company not acknowledged as debts	59.97	73.43

Particulars		March 31, 2021	March 31, 2020
iv	Disputed Service Tax Liability	7.79	9.48
v	In respect of Income Tax Matters of Company and its Joint Ventures	334.16	335.18
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 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.

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.

34 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 ₹ 47.22 Crore (PY: ₹ 64.36 Crore) arising from two (PY two) major customer each contributing more than 10% of the total revenue of the Company.

35 Ind As 116 "Leases"

Contractual maturities of Lease Income on undiscounted basis -

Particulars	March 31, 2021	March 31, 2020
Less than one year	4.93	6.37
One to five years	2.06	6.37
More than five years	-	-
	7.00	**12.73**

36 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 ₹ 1363.98 crores of which Gammon International BV is ₹ 962.76 Crores and Gammon Holding Mauritius Limited is ₹ 401.22 Crores. Based on the valuation carried out by an independent valuer in March 2020, 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 August 11, 2020 for the purposes of the financial statement of March 31, 2020 the reduction in equity value of ₹ 556.46 crores has been provided. The Company has not carried out valuation as at March 31, 2021 due to Covid-19 Pandemic. In the absence of fair valuation report no impact if any on the carrying value of the exposure has been recognised.

(c) 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.

During the previous year there has been incremental provisioning of ₹ 0.69 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

(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 in connection with the Investment in Sadelmi of ₹25.72 Crore. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV. The Company has made provision as risks and contingencies aggregating to ₹ 1.66 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said subsidiary for making investment into Sadelmi, in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets considering the net worth and operations of the said Sadelmi.

(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 .

37 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 ₹ 7736.65 Crore as at March 31 ,2021. 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.

The Reserve Bank of India had vide its circular no. RBI/2018-19/ 203 DBR.No.BP.BC.45/ 21.04.048/2018-19 dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets'. These directions were called the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and which came into immediate effect i.e. 7th June, 2019.

These directions were issued by RBI with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets.

Pursuant to the provisions of the above mentioned directions, all the lenders shall enter into an Intercreditor Agreement (ICA) within 30 days of the issuance of the said circular i.e. within 7th July, 2019 to provide for ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender. The circular also provided that the ICA shall be binding on all the lenders, if the decision is agreed by lenders representing 75% by value of total outstanding and 60% of lenders by number.

To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed by all the lenders.

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 above mentioned 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. Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. Based on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) 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, two lenders including the lead monitoring institution provided their in-principle sanction to the company. The salient features of the sanction letters are:

- Monetization of core assets of the Company;
- A new investor will infuse funds followed by a change in management;
- The new investor will assist in realization of claims and repayment to the lenders

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

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.

38 The Company’s exposure to one of the subsidiary company developing a real estate project in Bhopal is ₹ 225.64 crores (net of provisions). Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The Company has already made a provision of ₹ 100 crores against its exposure based on internal estimates of the realisable value. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The management is confident that there will be no further provision required towards impairment.

39 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.

40 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars		Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	731.57	747.60	731.57	747.60
	Others	118.67	108.55	118.67	108.55
	Trade receivables	309.61	379.68	309.61	379.68
	Cash and cash equivalents	7.20	3.37	7.20	3.37
	Bank Balance	0.58	0.58	0.58	0.58
(ii)	FVTPL				
	Mutual Funds & Equity Instrument	0.05	0.03	0.05	0.03
(iii)	FVTOCI				
	Equity Instrument	7.28	7.28	7.28	7.28
	Total Financial Assets	**1,174.96**	**1,247.09**	**1,174.96**	**1,247.09**

Particulars		Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
B	**Financial Liabilities**				
(i)	Amortised Cost				
	Borrowings	-	-	-	-
	Trade payables	118.03	129.91	118.03	129.91
	Others	7,346.79	6,767.87	7,346.79	6,767.87
	Total Financial Liabilities	**7,464.82**	**6,897.78**	**7,464.82**	**6,897.78**

(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, 2021	0.05	-	-	Market Value of Shares
Mutual Funds	March 31, 2021	-	-	-	Market Value of Mutual Funds
Equity Investments - FVTOCI					
Equity Shares	March 31, 2021	-	7.28	-	Based on Valuation considered by lenders for pledge invocation during the year 2018-19
Total financial assets		**0.05**	**7.28**	**-**	

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 liabilities measured at fair value					
Derivative instruments	March 31, 2021	-	-		Valuation from Banks.
Total financial Liabilities		**-**	**-**	**-**	

(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, 2021		March 31, 2020	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	34,37,40,716	10,37,02,270	34,37,40,518	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, 2021 is ₹ 3138.51 Crore and March 31, 2020 is ₹ 3183.77 Crore.

Payable : As at March 31, 2021 is ₹ 963.44 Crore and March 31, 2020 is ₹ 974.98 Crore

Hedge Foreign currency :

Receivable :- As at March 31, 2021 is ₹ NIL and March 31, 2020 is ₹ NIL

Payable : As at March 31, 2021 is ₹ NIL and March 31, 2020 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, 2021		March 31, 2020	
Increase/(decrease) in profit or loss	**1 % Increase**	**1 % decrease**	**1 % Increase**	**1 % decrease**
USD - US Dollar	17.64	(17.64)	18.10	(18.10)
EUR - Euro	4.04	(4.04)	3.89	(3.89)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.07	(0.07)	0.08	(0.08)

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 ₹ 309.60 crore and ₹ 379.68 crore as of March 31, 2021 and March 31, 2020 respectively, unbilled revenue amounting to ₹ 931.69 crore and ₹ 894.41 crore as of March 31, 2021 and March 31, 2020, 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, 2021	Plus 100 basis point	(37.73)
	Minus 100 basis points	37.73
March 31, 2020	Plus 100 basis point	(37.30)
	Minus 100 basis points	37.30

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, 2021	March 31, 2020
Cash and Cash Equivalent	7.20	3.37
Bank Balance	0.58	0.58
Current Investments in mutual Funds and Shares	0.05	0.03
Inventory	33.13	38.92
Trade Receivable Current	26.23	24.75
Loans & Advances Current	5.30	7.91
Other Financial Assets Current	26.73	26.51
Total	**99.23**	**102.07**

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, 2020			
Long term Borrowing	-	-	-
Short term borrowings	-	-	-
Trade payables	112.98	16.93	129.91
Other financial liabilities	6,755.87	12.00	6,767.87
Total	**6,868.85**	**28.93**	**6,897.78**

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**

(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.

41 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, 2021	March 31, 2020
Gross Debt	4,893.83	4,863.90
Less:		
Cash and Cash Equivalent	7.20	3.37
Bank Balance	0.58	0.58
Marketable Securities -Liquid Mutual Funds	0.05	0.03
Net debt (A)	4,886.00	4,859.92
Total Equity (B)	(4,907.37)	(4,190.64)
Gearing ratio (A/B)	**(1.00)**	**(1.16)**

42 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.

43 Impact of COVID-19 Pandemic

The Covid-19 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 the offices being shut. The COVID -19 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 date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions. The Management does not expect any further adjustment beyond the assessments already made in the financial statements to the assets and liabilities. The Covid Pandemic does not have further implications on the going concern assumptions previously assessed.

44 Details of Rounded Off Amounts

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

All the amounts Below are in Rupees

Particulars	**March 31, 2021**	**March 31, 2020**
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

45 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, 2021.

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : June 28, 2021

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

A	Related Party Disclosure		
	SUBSIDIARIES		**ASSOCIATES**
1	Ansaldocaldai Boilers India Private Limited	1	Finest S.p.A Italy
2	ATSL B.V., Netherland	2	Gammon Infrastructure Projects Limited
3	ATSL Infrastructure Projects Limited	3	RAS Cities and Townships P Ltd
4	Associated Transrail Structures Limited, Nigeria	4	GBLLC (Upto February 25th, 2021)
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	Mrs. Niki Shingade
10	Gammon & Billimoria Limited (Upto February 25th, 2021)		
11	Gammon Holdings (Mauritius) Limited		**Independent Director**
12	Gammon Holdings B.V.	1	Mr. Soumendra Nath Sanyal
13	Gammon International B.V.	2	Mr. Ulhas Prabhakar Dharmadhikari
14	Gammon International FZE	3	Mr. Vinath Hegde
15	Gammon Power Limited		
16	Gammon Realty Limited		
17	Gammon Retail Infrastructure Private Limited		
18	Metropolitan Infrahousing Private Limited		
19	P.Van Eerd Beheersmaatschappaji B.V.		
20	Patna Water Supply Distribution Network Pvt Ltd		
21	Gammon Transmission India 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 B

Apr 20- March 21 ₹ **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**
		-	-	-	-	**-**
	Guarantee Income	**-**	**-**	**-**	**-**	**-**
		(1.36)	**-**	**-**	**-**	**(1.36)**
	Ansaldo Caldaie Boilers India Pvt Ltd	-	-	-	-	**-**
		(0.52)	-	-	-	**(0.52)**
	Gactel Turnkey Projects Limited	-	-	-	-	**-**
		(0.40)	-	-	-	**(0.40)**
	Metropolitan Infrahousing Private Limited	-	-	-	-	**-**
		(0.44)	-	-	-	**(0.44)**
	Finance provided for Loans, expenses & on a/c payments	**10.80**	**-**	**-**	**-**	**0.21**
		(0.17)	**(0.50)**	**-**	**-**	**(0.72)**
	Gammon SEW	-	-	-	-	**-**
		-	(0.50)	-	-	**(0.50)**
	Metropolitan Infrahousing Private Limited	10.76	-	-	-	**10.76**
		-	-	-	-	**-**
	SAE Transmission India Ltd	-	-	-	-	**-**
		(0.09)	-	-	-	**(0.09)**
	Deepmala Infrastructure Private Limited	0.04	-	-	-	**0.04**
		(0.08)	-	-	-	**(0.08)**
	Amount liquidated towards the finance provided	**-**	**0.04**	**-**	**-**	**0.04**
		(1.00)	**(1.03)**	**-**	**-**	**(2.03)**
	Gammon Realty Limited	-		-	-	**-**
		(1.00)		-	-	**(1.00)**
	Gammon OJSC Mosmetrostroy	-	-	-	-	**-**
		-	(0.32)	-	-	**(0.32)**
	Gammon SEW	-	0.04	-	-	**0.04**
		-	(0.71)	-	-	**(0.71)**
	Interest Income during the year	**11.11**	**-**	**-**	**-**	**11.11**
		(11.43)	**-**	**-**	**-**	**(11.43)**
	Gammon Holdings (Mauritius) Ltd	11.11	-	-	-	**11.11**
		(11.43)	-	-	-	**(11.43)**
	Finance received for Loans, expenses & on a/c payments	**-**	**-**	**-**	**-**	**0.01**
		-	**(0.18)**	**-**	**-**	**(0.18)**
	Gammon OJSC Mosmetrostroy	-	-	-	-	**-**
		-	(0.18)	-	-	**(0.18)**
	Patna Water Supply Distribution Network Pvt Ltd	-	-	-	-	**-**
		-	-	-	-	**-**
	Provision for Impairment of investment	**74.69**	**-**	**-**	**-**	**85.29**
		-	**-**	**-**	**-**	
	Metropolitan Infrahousing Private Limited	66.07	-	-	-	**66.07**
		-	-	-	-	**-**
	Gactel Turnkey Projects Limited	8.62	-	-	-	**8.62**
		-	-	-	-	**-**

