GAMMON
Builders to the Nation

Gammon India Limited
Annual Report 2016-17

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Abhijit Rajan
Chairman & Managing Director

Mr. Rajul A. Bhansali
Executive Director - International Operations

Mr. Naval Choudhary
Independent Director

Mrs. Urvashi Saxena
Independent Director

Mr. Atul Kumar Shukla
Independent Director

Mr. Chayan Bhattacharjee
Non-Executive and Non-Independent Director

Chief Executive Officer
Mr. Ajit B. Desai

AUDITORS

M/s. Natvarlal Vepari& Co.

REGISTERED OFFICE

'Gammon House', Veer SavarkarMarg, Prabhadevi,
Mumbai – 400 025.

Tel: +91 - 22- 6115 3000 / 6111 4000 / 6744 4000

Fax: +91 - 22- 2430 0221 / 6744 4105

Email: investors@gammonindia.com

Website: www.gammonindia.com

BANKERS / FINANCIAL INSTITUTIONS

ICICI Bank Limited
Canara Bank
IDBI Bank Limited
Punjab National Bank
Syndicate Bank
Bank of Baroda
United Bank of India
Union Bank of India
Allahabad Bank
Bank of Maharashtra
Oriental Bank of Commerce
UCO Bank
United India Insurance
Central Bank of India
Karnataka Bank
Indian Bank
DBS Bank
Life Insurance Corporation of India
General Insurance Corporation of India

REGISTRAR & SHARE TRANSFER AGENT

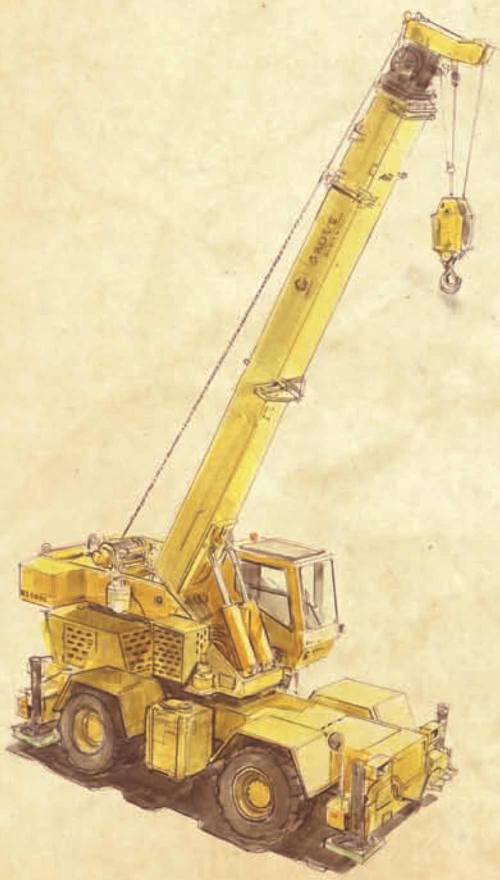
M/s. Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
e-mail : mumbai@linkintime.co.in

“Our fingerprints don’t fade from the lives we touch…”

At **Gammon India,** we believe that the legacy of heroes is the memory of a great name and the inheritance of a great example.

ABOUT GAMMON GROUP

Gammon India Limited ("GIL" or "the company") incorporated in 1922, is an engineering, procurement and construction company. It has been amongst the largest physical infrastructure construction companies in India with a prominent presence across all sectors of civil engineering, design and construction.



GIL has a track record of building iconic landmark structures. This includes "The Gateway of India", the piling and civil foundation work of which was successfully executed by GIL as its maiden project in 1919. GIL is also active through its operations in the realty project segment. Examples include residential complexes such as Pebble Bay and Godrej Woods Man Estate in Bangalore, Godrej Kalyan in Mumbai, Runwwal greens in Mumbai, Nathani Heights in Mumbai and hotel complexes such as Hotel Leela Palace, Chennai and G Staad, Bangalore besides commercial complexes such as Galleria Mall (INXS) in Bangalore. After the carve out of its T&D business and part of the Civil EPC business, GIL continues to carry out its business in the retained Civil EPC business in cooling towers, chimneys, water, environment, buildings and also real estate development.

OVERSEAS PRESENCE

Our overseas presence includes a strategic holding in Italy- based Sofinter Group, with state-of-the art manufacturing facilities in Italy, Romania and India. 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 sectors. Sofinter S.p.A., A.C.Boilers S.p.A (formerly AnsaldoCaldaie S.p.A)., ITEA and Europower are some companies under the Group. Our overseas transmission and distribution projects are executed by our international subsidiary, SAE Powerlines S.r.L, Italy. We also have a substantial stake in Puma Oil Block in the Oriente basin in Eucador

Area of Operations:

Civil Engineering, Procurement and Construction

Transportation (roads, railways, bridges etc),	Power Generation (thermal, industrial and cogeneration plants, dams, nuclear and hydro energy, cooling towers and chimneys)	Environmental engineering (water treatment)	Industrial and residential High-rise buildings

Oil Exploration and Production

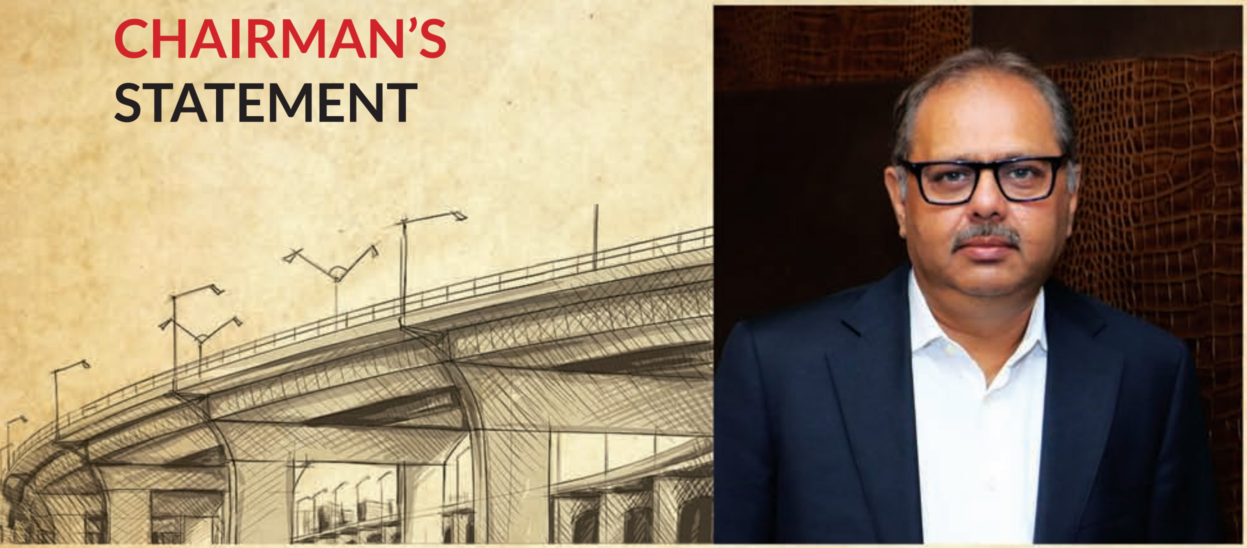
Real Estate Development

KEY PROJECTS – KYC

Jobs Under Progress

Name of Project	Location	Client	Contract Value
Package ANV2: Construction of Viaduct Including Related Works for 5.27 Km length, Kolkata Metro	Kolkata Project Implementation Unit, Kalighat Metro Railway Station Building (North East Corner), Third Floor, 41A, Rash Behari Avenue, Kolkata – 700026, West Bengal	Rail Vikas Nigam Limited	₹309 Crores
Supply of Cement & Reinforcement Steel At NPCIL Kota-Rajasthan for Design, Engg&Const of IDCT	Rawatbhata Rajasthan Site, Anushakti-323303.	Nuclear Power Corporation of India Ltd. (NPCIL)	₹13.89 Crores

CHAIRMAN'S STATEMENT



Dear Shareholders,

It is my pleasure to present to you our Company's performance for the fiscal year 2016–17.

We started the year with the continuing financial stress in the midst of the ongoing debt restructuring which you are aware of. Fortunately we managed to overcome some of the biggest hurdles the Company has faced in its 100-year history and navigated this tough period which ultimately led the Company to exit under Strategic Debt Restructuring on May 17, 2017.