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Provision for Loans and Advances	**1.89**	**-**	**-**	**-**	**2.34**
		-	**-**	**-**	**-**	**-**
	Gactel Turnkey Projects Limited	1.54	-	-	-	**0.80**
		-	-	-	-	**-**
	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	**228.46**	**-**	**-**	**-**	**240.13**
		228.46	**-**	**-**	**-**	**1,006.19**
	Gammon Holdings B.V.	127.89	-	-	-	**127.89**
		(311.88)	-	-	-	**(311.88)**
	Gammon International B.V.	100.57	-	-	-	**100.57**
		(222.40)	-	-	-	**(222.40)**
	SAE Powerlines S.r.l	-	-	-	-	**-**
		(237.62)	-	-	-	**(237.62)**
	Key Managerial Personnel	**-**	**-**	**-**	**1.48**	**1.48**
	Managerial Remuneration Paid	**-**	**-**	**-**	**(1.93)**	**(1.93)**
	Mr. Ajit B. Desai	-	-	-	0.79	**0.79**
		-	-	-	(0.78)	**(0.78)**
	Mr. Anurag Choudhry	-	-	-	0.54	**0.54**
		-	-	-	(0.54)	**(0.54)**
	Mr. Jaysing Ashar	-	-	-	-	**-**
		-	-	-	(0.47)	**(0.47)**
	Nikki Shingade	-	-	-	0.16	**0.16**
		-	-	-	(0.15)	**(0.15)**
	Director Sitting fees	**-**	**-**	**-**	**0.05**	**0.05**
		-	**-**	**-**	**(0.03)**	**(0.03)**
	S N Sanyal	-	-	-	0.02	**0.02**
		-	-	-	(0.01)	**(0.01)**
	Ulhas Dharmadhikari	-	-	-	0.02	**0.02**
		-	-	-	(0.01)	**(0.01)**
	Vinath Hegde	-	-	-	0.01	**0.01**
		-	-	-	-	**-**
	Outstanding Balances Receivables					
	Loans & Advances	**1,824.37**	**-**	**-**	**-**	**3,533.79**
		(1,829.68)	**-**	**-**	**-**	**(3,367.97)**
	Gammon Holdings B.V.	709.62	-	-	-	**709.62**
		(709.62)	-	-	-	**(709.62)**
	Gammon International B.V.	708.63	-	-	-	**708.63**
		(713.95)	-	-	-	**(713.95)**
	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	**2,122.87**	**-**	**-**	**-**	**3,375.42**
		(2,122.37)	**-**	**-**	**-**	**(3,182.81)**
	Metropolitan Infrahousing Private Limited	325.83	**-**	**-**	**-**	**325.83**
		(325.72)	**-**	**-**	**-**	**(325.72)**
	Gammon Holdings B.V.	804.20	-	-	-	**804.20**
		(803.81)	-	-	-	**(803.81)**
	Gammon International BV	567.30	-	-	-	**567.30**
		(567.30)	-	-	-	**(567.30)**
	Campo Puma Oriente SPA	425.53	-	-	-	**425.53**
		(425.53)	-	-	-	**(425.53)**
	Interest Receivable	**293.45**	**-**	**-**	**-**	**454.96**
		(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	69.64	-	-	-	**69.64**
		(59.74)	-	-	-	**(59.74)**
	Gammon International B.V.	66.35	-	-	-	**66.35**
		(66.35)	-	-	-	**(66.35)**
	Trade & Other Receivable	**192.86**	**771.64**	**-**	**-**	**1,055.31**
		(192.86)	**(771.64)**	**-**	**-**	**(1,063.73)**
	SAE Power Lines s.r.l	192.86	**-**	**-**	**-**	**192.86**
		(192.86)	**-**	**-**	**-**	**(192.86)**
	Gammon OJSC Mosmetrostroy	-	771.64	-	-	**771.64**
		-	(771.64)	-	-	**(771.64)**
	Outstanding Balances Payable					
	Trade & Others Payable	**1.24**	**9.37**	**-**	**-**	**13.62**
		(1.24)	**(9.37)**	**-**	**-**	**(12.83)**
	Gammon OJSC Mosmetrostroy	-	6.90	-	-	**6.90**
		-	(6.90)	-	-	**(6.90)**
	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.

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, 2021, and the Consolidated Statement of Profit and Loss, 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021 and consolidated loss, 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. 10 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, 2021 is ₹ 931.69 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 except that we are informed the arbitrations are in progress. 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, 2021.

b) 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 ₹ 266.18 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.

c) We invite attention to note no. 11 (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 had on prudent basis, based on internal estimates, made a provision of ₹ 100 crores against the exposure of ₹ 325.64 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of ₹ 833.77 crores (net of provision).

d) We invite attention to note no 30 of the Financial Statement relating to penal interest and charges of ₹ 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest and charges amount to ₹ 248.58 Crores up to March 31, 2021. 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. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.

e) We Invite attention to note no 42 of the Financial Statement relating to exposure of the Group in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence, we are unable to comment whether any adjustments are required towards the fair value of the investment in Sofinter S.p.A. measured at Fair Value through Other Comprehensive Income as at March 31, 2021, Total Exposure of the two Subsidiary is ₹ 856.71 Crores.

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 has been not received. There are no audited financial statements after 31st December 2012.

   ii. M/s Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements have not been received since December 31, 2017

iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 1,111.78 crores and total revenues of ₹ Nil.

iv. M/s Ansaldo Caldaie Boilers India Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 44.55 crores and total revenues of ₹ 1.87 crores.

v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. whose financials statement for the year 31st March 2021 has been not received.

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.

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 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.

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. 43 of the Financials 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 ₹ 7944.10 Crore. 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, until there is a finality and settlement of penalty to be paid by the Company for all the past delays in its filings to stock exchanges. The Company has made an application for waiver of penalty and the response is awaited on the matter from the stock exchange. 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 two lenders as detailed in the note no. 43 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:

ATSL Holding BV

As at March 31, 2021 Current liabilities exceed current assets by Euro 1.85 Crores (₹ 160.11 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, 2021, current liabilities exceed current assets by Euro 6.50 Crores (₹ 559.72 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, 2021, current liabilities exceed current assets by Euro 7.20 Crores (₹ 620.07 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, 2021, current liabilities exceed current assets by AED 1.27 Crores (₹ 25.27 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, 2021, current liabilities exceed current assets by Euro 1.58 Crores (₹ 136.41 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, 2021, current liabilities exceed current assets by USD 4.10 Crores (₹ 301.51 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 ₹151.17 crores as at March 31, 2021 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.

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 there are no other matters described to be the key audit matters to be communicated in our report.

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.

When we read the "Other Information" which will be made available to us after the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with the Standards on Auditing.

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 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 15 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 1,464.58 crores as at March 31, 2021, total revenues of ₹ 126.13 crores and net cash inflow amounting to ₹ 0.84 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 includes the Group's share of net loss of ₹ 0.34 crores in respect of 1 joint ventures for the year ended March 31, 2021, 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 4 subsidiaries, whose financial statements reflect total assets of ₹ 1,143.04 crores as at March 31, 2021, total revenues of ₹ Nil and net cash outflow 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. As these Subsidiaries, Joint Ventures and Associates are material to the Consolidated Financial Statements our report has been qualified as detailed in Basis of Qualified Opinion paragraph.

Report on Other Legal and Regulatory Requirements

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, 2021 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, 2021 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, 2021 from being appointed as a director in terms of section 164(2) of the Act.

ii. Mr. Ajit B Desai in case of Gactel Turnkey Projects Ltd.

iii. Mr. Anurag Choudhry in case of ATSL Infrastructure Projects Ltd.

iv. Mr. Atul 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 A”.

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 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 37 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.

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

K N Padmanabhan
Partner
M. No. 36410

Mumbai, Dated: - June 28, 2021
UDIN : 2136410AAAADU2738

ANNEXURE - A TO THE AUDITORS' REPORT

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, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its 9 subsidiary companies and 1 joint ventures (together referred to as 'covered entities' in this report) which are companies incorporated in India as of that date.

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, 2021, 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, 2021:

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

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

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.

Other Matter

a) 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 9 subsidiaries and 1 joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

b) 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 two subsidiary Company, which is Company covered under the Act, whose financial statement reflect total assets of ₹ 1,155.33 crore as at 31 March 2021, total revenues of ₹ 1.87 crore and net cash outflows of Rs 0.22 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. 36410

Mumbai, Dated: - June 28, 2021

UDIN : 2136410AAAADU2738

Consolidated Balance Sheet as at 31, March 2021

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

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	418.60	430.14
(b) Capital work-in-progress	3	-	1.73
(c) Intangible Asset		-	-
(d) Goodwill on Consolidation	4	-	-
(e) Financial assets			
(i) Investments	5	763.58	752.34
(ii) Trade receivable	6	294.89	362.68
(iii) Loans	7	79.12	184.86
(iv) Others financial assets	8	1.56	1.56
(f) Deferred tax assets (net)	9	0.18	0.90
(g) Other non-current assets	10	1,425.29	1,392.61
TOTAL NON-CURRENT ASSETS		**2,983.22**	**3,126.82**
CURRENT ASSETS			
(a) Inventories	11	906.64	948.12
(b) Financial assets			
(i) Investments	5	0.05	0.03
(ii) Trade receivables	6	55.27	55.32
(iii) Cash and cash equivalents	12	9.29	4.83
(iv) Bank balances	12	4.69	6.98
(v) Loans	7	66.04	68.66
(vi) Others financial assets	8	28.95	28.74
(c) Other current assets	10	169.56	180.16
TOTAL CURRENT ASSETS		**1,240.50**	**1,292.84**
TOTAL ASSETS		**4,223.72**	**4,419.66**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	74.11	74.11
(b) Other equity	14	(5,237.32)	(4,385.56)
Equity attributable to owners of the Company		**(5,163.21)**	**(4,311.45)**
(c) Non-controlling interests	15	(129.30)	(117.74)
TOTAL EQUITY		**(5,292.51)**	**(4,429.19)**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	16	-	48.56
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	17	-	-
- Total outstanding dues to other than Micro and Small Enterprises	17	20.94	25.13
(iii) Other financial liabilities		-	
(b) Provisions	18	0.60	0.62
(c) Deferred tax liabilities (net)	9	103.14	103.20
(d) Other non-current liabilities	19	206.95	205.67
TOTAL NON-CURRENT LIABILITIES		**331.63**	**383.18**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	20	606.58	609.67
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	17	0.89	0.25
- Total outstanding dues to other than Micro and Small Enterprises	17	182.07	188.71
(iii) Other financial liabilities	21	7,978.76	7,264.46
(b) Other current liabilities	22	132.11	130.89
(c) Provisions	18	277.27	264.70
(d) Current tax liabilities (net)	23	6.92	6.99
TOTAL CURRENT LIABILITIES		**9,184.60**	**8,465.67**
TOTAL EQUITY AND LIABILITIES		**4,223.72**	**4,419.66**

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. 36410
Mumbai, Dated : June 28, 2021