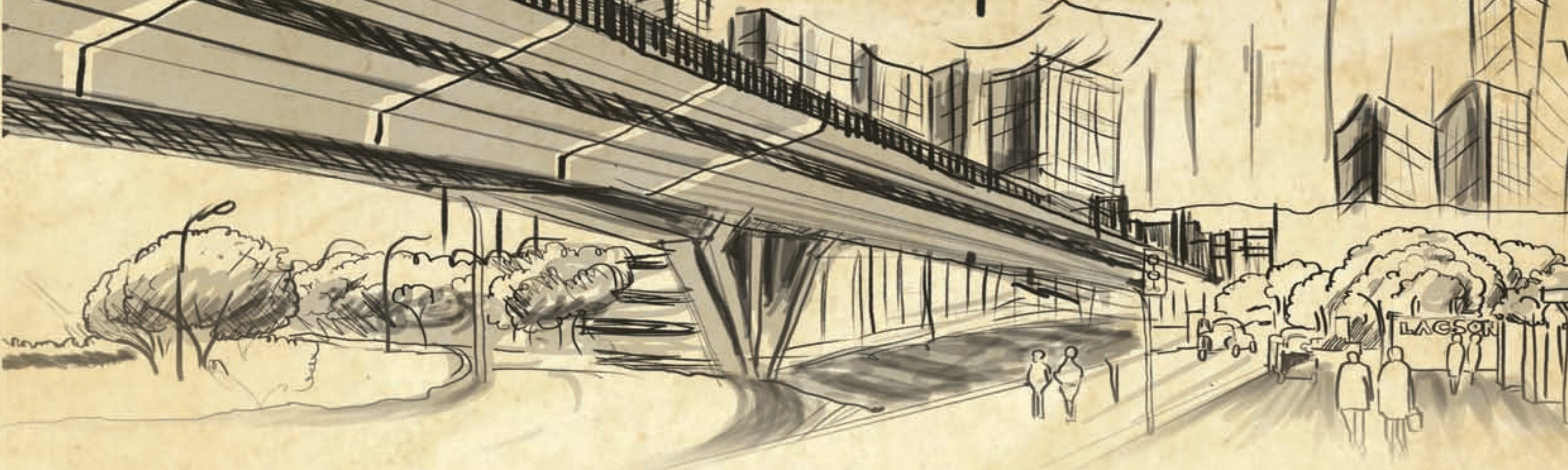
During the year we have successfully completed the remaining carve out of Transmission & Distribution (T&D) business to Transrail Lighting Limited (TLL), stake sale to new promoter Ajanma Holdings Private Limited and change in management. With the carving out of the T&D business Rs. 3,855.20 crores (both funded and non-funded) CDR Debt has been transferred to TLL.

We also obtained shareholders, lenders and National Company Law Tribunal ("NCLT") approval and successfully completed the carve-out and transfer of Civil EPC business to Gammon Engineers and Contractors Pvt. Ltd. (GECPL). A new promoter GP Group of Thailand acquired 75% of the equity shares in GECPL. With this approximately Rs. 6,505.42 crores (both funded and non-funded) CDR Debt was transferred to GECPL.

As one of the first and few companies to successfully implement SDR, we have managed to resolve approx. 70% of lenders exposure. Both TLL and GECPL are now on a path to recovery, giving the traditional business lines nurtured and grown by Gammon India Ltd. over nine decades of its existence, a new lease of life and continuity.

The year 2016-17 continued to remain challenging for the Indian construction sector, but Government at Central and State levels have continued taking various steps for its revival. Some of these include:

- Increased spending in all areas of infrastructure: India's 2016-2017 Union Budget has increased infrastructure expenditure allocation to Rs. 3.96 lakh crore for the sector with significant impetus given for transportation especially roads, highways and metros.
- Implementation of a fair and speedy dispute resolution mechanism and contracting process: Introduction of the Arbitration and Conciliation (Amendment) Act, 2015, which facilitates faster and time bound decision making in the arbitration process coupled with NITI Aayog's initiative to disburse 75% of the awarded amount against margin free bank guarantees.
- Furthermore, the adoption of a model EPC contract in place of item rate contracts is a positive step.



PERFORMANCE REVIEW

During the year under review the Turnover of the Company on a standalone basis stood at Rs. 1,069.85 crores, as compared to Rs. 6,697.50 crores during the previous 18 month period ended 31st March, 2016. The Company posted a Net Loss after Tax of Rs. 1,661.95 crores during the period ended 31st March, 2017, as against a Net profit after Tax of Rs.100.52 Crores during the previous period ended 31st March, 2016.

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at Rs. 1,788.82 Crores as compared to Rs. 8072.57 Crores for the previous 18 month period ended 31st March, 2016. The Group posted a Net Loss after Tax of Rs. 1,153.77 Crores during the period ended 31st March 2017, as against a Net Loss after Tax of Rs. 883.93 Crores during the previous 18 month period ended 31st March, 2016.

The acute financial stress in the Company has severely impacted its operations. The mounting interest burden caused due to delays in monetization of assets have further added to the losses.

In its overseas operations the Company has posted a turn-around in Group Sofinter in Italy. However, the operations in its marginal oil-field in Ecuador continues to be under extreme stress due to lack of financial support needed to fund capex interventions under the strategic debt restructuring plan.