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 2021

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

Sr No	Particulars	Note No.	2020-21	2019-20
I	Revenue from Operations	24	54.52	86.38
II	Other Income	25	120.72	136.40
III	**Total Income (I +II)**		**175.24**	**222.78**
IV	**Expenses**			
	Cost of Sales	26	14.36	17.74
	Purchases of stock-in-trade	27	-	3.72
	Subcontracting Expenses	28	32.18	58.27
	Employee benefits expense	29	8.06	8.73
	Finance Costs	30	751.95	693.87
	Depreciation & amortization expenses	31	9.11	11.03
	Other expenses	32	119.02	57.20
	Total Expenses		**934.68**	**850.56**
V	**Profit/(Loss) before exceptional items and tax(III- IV)**		**(759.44)**	**(627.78)**
VI	Exceptional items Expense / (Income)	33	35.70	-
VII	**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax**		**(795.14)**	**(627.78)**
	Share of profit / (loss) of associates and joint ventures		(0.34)	(2.78)
VIII	**Profit/(loss) before tax**		**(795.48)**	**(630.56)**
IX	**Tax expenses**	34		
	Current Tax		-	0.00
	Excess / Short Provision of Earlier years		(1.42)	-
	Deferred Tax Liability / (asset)		0.66	0.23
	Total tax expenses		**(0.76)**	**0.23**
X	**Profit after tax for the period**		**(794.72)**	**(630.79)**
XI	**Other Comprehensive Income:**			
A	**Items that will not be reclassified to profit or loss:**			
	- Remeasurements of the defined benefit plans [net of tax]		0.10	(0.32)
B	**Items that will be reclassified to profit or loss**			
	- Exchange differences through OCI		(70.18)	(170.41)
	- Net gain/ (loss) on fair value of equity instruments through OCI		-	(135.73)
	Other Comprehensive Income for the year (A+B)		**(70.08)**	**(306.46)**
XII	**Total Comprehensive Income / (Loss) For The Period (X +XII)**		**(864.80)**	**(937.25)**
	Profit for the year attributable to:			
	- Owners of the Company		**(781.68)**	**(629.82)**
	- Non- Controlling interest		**(13.04)**	**(0.97)**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		**(70.08)**	**(306.46)**
	- Non- Controlling interest		**-**	**-**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		**(851.76)**	**(936.28)**
	- Non- Controlling interest		**(13.04)**	**(0.97)**
XIII	**Earnings per equity share (FV: Rs 2 each)**	35		
	Basic		(21.19)	(17.08)
	Diluted		(21.19)	(17.08)

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : June 28, 2021

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 2021

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

Particulars		2020-21	2019-20
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(795.14)	(627.78)
	Adjustments for :		
	Depreciation	9.11	11.03
	Interest Expenses and Other Finance Cost	751.95	693.87
	(Profit) / Loss on Sale of Assets	(1.68)	(1.82)
	Loss on Disposal/Deconsolidation of Subsidiary	44.85	0.49
	Income recognised towards corporate guarantee	-	(0.24)
	Provision for Doubtful Debts and Advances	16.40	27.34
	Exceptional Item	35.70	-
	Foreign Exchange Loss / (Gain)	(97.31)	(86.72)
	Interest Income	(1.06)	(1.09)
	Provision for Risk & Contingencies	15.37	-
	Write off of Contract Assets	7.26	-
	Sundry Balances written off	3.54	2.24
	Asset written off	1.45	2.46
	Sundry Balances written back	(7.92)	(36.16)
	Operating Profit Before Working Capital Changes	**(17.48)**	**(16.38)**
	Trade Receivables	18.62	6.40
	Inventories	5.78	6.71
	Other financial and non financial Asset	11.09	4.32
	Trade Payables and Provision	(10.39)	(4.55)
	Other financial and non financial liabilities	(4.67)	(3.38)
	CASH GENERATED FROM THE OPERATIONS	**2.95**	**(6.88)**
	Direct Taxes Paid / (Refund)	(2.60)	2.35
	Net Cash from Operating Activities	**5.55**	**(9.23)**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets	-	-
	Sale of Fixed Assets	4.39	3.80
	Sale of Non - Current Investments	-	0.24
	Other Bank Balance	2.27	-
	Sale of Current Investments	-	0.40
	proceeds from sales of investment	0.05	-
	Loans (Given)/Repaid to/by Others	1.66	1.28
	Interest Received	0.41	0.49
	Net Cash from Investment Activities	**8.79**	**6.21**

Consolidated Cash Flow Statement for the year ended 31 March 2021

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

Particulars		2020-21	2019-20
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Other bank balance	-	(0.40)
	Interest paid	(6.79)	(0.58)
	(Repayment)/ Proceeds from Short term Borrowings	(3.09)	2.19
	Net Cash from Financing Activities	**(9.88)**	**1.21**
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**4.46**	**(1.81)**
	Opening Balance	4.83	6.64
	Closing Balance	9.29	4.83
	NET INCREASE IN CASH AND CASH EQUIVALENTS	**4.46**	**(1.81)**
	Components of Cash and Cash Equivalents		
	Cash on Hand	0.03	0.06
	Balances with Bank	9.26	4.77
	Total Balance	**9.29**	**4.83**

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. 36410
Mumbai, Dated : June 28, 2021

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

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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, 2021

Statement of Changes in Equity for the period ended March 31, 2021

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

A Equity Share Capital

Particulars	March 31, 2021		March 31, 2020	
	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 fluctualtions	Total
Balance as at 31 March 2019	**(5,673.09)**	**105.00**	**15.49**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**292.32**	**6.42**	**(3,449.28)**
Profit for the year	(629.82)	-	-	-	-	-	-	-	-	-	**(629.82)**
Fair Valuation of Investment carried at FVTOCI	-	-	-	-	-	-	-	-	(135.73)	-	**(135.73)**
Exchange difference through OCI	-	-	-	-	-	-	-	-	-	(170.41)	**(170.41)**
Re-measurement of net defined benefit plans	(0.32)	-	-	-	-	-	-	-	-	-	**(0.32)**
Balance as at 31 March 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)**
Profit 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	**(7,084.81)**	**105.00**	**15.49**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**156.60**	**(234.17)**	**(5,237.32)**

(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 2021 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 Rs 11.52 crore has been credited to Capital reserve account

(e) Promoters Contribution

The Company had pursuant to the Shareholders approval in May, 2015, 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. 36410
Mumbai, Dated : June 28, 2021

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

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Executive Director & CFO
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Soumendra Nath Sanyal
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, 2021.

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.

B. NEW AND AMENDMENT STANDARD

i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the standalone financial statements of the Company.

ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, “ information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company’s standalone financial statements.

iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company’s standalone financial statements.

iv) 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,2015as 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 reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

b) Principles of Consolidation

(i) The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. 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 2020 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.

v) **The following entities are considered in the Consolidated Financial Statements listed below:**

Sr no.	Name of Entity	Nature of Relationship	March 2021		March 2020	
			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 & Billimoria Limited. (‘GBL’)	Subsidiary	-	-	50.94%	50.94%
5.	Gammon International FZE (‘GIFZE’)	Subsidiary	100.00%	100.00%	100.00%	100.00%
6.	P.Van EerdBeheersmaatschappaji B.V. Netherlands (‘PVAN’)	Subsidiary	100.00%	100.00%	100.00%	100.00%
7.	Deepmala Infrastructure Private Limited (‘DIPL’)	Subsidiary	51.00%	70.52%	51.00%	70.52%
8.	Gammon Retail Infrastructure Private Limited (‘GRIPL’)	Subsidiary	99.00%	99.00%	99.00%	99.00%
9.	Gammon Power Limited. (‘GPL’)	Subsidiary	90.00%	100.00%	90.00%	100.00%
10.	ATSL Holding B.V. Netherlands	Subsidiary	100.00%	100.00%	100.00%	100.00%
11.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary	-	-	100.00%	100.00%
12.	Associated Transrail Structures Limited., Nigeria	Subsidiary	100.00%	100.00%	100.00%	100.00%
13.	Gammon Realty Limited. (‘GRL’)	Subsidiary	75.06%	75.06%	75.06%	75.06%
14.	Gammon Holdings B.V., Netherlands(‘GHBV’)	Subsidiary	100.00%	100.00%	100.00%	100.00%
15.	Gammon Italy S.r.L	Subsidiary	100.00%	100.00%	100.00%	100.00%
16.	Gammon International B.V., Netherlands(‘GIBV’)	Subsidiary	100.00%	100.00%	100.00%	100.00%
17.	Metropolitan Infrahousing Private Limited (‘MIPL’)	Subsidiary	84.16%	84.16%	84.16%	84.16%
18.	Gammon Transmission Limited(‘GTL’)	Subsidiary	100.00%	100.00%	100.00%	100.00%
19.	Gammon Real Estate Developers Private Limited (GRDL)	Subsidiary	100.00%	100.00%	100.00%	100.00%
20.	Ansaldocaldaie Boilers India Private Limited (‘ACB’)	Subsidiary	73.40%	85.37%	73.40%	85.37%
21.	Gammon Holdings (Mauritius) Limited (‘GHM’)	Subsidiary	100.00%	100.00%	100.00%	100.00%
22.	Patna Water Supply Distribution Network Private Limited (‘PWS’)	Subsidiary	73.99%	73.99%	73.99%	73.99%
23.	GIPL - GIL JV	Joint Venture	5.00%	41.61%	5.00%	41.61%
24.	Gammon – OjscMosmetrostroy – JV(‘GOM’)	Joint Venture	-	-	51.00%	51.00%
25.	Ansaldocaldaie-GB Engineering Private Limited. (‘ACGB’)	Joint Venture	50.00%	36.70%	50.00%	36.70%
26.	Gammon SEW(‘GSEW’)	Joint Venture	90.00%	90.00%	90.00%	90.00%
27.	Campo Puma Oriente S.A.	Subsidiary	73.76%	66.39%	73.76%	66.39%
28.	Sofinter SPA	Subsidiary	67.50%	67.50%	67.50%	67.50%
29.	Gammon Infrastructure Projects Limited	Associate	20.60%	20.60%	20.60%	20.60%
30.	G &B Contracting LLC (GBLLC)	Associate of GBL	-	-	24.00%	12.24%

vi) **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.

vii) 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 upto 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 (PPE)

Tangible Assets (₹ in Crore)

Particulars	Freehold Land	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK								
As at 31st March 2019	**393.14**	**0.00**	**41.71**	**123.40**	**3.45**	**4.62**	**3.20**	**569.52**
Additions	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	(16.90)	(0.86)	(2.97)	(1.77)	(22.50)
As at 31st March 2020	**393.14**	**0.00**	**41.71**	**106.49**	**2.59**	**1.65**	**1.43**	**547.02**
Additions	-	-	-	-	-	**0.01**	-	0.01
Disposals/Adjustments	-	-	-	**(13.84)**	**(0.64)**	-	-	(14.48)
As at 31st March 2021	**393.14**	**0.00**	**41.71**	**92.66**	**1.95**	**1.66**	**1.43**	**532.54**
DEPRECIATION								
As at 31st March 2019	-	-	**30.56**	**84.16**	**3.15**	**4.54**	**3.11**	**125.51**
Charge for the Year	-	-	0.83	10.08	0.10	0.01	0.01	**11.03**
Disposals/Adjustments	-	-	-	(14.14)	(0.82)	(2.95)	(1.75)	**(19.66)**
As at 31st March 2020	-	-	**31.38**	**80.10**	**2.42**	**1.59**	**1.37**	**116.88**
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**	**1.60**	**1.38**	**113.94**
NET BLOCK								
As at 31st March 2020	**393.14**	**0.00**	**10.33**	**26.39**	**0.17**	**0.06**	**0.05**	**430.14**
As at 31st March 2021	**393.14**	**0.00**	**9.50**	**15.76**	**0.10**	**0.05**	**0.05**	**418.60**

3 Capital Work in Progress

Particulars	March 31, 2021		March 31, 2020	
Residential Flats under construction	-		1.73	
Other Expenses	-	-	-	1.73
Total		**-**		**1.73**

4 Goodwill/ Capital Reserves on Consolidation

Particulars	March 31, 2021		March 31, 2020	
Goodwill on Consolidation	680.55		699.33	
Less: Goodwill / Capital Reserve of divested subsidiaries	(87.11)	593.44	(87.11)	612.22
Less Provision for Impairment of Goodwill		(597.40)		(616.18)
Total		**(3.96)**		**(3.96)**
Provision for Impairment of Goodwill Consists of:-				
Goodwill of acquisition of-				
SAE Powerlines S.r.L		-		18.78
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**		**616.18**

The balance of ₹ 3.96 represents Capital Reserve on consolidation of one of the subsidiaries which has been grouped under SOCIE.

5 **Financial Assets - Investments**

	Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Non- Current		Current	
A	**Investment valued at Cost, fully paid (Net of Provisions)**				
	Investment in Equity shares (Accounted under Equity method)				
1	In Associate in India	-	-	-	-
2	In Associate Outside India	-	(7.36)	-	-
3	In Joint Venture in India	-	-	-	-
4	In Joint Venture Outside India	(100.97)	(101.28)	-	-
5	In Others in India	(0.02)	0.45	-	-
6	In Others Outside India	-	-	-	-
B	**Investment in Equity shares Carried at Fair value through OCI, fully paid up**				
1	Entity Outside India (Refer Note B (i) and (ii))	856.71	852.67	-	-
2	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)**				
1	Equity Shares	-	-	0.05	0.03
2	Liquid Mutual Funds	-	-	0.00	0.00
	Total	**763.58**	**752.34**	**0.05**	**0.03**
	__Disclosure:__				
1	Investment carried at Cost	(100.44)	(107.64)		
2	Investment carried at FVTOCI	864.01	859.97		
3	Investment carried at FVTPL	-	-	0.05	0.03
	Total	**763.58**	**752.34**	**0.05**	**0.03**

Details of Investments

Non Current Investments

A **Investment in Equity shares as per equity method**

	Particulars		March 31, 2021		March 31, 2020	
			Nos	Amount	Nos	Amount
	(Fully paid-up unless otherwise stated)					
1	**In Associate in India**					
	Gammon Infrastructure Projects Limited *		19,39,99,800	20.99	19,39,99,800	20.99
				20.99		**20.99**
	Less: Provision					
	Gammon Infrastructure Projects Limited			(20.99)		(20.99)
	Total			**-**		**-**

Particulars			March 31, 2021		March 31, 2020	
			Nos	Amount	Nos	Amount
2	**In Associate Outside India**					
	Finest S.p.A, Italy	EUR 1	7,80,000	20.60	7,80,000	20.60
	GBLLC		-	-	504	(7.36)
	Sadelmi SpA			58.32		58.32
	Less: Provision					
	Finest S.p.A, Italy			(20.60)		(20.60)
	Sadelmi SpA			(58.32)		(58.32)
	Total			**-**		**(7.36)**
3	**In Joint Venture in India**					
	Ansaldo GB-Engineering Pvt Ltd		2,00,00,000	13.28	2,00,00,000	13.28
	Less: Provision					
	Ansaldo GB-Engineering Pvt Ltd			(13.28)		(13.28)
	Total			**-**		**-**
4	**In Joint Venture Outside India**					
	Campo Puma Oriente S.A.*	USD 1	6,441	(100.97)	6,441	(101.28)
	Total			**(100.97)**		**(101.28)**

* The above share in joint venture is net of advance of ₹156.95 Cr (P.Y. 146.74 Cr) made by the Company to the joint venture.

M/s Campo Puma Oriente S.A. (CPO):

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 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.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.

	Particulars	Face Value	March 31, 2021		March 31, 2020	
		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	0.00	200	0.00
	Alpine Environmental Engineers Limited #	100	204	0.00	204	0.00
	Bhagirathi Bridge Construction Company Limited #	100	300	0.00	300	0.00
	Modern Flats Limited (Unquoted) #	10	2,040	0.00	2,040	0.00
	Plamach Turnkeys Limited #	100	600	0.01	600	0.01
	Shah Gammon Limited #	100	835	0.01	835	0.01
	STFA Piling (India) Limited (Fully Provided) #	10	2,17,321	0.22	2,17,321	0.22
	Indian Highways Management Company Limited		0	-	-	-
	Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44	4,41,250	0.44
	Tidong Hydro Power Limited	10	25,500	0.03	25,500	0.03
	Indira Container Terminal Private Limited	10	2,64,07,160	26.41	2,64,07,160	26.41
	Franco Tosi Turbines Private Limited	10	0	-	-	-
				27.12		**27.11**
	Less: Transfer of Beneficial Interest in lieu of Deposit received			(26.43)		(26.43)
				0.69		**0.68**
	Less: Provision					
	Air Screw India Ltd.			(0.00)		(0.00)
	Bhagirathi Bcc Ltd.			(0.00)		(0.00)
	Shah Gammon Limited			(0.01)		(0.01)
	STFA Piling India Ltd.			(0.22)		(0.22)
	Alpine Environmental Engineers Limited #			(0.00)		-
	Modern Flats Limited (Unquoted) #			(0.00)		-
	Plamach Turnkeys Limited #			(0.01)		-
	Rajahmundry Godavari Bridge Limited			(0.44)		-
	Tidong Hydro Power Limited			(0.03)		-
	Total			**(0.02)**		**0.45**

- In the absence of financials and no operations these equity investments are fully written off and no further shares of profit/ loss is considered

	Particulars	March 31, 2021		March 31, 2020	
		Nos	Amount	Nos	Amount
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	0.18	1,142	0.18
			0.18		**0.18**
	Less: Provision				
	Gammon Midest Ltd.		(0.18)		(0.18)
	Total		**-**		**-**

B Investment in Equity Shares Valued carried at FVTOCI

Particulars		Face Value	March 31, 2021		March 31, 2020	
		In ₹	Nos	Amount	Nos	Amount
1)	**In Associate Outside India**					
	Sofinter S.p.A.	Euro 0.76	7,86,82,127	856.71	7,86,82,127.00	852.67
	Franco Tosi Meccanica S.p.A.			423.67		423.67
				1,280.38		**1,276.33**
	Less: Provision					
	Franco Tosi Meccania S.p.A.			(423.67)		(423.67)
	Total			**856.71**		**852.67**

(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) Franco Tosi Mecanica S.p.A. (FTM)

The Board of Franco Tosi 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

2) In Associate 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
Total			**7.31**		**7.31**

*During the earlier periods consequent to invocation of pledge of shares TLL and GECPL ceased to be an associate and accordingly has disclosed as other investment in the current year, The Company has accounted the said Investment at Fair Value Through Other Comprehensive Income by making the election as required by the Standards.

C Government Securities

Particulars	Face Value	March 31, 2021		March 31, 2020	
	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, 2021		March 31, 2020	
	In ₹	Nos	Amount	Nos	Amount
Unquoted					
Gammon Shah (fully provided for)			0.00		0.00
Less: Provision					
Gammon Shah			(0.00)		(0.00)
Total			**-**		**-**

Current Investments

E. Other Investments

Investment in Shares and Mutual Funds

Particulars	Face Value	March 31, 2021		March 31, 2020	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
Quoted					
Investments carried at fair value through Profit and Loss					
1 Equity Shares					
Technofeb	10	55,000	0.05	55,000	0.03
Total			**0.05**		**0.03**

Particulars	Face Value	March 31, 2021		March 31, 2020	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
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			**0.05**		**0.02**
Total Non - Current and Current Investments			**763.63**		**752.36**
Aggregate amount of quoted investments			**0.05**		**0.03**
Market Value of Quoted Investment			**0.05**		**0.03**
Aggregate amount of unquoted investments			**763.58**		**752.34**

6 Financial Assets - Trade Receivables

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Trade Receivables : (At amortised cost)				
(Unsecured, considered good unless otherwise stated)				
Considered good	295.09	55.55	363.86	55.39
Considered Doubtful	22.00	217.12	8.43	24.34
Provision for Doubtful debts	(22.00)	(217.12)	(8.43)	(24.34)
	295.09	**55.55**	**363.86**	**55.39**
Less: Expected credit loss	0.20	0.28	1.19	0.06
	294.89	**55.27**	**362.68**	**55.32**
Total	**294.89**	**55.27**	**362.68**	**55.32**

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 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 ₹ 151.17 Crore (Net of Provision), 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 favourable verdict from the courts.

(iii) There are disputes in Four projects of the Company. The total exposure against these projects is ₹ 266.18 Crore consisting of receivable of ₹ 148.05 crores, inventory ₹ 43.49 crore and other receivables ₹ 74.63 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 Crore (inventory - ₹ 21.19 crores and receivables ₹ 23.32 crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.

(b) Expected Credit Loss:

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

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 Rs 9.56 Crores as at March 31, 2021. 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, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	1.19	0.06	1.18	0.07
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.99)	0.22	0.01	(0.01)
Provision at the end of the period	**0.20**	**0.28**	**1.19**	**0.06**

7 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	1.04	-	105.23	0.62
Considered Doubtful	434.16	0.52	341.23	-
Provision for Doubtful Loans	(434.16)	(0.52)	(341.23)	-
Deposits				
Considered Good	2.63	2.52	2.63	4.57
Considered Doubtful	3.00	3.60	3.00	3.60
Provision for Doubtful deposits	(3.00)	(3.60)	(3.00)	(3.60)
Other Loans and Advances				
Considered Good	75.45	63.52	77.00	63.47
Considered Doubtful	4.58	4.94	3.03	4.94
Provision for Doubtful Loans	(4.58)	(4.94)	(3.03)	(4.94)
Total	**79.12**	**66.03**	**184.86**	**68.66**

(i) Disclosure of amounts outstanding at period end as per Schedule V of Listing Obligations and Disclosure Requirements 2015

	March 31, 2021	March 31, 2020
Details of Related parties : Non Current	**Amount**	**Amount**
Considered good:		
GBLLC	-	104.12
RAS Cities and Township Private Limited	1.00	1.00
Hareda Projects Limited	0.04	0.11
Total	**1.04**	**105.23**

	March 31, 2021	March 31, 2020
Considered doubtful:		
Franco Tosi Meccanica SPA	114.35	110.30
Gammon & Billimoria Limited	39.87	-
Hareda Projects Limited	0.05	-
SAE Power lines srl	48.96	-
Campo Puma Oriente S.A.	230.41	230.41
Finest S.p.A.	0.52	0.52
Total	**434.16**	**341.23**

	March 31, 2021	March 31, 2020
Details of Related parties : Current	**Amount**	**Amount**
Considered good:		
Preeti Township Pvt Ltd	-	0.01
Transrail Lighting Limited	-	0.03
GGJV	-	(0.01)
Franco Tosi Meccanica S.P.A	-	0.11
Rajahmundry Godavari Bridge Limited	-	0.35
Tidong Hydro Power Limited	-	0.02
SAE Transmission India Limited	-	0.11
Considered Doubtful:		
SAE Transmission India Limited	0.11	-
Preeti Township Pvt Ltd	0.01	-
Rajahmundry Godavari Bridge Limited	0.35	-
Tidong Hydro Power Limited	0.02	-
Transrail Lighting Limited	0.02	-
Total	**0.52**	**0.62**

(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.

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

8 Other Financial Assets (at amortised cost)

Particulars	**March 31, 2021**		**March 31, 2020**	
	Non Current	**Current**	**Non Current**	**Current**
Interest Accrued Receivable:				
Considered Good	1.56	0.65	1.56	0.62
Considered Doubtful	24.03	-	10.58	-
Less : Provision for Doubtful Interest	(24.03)	-	(10.58)	-
Other Receivable	-	3.77	-	3.59
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Total	**1.56**	**28.95**	**1.56**	**28.74**

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 Chairman and erstwhile 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.