We continue to strive vigorously to meet our debt obligations and to resolve the remaining 30% of the debt. We are exploring various strategic and tactical options to reduce the debt burden and improve financial viability of the business including carve out of the retained Civil EPC business to enable strategic investors to invest in the business, monetization of non-core assets like investments in domestic and overseas subsidiaries as well as real estate holdings and expediting the collection of old receivables. The Company has over Rs. 3000 crores of outstanding arbitration claims of which it is expected to recover atleast Rs. 850 crores with possibility to collect 75% against a bank guarantee in case further legal processes are initiated.

We have also diluted our stake in Gammon Infrastructure Projects Limited (GIPL), a infra development company to repay our debts. We, however continue to hold 39.61% in GIPL which eventually will be sold to repay our debts to our lenders. We are one of the few companies having made various efforts to resolve and repay our debts.

ACKNOWLEDGEMENTS

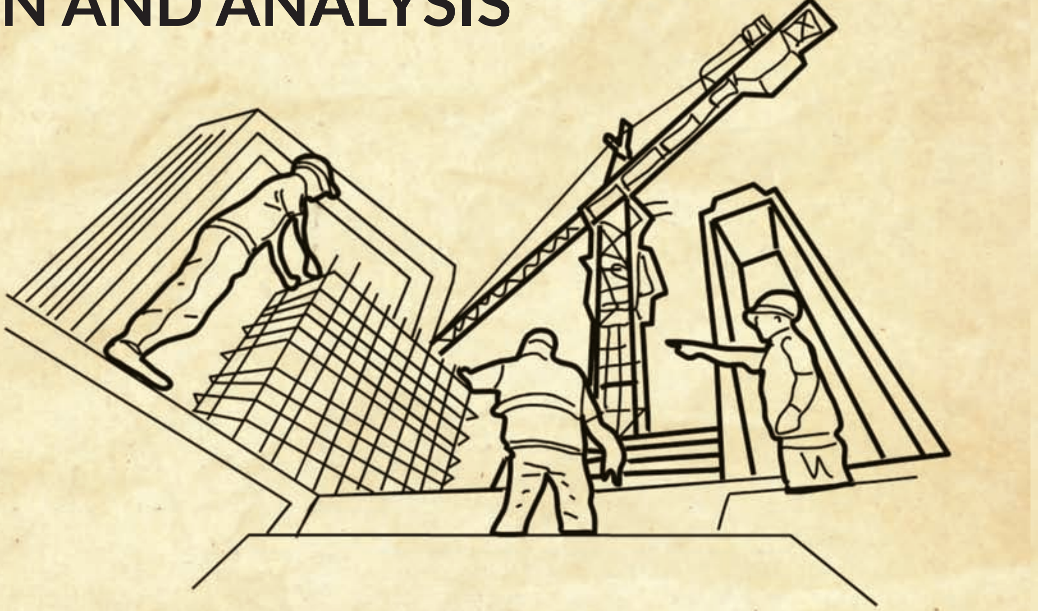
Tough times call for supportive stakeholders and I would like to extend my heartfelt gratitude to all our stakeholders, our lenders and bankers, suppliers, employees, and shareholders for their continued support and the faith reposed in us.

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

With best wishes

Abhijit Rajan,
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS



INDIAN ECONOMY IN FY16-17

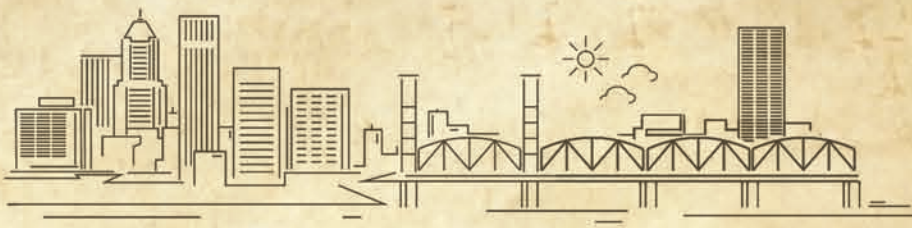
In 2016-17 Indian economy took a sharp downward turn due to demonetization of currency notes with GDP growth rate at constant market prices for 2016-17 placed at 7.1 per cent as against 7.9% for 2015-16. Other major macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement in 2016-2017. Central Government is confident of achieving fiscal deficit target of 3.5% of GDP for FY 16-17. Average retail inflation, measured by Consumer Price Index(CPI), in FY 16-17 (April – December) seen at 4.9%. Average Wholesale Price Index (WPI) inflation, in FY 16-17 (April –December) dropped to 3.4% from 5.1% in August 2015. RBI has cut the repo rate by 25 basis points each in April 2016 and October 2016 to 6.25%.