9 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2021		March 31, 2020	
Deferred Tax Liability:				
Property, Plant and Equipment	83.31		83.37	
Non Current Investments- Fair Value changes	19.83	103.14	19.83	103.20
Net Deferred tax Liability		**103.14**		**103.20**
Deferred Tax Asset:				
Property, Plant and Equipment	0.16		0.89	
Tax Disallowances	0.02	0.18	0.01	0.90
Net Deferred tax Assets		**0.18**		**0.90**

10 Other Assets

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current	Non Current	Current
Capital Advances	15.00	-	15.00	-
Contract Assets (Refer note below)	992.75	85.35	950.43	91.27
Less : Provision for credit loss	(2.87)	(0.13)	(0.17)	(0.13)
Prepaid Expenses	-	0.30	-	0.14
Advance to Creditors/Subcontractors				
Unsecured Considered goods	11.05	23.22	11.05	27.37
Unsecured Considered doubtful	-	-	-	3.05
Less: Provision	-	-	-	(3.05)
Staff Advances	-	0.71	-	0.72
Balance with Tax Authority	8.50	20.25	14.18	19.19
Other assets	-	-	-	1.64
Advance Tax Net of Provision	400.86	-	402.12	-
Others	-	39.86	-	39.96
Total	**1,425.29**	**169.56**	**1,392.61**	**180.16**

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 ₹ 931.69 crore as at March 31, 2021 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.

11 Inventories

Particulars	March 31, 2021	March 31, 2020
Raw Material	1.19	1.19
Material at Construction Site	13.65	19.45
Stores and Spares	0.05	0.05
Work In Progress:		
Real Estate- Work In Progress	838.62	874.30
Completed Shops	53.13	53.13
Total	**906.64**	**948.12**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	March 31, 2021	March 31, 2020
Amount of inventories recognised as an expense	9.38	17.74
Amount of write - down of inventories recognised as an expense	4.99	-

a) Movement of Property Development account (Real Estate Work in Progress)

Particulars	March 31, 2021		March 31, 2020	
Balance at the beginning of the year		874.30		831.17
Add : expenses incurred during the year and directly charged to the project				
Finance Costs	-		43.11	
Other Expenses	0.02	0.02	0.02	43.13
Less : Impairment of land value	(35.70)		-	
		(35.70)		-
Closing Balance		**838.62**		**874.30**

b) Project Development (Real estate WIP) includes expenses incurred under the following broad head

Particulars	March 31, 2021	March 31, 2020
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	41.00	40.98
Less : Cost of Shops Sold	(128.14)	(128.14)
Less : Cost of Unsold Completed Units Inventory - Shops	(434.10)	(434.10)
Less : Cost of Land Sold	(977.16)	(977.16)
Less : Impairment of land value	(259.61)	(223.91)
Less : Reduction due to sale of Subsidiary	(8.92)	(8.92)
Total	**838.62**	**874.30**

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 Rs 933.77 crore. Due to slow down in the real estate market the subsidiary Company is facing problems in its development and sale. The Company has already made a provision of Rs 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.

e) ACBI

During the previous year all the materials and consumables of ₹ 1.18 Cr are in the custody of the lenders who have taken over the possession of the subsidiary of the Company. There is no confirmation available from the lenders of the Subsidiary that they are in custody of materials 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, 2021 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

It is the normal practice of the Company to physically verify the inventories at March end for its valuation. However, this was not possible to be done till the previous year ended March 2020 due to the lockdown declared by the Government in view of COVID-19 pandemic. The management proposes to get the stock verified by its Internal Auditors in the near future after normalcy is restored.

During the year the Company reviewed and verified the Inventory and on physiacal verfication 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 Rs 4.99 Cr has been Writte off during the year.

12 Cash and Bank Balance

Particulars	March 31, 2021	March 31, 2020
Cash and cash equivalents		
Cash on Hand	0.03	0.06
Balances with Bank	9.26	4.77
Total	**9.29**	**4.83**
Other Bank Balances		
Unpaid dividend	0.58	0.58
Bank deposits (on margin account)	4.11	6.40
Total	**4.69**	**6.98**

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, 2021 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.

13 Equity Share Capital

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

Particulars	March 31, 2021		March 31, 2020	
	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, 2021		March 31, 2020	
	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**

In the year 2015-16 and 2016-17 pursuant to the invocation to SDR scheme, the bankers have converted an amount of ₹ 4.90 Crore being principal and interest outstanding in to Equity and have been allotted 41,24,496 Equity Shares of ₹ 2 each at a premium of ₹ 9.89 per equity share during the said period representing 1.12% of the Equity Capital.

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2021		March 31, 2020	
	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.

14 Other Equity

Particulars	March 31, 2021	March 31, 2020
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	(7,084.81)	(6,303.23)
Perpetual Promoter Contribution	100.00	100.00
Treasury Shares	(1.69)	(1.69)
Other Comprehensive Income:		
Foreign Currency Translation Reserve	(234.17)	(163.99)
Net gain/ (loss) on fair value of equity instruments	156.60	156.60
Total	**(5,237.32)**	**(4,385.56)**

15 Non-controlling interests

Particulars	March 31, 2021		March 31, 2020	
Balance, beginning of the period		(117.74)		(116.77)
Share of NCI in profits/(losses) for the current period	(13.04)		(0.97)	
Share of NCI in profits/(losses) in Other Equity for the current period	-		(0.00)	
(Decrease) in minority's share on account of subsidiaries divested	1.48	(11.56)	-	(0.97)
Total		**(129.30)**		**(117.74)**

16 Non Current Financial Liabilities - Borrowings

Particulars	March 31, 2021		March 31, 2020	
	Non Current	Current Maturities	Non Current	Current Maturities
Non Convertible Debentures	-	-	-	-
Term Loans	-	-	-	-
Loan taken for Public Private Partnership	-	-	-	-
Loan taken for Foreign Companies	-	-	-	-
Loan taken - Other Companies				
From Banks	-	-	-	-
From Others	-	-	48.56	-
Non Convertible Debentures (secured by mortgage of immovable property)		-	-	-
Total	**-**	**-**	**48.56**	**-**
The above amount includes				
Secured Borrowings	**-**	**-**	**-**	
Unsecured Borrowings	**-**	**-**	**48.56**	**-**

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 ₹ 2,645.65 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, 2021 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.

(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 Mar 2021	As At 31st Mar 2020
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, 2021	March 31, 2020
Credit Facility recalled by Lenders	4,785.75	4,756.24
Principal Overdue:		
With in 1 years	-	-
1 to 5 years	-	-
beyond 5 years	-	-
Total	**4,785.75**	**4,756.24**

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

17 Financial Liabilities - Trade Payable

Particulars	March 31, 2021		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Trade Payables				
- Micro and Small Enterprises	-	0.89	-	0.25
- Others	20.94	182.07	25.13	188.71
Total	**20.94**	**182.96**	**25.13**	**188.96**

(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, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.89	0.89
Principal amount due	0.25	0.25
Interest due on the above	0.64	0.64
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.	0.25	0.25
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.64	0.64

18 Provisions

Particulars	March 31, 2021		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Employee Benefits:				
Provision for Gratuity				
- Indian Companies	0.28	0.28	0.23	0.46
Provision for Leave Encashment	0.32	0.46	0.39	0.49
Others:				
Provision for Risk and Contingencies	-	276.53	-	263.75
Total	**0.60**	**277.27**	**0.62**	**264.70**

(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	263.75	12.78	-	**276.53**
Previous Year	263.75	-	-	**263.75**

(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, 2021	As at March 31, 2020
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.08	0.04
Net Interest Cost	0.04	0.02
Actuarial (Gains)/Losses	-	-
Expenses Recognized	**0.12**	**0.06**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.10)	(0.31)
Return on Plan Assets, Excluding Interest Income	-	0.00
Net (Income)/Expense For the Period Recognized in OCI	**(0.10)**	**(0.31)**
Balance Sheet Reconciliation		
Opening Net Liability	0.69	0.35
Expenses Recognized in Statement of Profit or Loss	0.12	0.06
Liability transferred due to loss of control	(0.12)	0.00
Expenses Recognized in OCI	-	0.33
Benefit Paid Directly by the Employer	-	(0.00)
Employer Contribution	(0.14)	(0.05)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.56**	**0.69**
Category of Assets		
Insurance fund	0.56	0.39
Total	**0.56**	**0.39**

Assumptions	2020-21	2019-20
Expected Return on Plan Assets	6.83%-7.22%	6.83%-7.22%
Rate of Discounting	6.83%-7.22%	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-3%	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	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	1.03	1.00
Delta Effect of +1% Change in Rate of Discounting	(0.03)	(0.04)
Delta Effect of -1% Change in Rate of Discounting	0.04	0.05
Delta Effect of +1% Change in Rate of Salary Increase	0.04	0.05
Delta Effect of -1% Change in Rate of Salary Increase	(0.04)	(0.04)
Delta Effect of +1% Change in Rate of Employee Turnover	0.00	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	(0.00)	(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.

(c) GTPL

The Employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Company has discontinued to recognised leave encashment from September-2014 onward, due to change in the policy, Hence no provision for leave encashment have been provided.

19 Other Non-Current Liabilities

Particulars	March 31, 2021	March 31, 2020
Contact Liabilities- Client Advances	162.93	161.72
Unamortised Deferred Rent Income	0.11	0.14
Rent Deposit	0.91	0.81
Others liability	43.00	43.00
Total	**206.95**	**205.67**

20 Current Financial Liabilities - Borrowings

The borrowings are analysed as follows :

Particulars	March 31, 2021	March 31, 2020
Short Term Loan	414.65	437.39
Other Loans and Advances :		
Others	191.93	172.28
Total	**606.58**	**609.67**
The above amount includes		
Secured Borrowings	**414.65**	**437.39**
Unsecured Borrowings	**191.93**	**172.29**

Note: The entire short term credit facilities of ₹ 1127.39 crores (P.Y ₹ 1084.99 crores) of holding Company is recalled by the lenders and hence disclosed under current Financial liabilities.

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) Facility overdrawn as at March 31, 2021:

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, 2021 and to that extent the balances are unconfirmed.

B Others

ACBI

(a) Securities - Cash Credit from IDBI Bank :

1st charge on current assets of the Company both present and future.

1st Mortgage and charge on all the immovable and movable assets of the Company , both present and future.

Unconditional and irrevocable Corporate Guarantee of Gammon India Limited.

The above mentioned term loans carry an interest rate which is @ MCLR + 310 bps payable on 1st day of each month. Currently IDBI bank's Base Rate plus 310bps is at 12.25% p.a.

DIPL

Term loan from banks are 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 extention of exclusive first charge on the entire current assets, receivables and all bank accounts.

The term loan carries interest in the range of 13.5 % to 14.75 % per annum and were repayable in quarterly instalments of fixed principal plus interest.

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.

21 Other Current Financial Liabilities

Particulars	March 31, 2021	March 31, 2020
Credit Facilities Recalled by Lenders - Secured Including Foreign SPV Companies	4,801.06	4,771.54
Interest Accrued and Due (Refer Note (e) below)	1,895.09	1,400.43
Interest Accrued	1,116.88	915.00
Unpaid Dividend (Refer Note (d) below)	0.58	0.58
Other Payables	-	-
- Related Party	14.25	13.60
- Others	150.90	163.31
Total	**7,978.76**	**7,264.46**

(a) Details of continuing defaults in serving principal repayments are as follows:

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.

As at March 31, 2020:

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 ₹ 4771.54 which is shown in current liabilities.

(b) The continuing default on Interest 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
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
Total	**261.66**	**54.48**	**171.09**	**1,430.61**	**1,917.85**

As at March 31, 2020	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL (Including overdrawn facilities)	47.18	46.49	87.89	962.84	1,144.40
ATSL Holding BV	2.72	-	8.09	22.21	33.02
PVAN	2.41	-	7.18	27.10	36.69
GHBV	7.21	-	21.44	81.95	110.60
GIBV	7.81	3.82	22.75	89.15	123.53
Total	**67.34**	**50.31**	**147.36**	**1,183.25**	**1,448.25**

(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 ₹ 1097.19 Crore (P.Y. ₹ 888.16) crore on account of NPA Interest accrued in the books.

GTPL

Interest accrued includes ₹ 68.53 (P.Y. ₹ 48.95) crore on account of NPA Interest accrued in the books.

Other Payable

(f) An Amount of ₹ 72.53 crore is payable to GECPL as at March 31, 2021 on account of payment of ₹ 107.16 crores made from the common pool of funds at the time of demerger during the period July 1, 2016 to March 31, 2017. 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.

As at March 31, 2019 GECPL ceases to be a related party and hence the amount payable is shown under other liability.

(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) Loan taken by Holding Company

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 proposal 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 2021	Rate	Principal as on 31 March 2020
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) 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 Previous years 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.

(n) 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 Rs 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 Rs 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 Rs 210 crores against its borrowings of Rs 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.

22 Other Current Liabilities

Particulars	March 31, 2021	March 31, 2020
Contract Liabilities	64.94	65.98
Duty & Taxes Payable	15.75	19.25
Unamortised Guarantee	-	-
Unamortised Deferred Rent Income	0.02	0.10
Share Application Money Pending allotment (refer note (i) below)	16.64	16.64
Other Payables	34.76	28.92
Total	**132.11**	**130.89**

ACBI had received amounts as Share Application Money of ₹ 16.64 crores 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 Loan which has also been approved by the Board of Ansaldo Caldaie s.p.A. However on 25 June 14 RBI had turned down the companies request to convert the share application money in to loan 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 received a refund of the advance share application money vide its letter dated 18th May 2015 Submitted to Reserve Bank of India. The appropriate effects of the said amount will be given on receiving final approval from 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 networth 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 favourable response to its reply granting its 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.

The matter is still not concluded and the RBI has sought for further clarification which is being responded by the Company.

23 Current Tax Liabilities

Particulars	March 31, 2021	March 31, 2020
Provision for taxation (net of taxes paid)	6.92	6.99
Total	**6.92**	**6.99**

24 Revenue from Operations

Particulars	2020-21		2019-20	
Revenue from Operations:				
Sale of Services		52.51		79.92
Sale of Land		-		-
Sale of Products		1.20		5.77
Other Operating revenue		0.81		0.69
Total		**54.52**		**86.38**
Breakup of Revenue from Operations:				
Sale of Services:				
Contract Revenue	52.51		79.92	
	-	52.51	-	79.92
Sale of Land		-		-
Sale of Products:				
Revenue from power projects	-		-	
Sale of Products	1.20	1.20	5.77	5.77
Other Operating revenue:				
Sale of Scrap	0.47		0.57	
Miscellaneous Operating Income	0.34		0.12	
Sundry Balances Written Back	-	0.81	-	0.69
Total		**54.52**		**86.38**

(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 upto the reporting date to the total estimated cost to complete

b) The Company undertakes Engineering, Procurement and Construction (EPC) business. The type of work in the contracts with the customers involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. The effect of initially applying Ind AS 115 on the Company’s revenue from contracts with customers is described in Note 1. The Company has applied INDAS 115 prospectively by applying Cumulative catchup approach. Due to the transition method chosen in applying INDAS 115, comparative figures has not been restated to reflect the new requirements.

c) 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, 2021
Primary geographical markets	
In India	54.52
Outside India	-
Total	**54.52**

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, 2021
(A)	**Due from contract customers:**	
	At the beginning of the reporting period	**67.51**
	Cost incurred plus attributable profits on contracts-in-progress	2.54
	Progress Billings made towards contracts-in-progress	(0.99)
	Receipts from contract customers.	0.52
	Significant change due to other reasons	-
	At the end of the reporting period	**69.58**
(B)	**Due to contract customers:**	
	At the beginning of the reporting period	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	(1.19)
	At the end of the reporting period	**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 amounting to ₹ 85.95 crores.

25 Other Income

Particulars	2020-21	2019-20
Interest Income on amortised cost	1.06	1.09
Rent Income	7.20	9.97
Interest Income on award received	5.52	0.40
Foreign Exchange Gain	97.31	86.72
Sundry balances written back	7.92	24.09
Excess provision written back	0.00	12.07
Profit on Sale of Assets	1.68	1.82
Profit on Sale of Investments	0.03	-
Corporate Guarantee Commission	-	0.24
Total	**120.72**	**136.40**

26 Cost of Sales

Particulars	2020-21		2019-20	
Opening Stock	20.64		27.37	
Add : Purchases	8.56	29.20	11.01	38.38
Less : On account of divestment of Subsidiary	-		-	
Less : Closing Stock	14.84	14.84	20.64	20.64
Total		**14.36**		**17.74**

27 Purchase of Stock in Trade

Particulars	2020-21	2019-20
Traded Item - Brought Out Material	-	3.72
Total	**-**	**3.72**

28 Subcontracting Expenses

Particulars	2020-21	2019-20
Subcontracting Expenses	32.18	58.27
Total	**32.18**	**58.27**

29 Employee Benefits

Particulars	2020-21	2019-20
Salaries, Bonus, Perquisites etc.	7.46	8.16
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	0.45	0.41
Staff Welfare Expenses	0.15	0.16
Total	**8.06**	**8.73**

30 Finance Cost

Particulars	2020-21	2019-20
Interest Expense on amortised cost	751.78	693.56
Other Borrowing Costs	0.17	0.31
Total	**751.95**	**693.87**

During the current and in the previous periods one of the lenders has levied penal interest and charges as reversal of benefit of CDR of ₹ 248.48 crores (P.Y. ₹179.93 Crores) 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.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.

31 Depreciation & Amortisation

Particulars	2020-21	2019-20
Depreciation	9.11	11.03
Amortisation	-	-
Total	**9.11**	**11.03**

32 Other Expenses

Particulars	2020-21	2019-20
Plant Hire Charges	1.42	2.00
Consumption of Spares	0.82	0.28
Outward Freight	0.00	0.00
Power & Fuel	1.35	1.51
Fees & Consultations	6.27	7.76
Rent	1.13	1.20
Rates & Taxes (incl indirect taxes)	0.56	2.53
Travelling Expenses	0.81	1.38
Communication	0.03	0.05
Insurance	0.84	0.62
Repairs to Plant & Machinery	0.03	0.01
Other Repairs & Maintenance	0.08	0.06
Bank Charges & Guarantee Commission	1.44	1.29
Other Site Expenses	1.85	4.51
Sundry Expenses	0.72	1.04
Sundry Balance Written Off	3.54	2.24
Write off of Contract Assets	7.26	-
Provision for Doubtful Debts and Advances	16.40	27.34
Loss on account of divestment of stake	-	-
Loss on Sale of investment	57.42	0.49
Provision for Risk and Contingency	15.37	-
Foreign Exchange Loss	-	-
Asset written off	1.45	2.46
Remuneration to Statutory auditors	0.21	0.36
Component Auditors Remuneration		0.06
Other (none of the which is more than 1% of the Operating revenue)	0.02	0.01
Total	**119.02**	**57.20**

Remuneration to Auditors of the Company and its Components

Particulars	2020-21		2019-20	
Remuneration to Company Auditor				
Statutory audit	0.15		0.30	
Limited Review	0.05		0.06	
Attestation and Certification	0.01	0.21	-	0.36
Remuneration to Component Auditor				
Statutory audit	0.02		0.06	
Other Services	-	0.02	-	0.06

33 Exceptional Items

Particulars	2020-21	2019-20
Impairment provisions of Investments , Goodwill and Loans and Receivables	35.70	-
Total	**35.70**	**-**

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 Rs 35.70 Cr has been done based on internal estimate.

34 Tax Expense

Particulars	2020-21	2019-20
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	0.00
Excess short provision for tax	(1.42)	-
Deferred tax	0.66	0.23
Income tax recognised in statement of profit or loss	**(0.75)**	**0.23**

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	2020-21	2019-20
Accounting profit before income tax	(795.48)	(630.56)
Less Non Taxable Profit/(Loss)	(76.31)	493.26
Taxable Profit/(Loss)	**(719.17)**	**(1,123.83)**
Enacted tax rates in India (%)	**29.12%**	**29.11%**
Enacted tax rates in Foreign (%)	**-**	**-**
Computed expected tax expenses	(209.42)	(327.19)
Effect of non- deductible expenses	209.98	332.63
Effects of deductible Expenses/ exempt income	(4.91)	(6.07)
Tax Losses Adjusted	-	-
Set off of brought forward losses	-	0.63
Other	-	-
Income tax expenses - Net as per normal provision	**(4.35)**	**(0.00)**
Tax As per MAT provision	**-**	-
Total Tax	**(4.35)**	**(0.00)**

B Deferred Tax

Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	On account of Loss of Control / Others	Closing Balance
Property, Plant and Equipment	(82.46)	(0.02)	-	-	(82.48)
Non Current Investments *	(19.65)	(0.18)	-	-	(19.83)
Employee Benefits	0.02	(0.01)	-	-	0.01
As at March 31, 2020	**(102.08)**	**(0.21)**	**-**	**-**	**(102.30)**
Property, Plant and Equipment	(82.48)	-	-	-	(82.48)
Non Current Investments	(19.83)	-	-	-	(19.83)
Employee Benefits	0.01	-	-	-	0.01
As at March 31, 2021	**(102.30)**	**-**	**-**	**-**	**(102.30)**

(*) Deferred tax liability ₹ 8.81 Cr (P.Y. ₹101.27 Cr) is adjusted against impairment of goodwill of the subsidiary and hence disclosed under exceptional item

35 Earning Per Share

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

Particulars	2020-21	2019-20
Net Profit attributable to the Equity Share holders	(781.68)	(629.82)
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 (₹)	(21.19)	(17.08)
Earning Per Share – Diluted (₹)	(21.19)	(17.08)

Reconciliation of weighted number of outstanding during the year :

Particulars	2020-21	2019-20
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

36 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	2020-21	2019-20
Less than one year	4.93	6.37
One to five years	2.06	6.37
More than five years	-	-
Total	**7.00**	**12.73**

37 Contingent Liability

	Particulars	March 31, 2021	March 31, 2020
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.	8.77	694.03
2	Disputed Sales Tax Liability for which the Company has gone into appeal	36.56	36.08
3	Claims against the Company not acknowledged as debts	59.97	73.43
4	Disputed Service Tax Liability	7.79	9.48
5	In respect of Income Tax Matters of Company and its Joint Ventures	338.00	337.32
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	Other Matter	0.26	-

11 There is a disputed demand of UCO Bank pending since 1986, of USD 436,251 i.e. ₹1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹.0.12 Crore, which adjustment has not been accepted by the Company.

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

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

14 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.

15 One of the 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.

16 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.

38 Segment Reporting as per IND AS108 " Operating Segments"

(a) The Group is engaged in "Construction and Engineering" and "Real Estate Development" segment.

The Group is engaged mainly in "Construction and Engineering" segment. The Group 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.

(b) Major Customers

Holding Company (GIL):

Revenue of ₹ 47.22 Crore (PY: ₹ 64.36 Crore) arising from two (PY two) major customer each contributing more than 10% of the total revenue of the Company.

39 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 ₹ 754.78 Crore during the previous periods notwithstanding its ongoing endeavor to recover the value of the non core assets.

40 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.

41 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.

42 The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹ 856.71 crores of which Gammon International BV is ₹ 425.61 Crores and Gammon Holding Mauritius Limited is ₹ 431.10 Crores. These investments are carried at Fair Value through Other Comprehensive Income (FVTOCI) which were based on the valuation carried out by an independent valuer in March 2020. The Company has not carried out fair valuation of investment as required by Ind AS 109 "Financial Instrument" as at March 31, 2021 due to Covid-19 Pandemic and In the absence of fair valuation report no impact, if any, on the carrying value of investment has been recognised.