India is expected to be the fastest growing economy in the world in 2017-18 and will be a key driver for global growth, according to the International Monetary Fund (IMF). As per the Economic Survey 2016-17, the Indian economy should grow between 6.75% and 7.5% in FY 17-18. International agencies like IMF, World Bank have pegged India's GDP growth rate to be between 7.4 to 7.7% in 2017-18. Medium-term growth prospects are favorable, with growth forecast to rise to about 8 per cent due to the implementation of key reforms like GST, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

The introduction of GST will create a unified mechanism to improve the efficiency of tax, create a common Indian market, improve tax compliance and governance, boost investment and growth.

INFRASTRUCTURE AND CONSTRUCTION SECTOR

Construction sector continues to remain the bedrock of indian economy, directly employing more than 35 million people and contributing between 7.5% - 8% to GDP, 2nd only behind agriculture. The indirect impact of construction sector on downstream industries such as steel, cement, automotive is also significant.



In FY17 construction sector saw a drop in growth rate to around 3.1% from around 5% in FY16 due to the effects of demonetization. The construction industry's Gross Value Added figure (GVA) grew at a slower rate of 1.7% in FY 16-17 compared to 5% in FY 15-16 and 4.7% growth in FY 14-15 (Source: Economic Survey of India FY 16-17). Further the gross capital formation in the construction industry decelerated by more than 10% in 2016-17. The industry continues to be plagued by slow pace of project execution, stalled projects, cost overruns, regulatory bottlenecks, challenges in raising capital and lack of an effective dispute resolution mechanism. As per the World Bank's 'Ease of Doing Business 2017', India ranks 185 out of 190 countries in dealing with construction permits.

However, some of the landmark reforms taken by Government with introduction of new bankruptcy code, reforms such as introduction of Arbitration and Conciliation Act 2015, Guideline for Release of 75% of Arbitral Awards by NITI Aayog, which facilitates faster dispute resolution and time bound decision making in the arbitration process, introduction of new models for private participation such as HAM will help in improving the liquidity crunch faced by companies.

Union Budget 2017-18 increased infrastructure spending by more than 10% to Rs. 3.96 lakh crore with Roads and highways allocation up by more than 20% to Rs. 64,900 crores. Currently, the Union Budget sets infrastructure spending at about 8% of GDP, with an aim of increasing it to about 10-11%. In fact, for transportation sector as a whole (rail, roads, shipping, and air) the Budget provided an allocation of Rs. 2.4 lakh crore in 2017-18 to spur economic activity and create more jobs. Emphasis on improving rural infrastructure and impetus on affordable housing will also drive construction sector growth. Further implementation of long overdue reforms such as introduction of GST, formation of RERA, further easing of FDI norms in construction etc. are expected to foster healthy growth.

REVIEW OF FINANCIAL PERFORMANCE

The year under review is a twelve (12) months period commencing from 1st April, 2016 and ending on 31st March, 2017.

During the year under review the turnover of the Company on a standalone basis stood at Rs.1,069.85 crores, as compared to Rs. 6,697.50 crores during the previous 18 month period ended 31st March, 2016. The Company posted a Net Loss after Tax of Rs. 1,659.92 crores during the period ended 31st March, 2017, as against a Net profit after Tax of Rs. 100.52 Crores during the previous period ended 31st March, 2016.

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The turnover of the Company was impacted due to the carve-out and transfer of the T&D business to Transrail Lighting Limited effective 1st January, 2016 and Civil EPC business to Gammon Engineers and Contractors Private Limited during the year that became effective from 1st July, 2016. Hence the results of the Company from 1st July, 2016 onwards primarily reflect the business performance from residual business.

The major reasons for the losses are primarily due to delay in restructuring and monetization, which led to a high interest burden that has eroded the profits.

The Company has been focusing on restructuring and carve-out of the Civil EPC business. The Company has also been successful in recovering certain arbitration claims. The Company is evaluating and

exploring various courses of action for raising funds for Company's operations, including options for future restructuring. The Company is also taking efforts for disposing of its non-core assets to ensure liquidity in the Company & repayment of balance debt.