43 Material Uncertainty Relating to Going Concern

(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 ₹ 7944.10 Crore as at March 31 ,2021. 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.

The Reserve Bank of India had vide its circular no. RBI/2018-19/ 203 DBR.No.BP.BC.45/ 21.04.048/2018-19 dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets'. These directions were called the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and which came into immediate effect i.e. 7th June, 2019.

These directions were issued by RBI with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets.

Pursuant to the provisions of the above mentioned directions, all the lenders shall enter into an Inter Creditor Agreement (ICA) within 30 days of the issuance of the said circular i.e. within 7th July, 2019 to provide for ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender. The circular also provided that the ICA shall be binding on all the lenders, if the decision is agreed by lenders representing 75% by value of total outstanding and 60% of lenders by number.

To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting and the ICA was executed in July 2019 by all the lenders.

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. Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. Based on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) 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, two lenders including the lead monitoring institution provided their in-principle sanction letter to the company. The salient features of the sanction letters are:

- Monetization of core assets of the Company;
- A new investor will infuse funds followed by a change in management;
- The new investor will assist in realization of claims and repayment to the lenders

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

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 uncertanities 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 networth is eroded.
2. The Current liabilities of the Company is more than the Current Assets by ₹ 80.43 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 posession of properties of ACGB by lenders for auction. Refer Note 3.

The management is hopeful of tiding over these problems with amicable resolution with lenders and RBI. 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 persuing 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, 2021 Current liabilities exceed current assets by Euro 1.85 Crores (₹ 160.11 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, 2021, current liabilities exceed current assets by Euro 6.50 Crores (₹ 559.72 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, 2021, current liabilities exceed current assets by Euro 7.20 Crores (₹ 620.07 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, 2021, current liabilities exceed current assets by AED 1.27 Crores (₹ 25.27 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) Pvan Eerd Beheersmaatschappij B.V

As on 31st March, 2021, current liabilities exceed current assets by Euro 1.58 Crores (₹ 136.41 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, 2021, current liabilities exceed current assets by USD 4.10 Crores (₹ 301.51 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.

44 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.

45 Disclosure related to interest in other entities as required by IND AS 112 are given in a separate Statement - B

46 Disclosure as required under schedule III of the Companies Act, 2013 is given in Statement- C

47 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

	Particulars	Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	145.16	253.52	145.16	253.52
	Others	30.51	30.30	30.51	30.30
	Trade receivables	350.16	418.00	350.16	418.00
	Cash and cash equivalents	9.29	4.83	9.29	4.83
	Bank Balance	4.69	6.98	4.69	6.98
(ii)	FVTPL				
	Mutual Funds & Equity Instrument	0.05	0.03	0.05	0.03
(iii)	FVTOCI				
	Investments	864.01	859.97	864.01	859.97
	Total Financial Assets	**1,403.88**	**1,573.62**	**1,403.88**	**1,573.62**
	Financial Liabilities				
(i)	Amortised Cost				
	Borrowings	606.58	658.23	606.58	658.23
	Trade payables	203.90	214.08	203.90	214.08
	Others	7,978.76	7,264.46	7,978.76	7,264.46
	Total Financial Liabilities	**8,789.23**	**8,136.77**	**8,789.23**	**8,136.77**

(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, 2021	0.03	-	-	Market Value of Shares
Mutual Funds	March 31, 2021	-	-	-	Market Value of Mutual Funds
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**	
Financial assets measured at fair value					
Investment in Current Investments -FVTPL					
Shares	March 31, 2020	0.03	-	-	Market Value of Shares
Mutual Funds	March 31, 2020	-	-	-	Market Value of Mutual Funds

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
Equity Investments - FVTOCI					
Equity Shares	March 31, 2020	-	7.31	-	Based on Valuation considered by lenders for pledge invocation
Equity Shares	March 31, 2020	-	-	852.67	Based on Independent Valuation Report
Total financial assets		**0.03**	**7.31**	**852.67**	

In case of Investment in FTM which is carried at FVTOCI:

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 invetsment has been fully provided (March 2017 : ₹ 93.56 crores net of provision made).

(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	AC Boilers SpA	Europower SpA	Itea SpA
March 31, 2020	Discount Rate	**10%**	**11%**	**9%**	**9%**
March 31, 2020	Terminal Growth Rate	**2%**	**2%**	**2%**	**2%**

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-20	1,52,100

Effects of Valuation on Other Comprehensive Income

Valuation Date	Carrying value of Investments	Movement on account of changes in Valuation
31-Mar-21	856.71	-
31-Mar-20	852.67	-

48 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, 2021**		**March 31, 2020**	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	34,37,40,716	10,37,02,270	34,37,40,518	10,42,20,159
EUR - Euro	7,01,63,862	2,32,64,585	7,01,72,843	2,48,29,543
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, 2021 is ₹ 3138.51 Crore and March 31, 2020 is ₹ 3183.77 Crore.

Payable : As at March 31, 2021 is ₹ 963.44 Crore and March 31, 2020 is ₹ 974.98 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, 2021		**March 31, 2020**	
Increase/(decrease) in profit or loss	**1 % Increase**	**1 % decrease**	**1 % Increase**	**1 % decrease**
USD - US Dollar	17.64	(17.64)	18.10	(18.10)
EUR - Euro	4.04	(4.04)	3.89	(3.89)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.07	(0.07)	0.08	(0.08)

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 ₹ 350.16 crore and ₹ 418.00 crore as of March 31, 2021 and March 31, 2020 respectively, unbilled revenue amounting to ₹ 934.39 crore and ₹ 894.41 crore as of March 31, 2021 and March 31, 2020, 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, 2021	Plus 100 basis point	(54.08)
	Minus 100 basis points	54.08
March 31, 2020	Plus 100 basis point	(54.30)
	Minus 100 basis points	54.30

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, 2021**	**March 31, 2020**
Cash and Cash Equivalent	9.29	4.83
Bank Balance	4.69	6.98
Current Investments in mutual Funds and Shares	0.05	0.03
Inventory	906.64	948.12
Current Trade Receivable	55.27	147.43
Current Loans & Advances	66.04	68.66
Current Other Financial Assets	28.95	28.74
Total	**1,070.93**	**1,204.78**

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, 2021			
Long term Borrowing	-	-	-
Short term borrowings	606.58	-	606.58
Trade payables	0.89	-	0.89
Other financial liabilities	7,978.76	-	7,978.76
Total	**8,586.22**	**-**	**8,586.22**
As at March 31, 2020			
Long term Borrowing	-	48.56	48.56
Short term borrowings	606.58	-	606.58
Trade payables	0.25	-	0.25
Other financial liabilities	7,264.46	-	7,264.46
Total	**7,871.29**	**48.56**	**7,919.84**

(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.

49 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, 2021	March 31, 2020
Gross Debt	5,407.64	5,429.77
Less:		
Cash and Cash Equivalent	9.29	4.83
Bank Balance	4.69	6.98
Marketable Securities -Liquid Mutual Funds and Equity Shares	0.05	0.03
Net debt (A)	5,393.60	5,417.93
Total Equity (B)	(5,163.21)	(4,311.45)
Gearing ratio (A/B)	**(1.04)**	**(1.26)**

50 Impact of COVID-19 Pandemic

The Covid-19 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 the offices being shut. The COVID -19 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 date of approval of these financial results. 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. The Covid-19 Pandemic does not have further implications on the going concern assumptions previously assessed.

51 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.

52 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, 2021.

53 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. 36410
Mumbai, Dated : June 28, 2021

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

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 Gammon Infrastructure Projects Limited

3 GBLLC (Upto February 25, 2021)

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 Mrs. Niki Shingade

Independent Director

1 Mr. Soumendra Nath Sanyal

2 Mr. Ulhas Prabhakar Dharmadhikari

3 Mr. Vinath Hegde

₹ 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**
		-	-		-	-	-
	Gammon Infrastructure Projects Limited	-	-	0.01	-	-	**0.01**
		-	-	-	-	-	-
	Finance provided for Loans, expenses & on a/c payments		**-**	**-**	**-**	**-**	**-**
			(0.50)		**-**	**-**	**(0.50)**
	Gammon SEW	-	-	**-**	**-**	**-**	**-**
		-	(0.50)	**-**	**-**	**-**	**(0.50)**
	Amount liquidated towards the finance provided		**0.04**	**-**	**-**	**-**	**0.04**
			(1.03)	**-**	**-**	**-**	**(1.03)**
	Gammon SEW	-	0.04	-	-	-	**0.04**
		-	(0.71)	-	-	-	**(0.71)**
	Gammon Mosmetrostroy	-	-	-	-	-	**-**
		-	**(0.32)**	-	-	-	**(0.32)**
	Finance received for expenses & on a/c payments	-	**-**	**-**	**-**	**-**	**-**
		-	**(0.18)**	**-**	**-**	**-**	**(0.18)**
	Gammon Mosmetrostroy	-	-		-	-	**-**
		-	(0.18)	-	-	-	**(0.18)**
	Guarantees and Collaterals Outstanding	-	126.76	-	-	-	126.76
		-	**(126.76)**	**-**	**-**	**-**	**(126.76)**
	Gammon OJSC Mosmetrostroy	-	126.76	-	-	-	**126.76**
		-	(126.76)	-	-	-	**(126.76)**
	Key Managerial Personnel	-	**-**	**-**	**-**	**1.48**	**1.48**
	Managerial Remuneration	-	**-**	**-**	**-**	**(1.15)**	**(1.15)**
	Mr. Anurag Choudhry	-	-	-	-	0.54	**0.54**
		-	-	-	-	(0.54)	**(0.54)**
	Mr. Jaysing Ashar	-	-	-	-	-	**-**
		-	-	-	-	(0.47)	**(0.47)**
	Mr. Ajit B. Desai	-	-	-	-	0.79	**0.79**
		-	-	-	-	(0.78)	**(0.78)**
	Ms. Niki Shingade	-	-	-	-	0.16	**0.16**
		-	-	-	-	(0.15)	**(0.15)**
	Director Sitting fees and Commission	**-**	**-**	**-**	**-**	**0.05**	**0.05**
		-	**-**	**-**	**-**	**(0.03)**	**(0.03)**
	Vinath Hegde	-	-	-	-	0.01	**0.01**
		-	-	-	-	-	**-**
	S N Sanyal	-	-	-	-	0.02	**0.02**
		-	-	-	-	(0.01)	**(0.01)**
	Ulhas Dharmadhikari	-	-	-	-	0.02	**0.02**
		-	-	-	-	(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
	Loans & Advances	**48.96**	**230.41**	**-**	**114.35**	**-**	**394.24**
		-	**(230.41)**	**(104.12)**	**(103.24)**	-	**(445.34)**
	Campo Puma Oriente S.A.	-	230.41	-	-	-	**230.41**
		-	(230.41)	-	-	-	**(230.41)**
	SAE Powerline s.r.l	48.96	-	-	-	-	**48.96**
		-	-	-	-	-	**-**
	GBLLC	-	-	-	-	-	**-**
		-	-	(104.12)	-	-	**(104.12)**
	Franco Tosi Meccanica S.p.A	-	-	-	114.35	-	**114.35**
		-	-	-	(103.24)	-	**(103.24)**
	Provision made for doubtful debts	**241.82**	**230.41**	**-**	**114.35**	**-**	**587.10**
		-	(230.41)	-	(103.24)	**-**	**334.17**
	Franco Tosi Meccanica S.p.A	-	-	-	114.35	-	**114.35**
		-	-	-	(103.24)	-	**(103.24)**
	SAE Powerline s.r.l	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**	**771.64**	**-**	**-**	**-**	**964.61**
		-	**(772.09)**	**-**	**-**	**-**	**(772.21)**
	SAE Powerline s.r.l	192.86					**192.86**
		-	-	-	-	-	**-**
	Gammon OJSC Mosmetrostroy	-	771.64	**-**	**-**	**-**	**(772.13)**
		-	(771.64)	**-**	**-**	**-**	**(771.64)**
	Trade & Others Payable	-	**8.26**	**-**	**-**	**-**	**8.74**
		-	**(6.78)**	**(1.79)**	**-**	**-**	**(9.06)**
	GBLLC	-	-	-	-	-	**-**
		-	-	(1.79)	-	-	**(1.79)**
	Gammon OJSC Mosmetrostroy	-	7.07	-	-	-	**7.07**
		-	(6.57)	-	-	-	**(6.57)**
	Gammon SEW	-	1.19	-	-	-	**1.19**
		-	(0.21)	-	-	-	**(0.21)**

(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

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 Crore

Particulars	ACB		DIPL	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	38.93	38.77	0.34	0.35
Current assets	5.62	8.17	1,110.44	1,110.68
Non-current liabilities	(0.07)	(0.06)	(142.33)	(142.33)
Current liabilities	(86.41)	(88.60)	(1,075.58)	(1,032.66)
Capital Contributions	(5.84)	(5.84)	-	-
Net assets	**(47.77)**	**(47.57)**	**(107.13)**	**(63.95)**
Net assets attributable to NCI	**(12.71)**	**(12.65)**	**(31.58)**	**(18.85)**
Revenue	1.53	5.90	-	-
Profit for the year	(0.22)	(2.32)	(43.17)	(0.63)
Profit/(Loss) allocated to NCI	**(0.06)**	**(0.62)**	**(12.73)**	**(0.19)**
Other comprehensive income	-	(0.01)		
OCI allocated to NCI	-	(0.00)	-	-
Cash flow from operating activities	0.04	(0.78)	-	-
Cash flow from investing activities	2.62	0.04	-	-
Cash flow from financing activities	(2.67)	0.62	-	-
Net increase/ (decrease) in cash and cash equivalents	(0.01)	(0.12)	-	-

Particulars	GBL*		ATSLInfra	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets		104.76	-	
Current assets		0.01	2.52	2.53
Non-current liabilities		(107.81)		
Current liabilities		(0.00)	(2.52)	(2.52)
Net assets		**(3.04)**	**0.00**	**0.01**
Net assets attributable to NCI		**(1.49)**	**0.00**	**0.01**
Revenue		-	-	-
Profit for the year		(0.02)	(0.01)	(0.01)
Profit/(Loss) allocated to NCI		**(0.01)**	**(0.00)**	**(0.01)**
Other comprehensive income		-	-	-
OCI allocated to NCI			-	-
Cash flow from operating activities		(0.01)	0.00	0.00
Cash flow from investing activities		-	-	-
Cash flow from financing activities		-	(0.00)	-
Net increase/ (decrease) in cash and cash equivalents		(0.01)	0.00	0.00

₹ In Crore

Particulars	PWS		GRIPL	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	5.80	6.66	0.03	0.03
Current assets	26.47	26.47	0.14	0.15
Non-current liabilities	(0.01)	(0.01)	-	-
Current liabilities	(68.88)	(68.87)	(0.12)	(0.13)
Net assets	**(36.63)**	**(35.75)**	**0.05**	**0.05**
Net assets attributable to NCI	**(9.52)**	**(9.30)**	**-**	**-**
Revenue	-	-	-	-
Profit for the year	(0.87)	(0.03)	(0.01)	(0.01)
Profit/(Loss) allocated to NCI	**(0.23)**	**(0.01)**	**-**	**-**
Other comprehensive income		-	-	-
OCI allocated to NCI		-	-	-
Cash flow from operating activities	(0.01)	(0.05)	(0.01)	(0.01)
Cash flow from investing activities	0.01	-	-	0.00
Cash flow from financing activities	-	0.05	0.00	(0.03)
Net increase/ (decrease) in cash and cash equivalents	(0.00)	(0.00)	(0.00)	(0.04)

Particulars	GRL		METRO	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	17.85	17.85	97.18	102.75
Current assets	95.27	95.27	83.91	83.10
Non-current liabilities	(142.08)	(142.07)	(417.18)	(417.07)
Current liabilities	(8.23)	(8.23)	(177.54)	(169.13)
Capital Contributions	-	-	(4.38)	(4.38)
Net assets	**(37.18)**	**(37.18)**	**(418.01)**	**(404.72)**
Net assets attributable to NCI	**(9.27)**	**(9.27)**	**(66.21)**	**(64.11)**
Revenue	-	-	-	-
Profit for the year	(0.01)	(0.03)	(0.12)	(0.85)
Profit/(Loss) allocated to NCI	**(0.00)**	**(0.01)**	**(0.02)**	**(0.13)**
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	(0.01)	2.61	0.91	(0.50)
Cash flow from investing activities	(0.00)	(1.68)	-	-
Cash flow from financing activities	0.01	(1.00)	(0.12)	(1.27)
Net increase/ (decrease) in cash and cash equivalents	(0.00)	(0.07)	0.79	(1.77)

* During the Company has sold its stake in GBL hence GBL ceased to be subsidiary of the Company as on March 31, 2021.

2 Table below provide summarised financial information for Joint venture

Particulars	GOMCHN / OJSC (*)		GSEW	
	51%		90%	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	-	149.60	12.85	13.21
Current assets				
Cash and Cash equivalents	-	0.01	0.40	0.29
- Other assets	-	4.28	4.81	4.44
Current assets	-	4.29	5.21	4.73
Non-current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	-	152.46	5.85	5.85
- Other liabilities	-	53.65	7.04	7.04

₹ In Crore

Particulars	GOMCHN / OJSC (*)		GSEW	
	51%		90%	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current liabilities	-	206.11	12.89	12.89
Current liabilities				
- Financial liabilities (excluding trade payables , other payables and provisions)	-	-	-	0.11
- Other liabilities	-	-	5.12	4.84
Current liabilities	-	-	5.12	4.95
Net assets	-	(52.22)	0.05	0.09
Group share of net assets	-	(2.49)	0.05	0.08
Revenue	-	-		20.33
Interest Income	-	-	0.02	-
Depreciation and amortisation	-	-	-	-
Finance cost	-	-	-	0.01
Profit/ (Loss) for the year before tax	-	(0.00)	(0.45)	0.18
Income tax expenses	-	-	(0.07)	0.15
Profit/ (Loss) for the year	-	(0.00)	(0.38)	0.04
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(0.00)	(0.38)	0.04
Group share of profit/ (Loss)	-	-	(0.34)	0.03
Group share of OCI	-	-	-	-
Group share of total comprehensive income	-	-	(0.34)	0.03

Particulars	CAMPO *	
	66.39%	
	March 31, 2021	March 31, 2020
Non-current assets	-	-
Current assets		
Cash and Cash equivalents	-	-
- Other assets	-	-
Current assets	-	-
Non-current liabilities		
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-
- Other liabilities	-	-
Non-current liabilities	-	-
Current liabilities		
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-
- Other liabilities	-	-
Current liabilities	-	-
Net assets	-	-
Group share of net assets	-	-
Revenue	-	-
Interest Income	-	-
Depreciation and amortisation	-	-
Finance cost	-	-
Profit/ (Loss) for the year before tax	-	-
Income tax expenses	-	-
Profit/ (Loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Group share of profit/ (Loss)	-	-
Group share of OCI	-	-
Group share of total comprehensive income	-	-

Note

(*) In the absence of financial statements of the company no effects are taken in financial statements and therefore no details are given above

In the absence of financial statements of Blue Water Iron Ore Terminal Private Limited, Sez Adityapur Limited Joint venture no details are disclosed in above disclosure. However, these joint ventures are not carrying out any significant operations and therefore their impact is not expected to be significant.

3 Table below provide summarised financial information for Associates **₹ In Crore**

Particulars	GIPL*		GBLLC	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-Current Assets	-	3,671.17	-	5.89
Current Assets	-	212.93	-	175.97
Non-Current liabilities	-	902.42	-	74.65
Current liabilities	-	2,602.12	-	142.94
Net Assets	-	379.56	-	(35.74)
Group Share of Net Assets	-	20.99	-	(7.36)
Group Share of Net Assets	20.60%		12.23%	

Summarised statement of profit and loss

Particulars	GIPL		GBLLC	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	-	367.73	-	372.96
Other Income	-	27.34	-	8.55
Project Cost	-	103.82	-	347.05
Contract Cost	-	7.38	-	-
Employee Cost	-	20.90	-	-
Depreciation and amortisation	-	125.63	-	1.69
Finance Cost	-	383.00	-	0.02
Other Expenses	-	46.67	-	14.71
Profit/ (Loss) for the year	-	(292.32)	-	18.03
Tax Expense	-	12.65	-	-
Exceptional items Income/(Expense)	-	319.62	-	-
Profit/ (Loss) for the year after tax	-	14.65	-	18.03
Other Comprehensive Income	-	(0.05)	-	-
Total comprehensive income	-	14.60	-	18.03
Group share of profit/(loss)	-	(5.82)	-	3.01
Group share of OCI		-	-	-

(*) In the absence of financial statements of the company no effects are taken in financial statements and therefore no details are given above

(**) In the absence of financial statements of Finest Spa no effects are taken in financial statements and therefore no details are given above.However, these associates are not carrying out any significant operations and therefore their impact is not expected to be significant.

Statement C

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Entity wise disclosure of breakup of net assets and profit after tax **(₹ in Crore)**

	Net Assets		Share in Profit or Loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company:				
GIL	21.54%	(1,127.97)	115.41%	(902.18)
Subsidiaries:				
ACB	1.58%	(82.85)	0.02%	(0.16)
ATSLBV	4.53%	(237.33)	(0.04%)	0.28
ATSLInfra	0.00%	(0.02)	0.00%	(0.01)
ATSLNigeria	0.07%	(3.47)	0.00%	-
DIPL	3.35%	(175.54)	3.89%	(30.45)
GACTEL	5.95%	(311.52)	3.94%	(30.80)
GBL	1.18%	(61.81)	5.77%	(45.13)
GHBV	20.96%	(1,097.61)	(2.51%)	19.66
GHM	(0.66%)	34.36	1.34%	(10.47)
GIBV	10.65%	(557.66)	(1.18%)	9.22
GIFZE	0.53%	(27.79)	0.19%	(1.48)
GPL	13.93%	(729.35)	0.00%	(0.01)
GRDL	0.00%	(0.05)	0.00%	(0.00)
GRIPL	(0.00%)	0.00	0.00%	(0.01)
GRL	0.80%	(41.96)	0.00%	(0.01)
GTL	(0.01%)	0.37	0.00%	(0.00)
ISRL	0.00%	(0.23)	0.00%	-
METRO	6.91%	(361.91)	4.58%	(35.80)
PREETI	0.00%	-	0.00%	-
PVEB	3.04%	(159.26)	0.10%	(0.78)
PWS	0.52%	(27.11)	0.08%	(0.65)
SAE	0.00%	-	(31.64%)	247.42
Joint Ventures				
ACGB	(0.25%)	13.32	0.00%	-
GOMCHN / OJSC	0.05%	(2.49)	0.00%	-
GSEW	0.02%	(1.20)	0.04%	(0.34)
GGJV	0.00%	(0.01)	0.00%	-
CAMPO	5.31%	(278.23)	0.00%	-
Associates				
GIPL	0.00%	-	0.00%	-
Grand Total	**100%**	**(5,237.32)**	**100%**	**(781.68)**

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