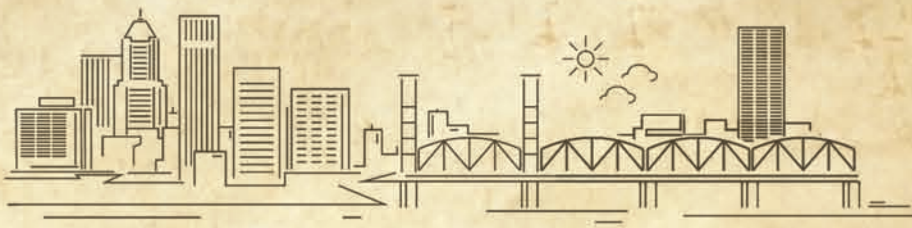
SECTOR-WISE PERFORMANCE

Metro Rail

IntheUnionBudget2017,theCentrehassetasideover Rs. 17,810 crore for metro projects across the country, which is a jump of nearly 14% over last year's allocation. A new Metro Rail Policy will be announced in 2017-18 with focus on innovative models of implementation and financing, as well as standardisation and indigenization of hardware and software. At present, seven metro networks in the cities of Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Gurgaon, and Jaipur are operational with plans to further expand each of these. Metro projects are also in various stages of planning and execution in 31 other cities. Besides, a monorail is already operational in Mumbai. As of September 2016, India has 324 km of operational metro lines. A further 520 km of lines are under construction.

Some of the areas with potential growth opportunities in urban transportation (railways and metro) include the following:

> Dedicated freight corridors
> Rail lines to and from coal mines and ports
> Development of high-speed tracks and suburban corridors
> Re-development of railway stations and freight terminals



During the year your Company continued to make good progress on the project for Construction of Viaduct for Kolkata Metro Railway Line.

Power Sector (Including Cooling Towers and Chimneys)

The Indian thermal power sector continues to under-perform, principally on account of coal block auctions not picking-up pace, putting uncertainty on the principal raw material resource. Also, with renewable energy taking a lion's share of capacity addition in the sector, revival of stalled projects and new capacity addition in thermal sector appears difficult

The Company has its presence across almost all the various segments of power plant construction including water circulation system, cooling towers, chimneys, civil works and coal systems, among others.

Our focus during the period under review was to ensure the completion of ongoing and existing power projects in our portfolio including the Induced Draft Cooling Tower project for Rajasthan Atomic Power Project (RAPP) 7 and 8. However with intense competition in the power segment and steep decline in solar energy prices, we expect margins to continue to remain under pressure.

Water and Environment

With a market size of over USD 4 Billion, the Indian water and wastewater market is growing at a steady rate of 10-12% every year. During the year 2015-16, there was planned investment of about Rs. 1.9 lakh crore on water supply and irrigation. From this about Rs. 1.3 lakh crore were on irrigation projects and 58 thousand crores was planned for water supply and sanitation projects. The Union Government has announced the National river linking project: A largest- of-its-kind project in the world. This project aims to bolster irrigation levels in agriculture by moving 178 billion cubic metres of water across river basin boundaries each year by building a 12,500 kilometer-long water conveyance network, benefiting 220 million Indians.

Gammon India, with its rich legacy in engineering excellence and a proven record of fast-track project completion backed by long-term O&M (operations and maintenance) capabilities, is pre-qualified for all types and sizes of water projects across the country.

During the year your Company focused on executing its water supply project for Jawaja in Beawar tehsil of Ajmer district in Rajasthan for Public Health Engineering Department

Real Estate

In Union Budget 2018, affordable housing has been given infrastructure status. Lock-in period for long-term capital gains on immovable properties such as land and buildings has been reduced from three to two years. Further relaxation in area requirements and time period for the completion of a project;

Government initiatives such as Real Estate Regulation Act (RERA) are increasing transparency, thereby creating trust among consumers that will ultimately benefit the sector. Under 'Housing for All by 2022' objective government has granted infrastructure status to affordable housing which will lead to significant business opportunities opening up for construction and real estate industry and also attract higher investments

FUTURE OUTLOOK

GIL continues to execute the Civil EPC projects it has retained and will monetize its non-core assets comprising of receivables, loans and advances, real estate, investments in subsidiaries and claims .The Company is looking to develop the sizeable landbank as also monetize its various assets and investments to repay its balance debts while exploring various business opportunities. Further almost 70% of the Lenders exposure in the Company has been transferred to the new entities post the carve out; thereby helping ease interest burden on the Company.

Residual EPC business

The announcements made in the Union Budget, coupled with policy reforms undertaken during this fiscal year are expected to lead to higher investments in the sector, especially in sectors like road, bridges and highways, metro and affordable housing segment. In the coming year, Company will focus on improving profitability and speedy execution of current retained projects and also evaluate various options available for bidding for new projects.

Real Estate

The Company through its subsidiary Metropolitan Infrahousing Pvt. Ltd owns a large land bank of 179 acres in region of Dombivali as well as additional land parcels in Mumbai. This land is primarily identified for real estate development. The Company plans to monetize these land parcels either on a Joint Development Agreement (JDA) basis or by way of outright sale. The Company has been in discussions with various developers for developing the land parcels.

The Company will also focus on completing the landmark Shrishti CBD project in Bhopal which is the tallest residential towers in Madhya Pradesh.

Ongoing Arbitrations

The Company has outstanding arbitration claims worth more than ₹3,000 crore as of 31st March, 2017. The Company is working on closing ongoing arbitration proceedings and is expecting an early resolution of the same under the new Arbitration and Conciliation (Amendment) Act, 2015, which facilitates faster dispute resolution and time bound decision making in the arbitration process. The CCEA guidelines on arbitral awards that requires Government to release 75% of award amounts under a bank guarantee will help ease liquidity pressure of the Company.

MANAGING RISKS AND SYSTEMS

The Company's Risk Management policy framework aims to mitigate risks and is reviewed periodically in the face of new challenges. At Gammon India, some of the major risks facing our enterprise include delayed collections, meeting payment obligations, timely completion of projects, long working capital cycle, settlement of claims, high employee attrition, and contractual disputes with clients. In an increasingly challenging and competitive business climate, the Company is taking a pragmatic view of all these risks and is leveraging historical data and variance analysis to counter and offset the negative impact of these risks to some extent.

Some of the key risks that the Company manages proactively and the various steps taken to mitigate these are listed here below:

1. The Company reviews its business processes to strengthen its project management capabilities, tighten contract management, improve information flow and manpower retentions and enhance client relationship.
2. Defaults in payment of running bills and retention money by some clients has put considerable pressure on the working capital requirements of the Company and consequently pushed up financing costs. The Company evaluates client risks and generally seeks payment comfort through instruments such as Letters of Credit and Bank Guarantees, where risk perception is high.

3. The Company has in place insurance cover for its assets, people and projects, to minimize the fallout of unforeseen calamities.
4. The Company has inflows and outflows in different currencies related to its Projects. In addition, it has foreign currency denominated borrowings. To the extent that the overall position exceeds the natural hedge, the Company has a hedging strategy, for which it is equipped with necessary mandates at the operating level.

5. The internal audit department of the Company has in place a programme across the Company. The internal controls of the Company are reviewed to detect and minimize the risks of fraud and misreporting. The reports of the internal controls are regularly reviewed by Audit Committee of the Board and their recommendation for better effectiveness implemented.
6. The Company has introduced controls through a Management System, striving to either eliminate identified risks altogether, or to reduce the adverse effects of such risks, in the following ways:
   a. Reorganisation of marketing, bidding and estimation team which enhanced the pre-qualification, estimation, tender evaluation, formal pre-bid risk assessment and also offered greater commercial oversight on the attractiveness of opportunities and also threats.
   b. Improved project planning and management by reorganising, involvement of competent and experienced resources, focus on plant utilisation, efficiency and effectiveness, coordination meetings to address cross-functional issues, establishing DOA (Delegation of Authorities) and SOP's (Standard Operating Procedures) and effective utilisation of ERP in decision making process.
   c. Subcontractors selection, performance monitoring and evaluation, improved terms and conditions including performance guarantees (transfer of risk) wherever necessary etc.
   d. Monitoring, periodic review and reporting of applicable statutory and regulatory compliance requirements, strengthening of internal audit function and improved verification process, established work procedures, guidelines, quality assurance methodologies and structured internal disclosures mechanism.
   e. Cash management committee established at the highest management level for streamlined fund allocation.
   f. Monitoring of cost and time over runs, creating sector finance controller position and integrating with execution team has resulted in improved cost effective decision making process, various ratio analysis related to cost facilitate execution team leaders to forecast the project cost/time over run.

HUMAN RESOURCES

Our endeavor at HR is to attract and retain employees through effective employee engagement activity. We started with effective Onboarding process so that an employee integrate seamlessly with the culture and start performing right from the beginning. Further a pool of talent is identified through scientific assessment methods considering the business requirement.

Restructuring at top level and new talent induction was carried out in the organization to fill leadership gaps at the middle to senior level within the organization.

Consequent to transfer of Civil EPC business from GIL to Gammon Engineers and Contractors Private Limited (GECPL), department was engaged in restructuring activity and ensuring smooth transition of employees in the T&D and Civil EPC business to Transrail Lighting and Gammon Engineers and Contractors Pvt. Ltd respectively.

INTERNAL CONTROLS

The Company believes that sound internal controls and systems are related with the principles of good governance and should be exercised within a framework of proper checks and balances. Accordingly, your Company has devised and implemented such internal control systems as are required in its business processes

The Company remains committed to ensuring an effective internal control environment that provides assurance on the operations and safeguarding of its assets. The internal controls have been designed to provide assurance with regards to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Management periodically assesses the effectiveness of its internal controls with a view to obviating material weaknesses.

The Internal Audit team at Gammon India regularly monitors the Company's internal control environment as an integrated part of its audit programme. Conventional and strong internal audit processes and robust follow-ups, both at the corporate and project level, ensure concurrent review of the adequacy and effectiveness of internal controls across the Company and of the status of compliance with laid down systems, policies and procedures. In the ERP environment, authentication of IT security and operating rights are periodically addressed by the internal audit team and observations are submitted to the management for review and correction where required.

The Company's Audit Committee consists of Independent Directors and is headed by an experienced professional. The Committee meets periodically to review the auditors' reports and their observations and makes recommendations for adequacy, effectiveness of internal controls and required remedial action, if any, to the Board of Directors for its implementation.

HEALTH, SAFETY & ENVIRONMENT

The Company has a well-defined health, safety and environment (HSE) policy which emphasizes on safe working conditions and the awareness thereof. Our HSE department is headed by senior personnel of the rank of a General Manager. Moreover, every project has a safety in-charge with dual reporting system, functionally as well as administratively. The corporate level safety head guides them and obtains regular safety reports such as minor injury, lost-time injury and fatality. These are reviewed on a monthly basis with all the department heads and the learning is communicated across the Company. Besides, a comprehensive IMS manual is also maintained at every site which includes the various procedures related to safety.

CAUTIONARY STATEMENT

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' 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 operations 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 laws and other statutes and other incidental factors.

GAMMON
Builders to the Nation

Directors' Report

To,

The Members of Gammon India Limited,

Your Directors have pleasure in presenting their 95th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Statutory Auditors Report thereon.

1. **Review of Financial and Operational Performance:**

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	For the Financial Year ended March 31, 2017	**For the 18 (eighteen) months period ended March 31, 2016**	**For the Financial Year ended March 31, 2017**	**For the 18 (eighteen) months period ended March 31, 2016**
Profit before Other Income, Depreciation and Interest	(1419.34)	891.23	(292.71)	1320.61
Add:				
Other Income	308.17	616.20	121.20	90.65
Less:				
Depreciation	32.65	261.47	90.44	377.67
Interest	518.90	1028.17	874.97	1757.02
Profit/(Loss) before Tax	**(1662.72)**	**217.79**	**(1136.90)**	**(723.44)**
Less:				
Provision for Taxation	(2.80)	117.27	16.87	160.50
Profit/(Loss) after Tax	**(1659.92)**	**100.52**	**(1153.77)**	**(883.94)**
Transferred to Minority Interest	-	-	(67.32)	(104.66)
Profit/(Loss) for the year	**(1659.92)**	**100.52**	**(1086.45)**	**(779.28)**
Add:				
Profit brought forward from the previous year	317.85	216.38	(2153.34)	(1470.23)
Available for Appropriation	**(1342.07)**	**316.90**	**(3239.81)**	**(2249.51)**
Appropriations:				
On Divestment of Subsidiary	-	-	-	90.24
Dividend (Proposed) Equity Shares	-	-	-	-
Tax on Dividend	-	-	-	-
Other Adjustments	(5.08)	0.95	(3.28)	5.93
Balance carried to Balance Sheet	**(1347.15)**	**317.85**	**(3243.07)**	**(2153.34)**

- *The Financial Statements for the year ended 31st March, 2017 have been restated in accordance with Ind-AS for comparative information.*
- *The Financial Statements are in compliance with the 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 twelve (12) months period commencing from 1st April, 2016 and ending on 31st March, 2017.

During the year under review the Turnover of the Company on a Standalone basis stood at Rs.1,069.85 crores, as compared to Rs. 6,697.50 crores during the previous 18 month period ended 31st March, 2016. The Company posted a Net Loss after Tax of Rs. 1,661.95 crores during the period ended 31st March, 2017, as against a Net profit after Tax of Rs. 100.52 Crores during the previous period ended 31st March, 2016.

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at Rs.1,788.82 Crores as compared to Rs. 8072.57 Crores for the previous 18 month period ended 31st March, 2016. The Group posted a Net Loss after Tax of Rs. 1,153.77 Crores during the period ended 31st March 2017, as against a Net Loss after Tax of Rs. 883.93 Crores during the previous 18 month period ended 31st March, 2016.

The turnover of the company was impacted due to the carve-out and transfer of the Transmission and Distribution (T&D)business to Transrail Lighting Limited effective 1st January, 2016 and major part of the Civil Engineering Procurement and Construction Business ("Civil EPC Business ") to Gammon Engineers and Contractors Private Limited during the year effective from 1st July 2016 and the effect in the financials being given on the sanctioning of the respective Schemes of Arrangement by the National Company Law Tribunal in end 2017. Hence the results of the company from 1st July, 2016 onwards primarily reflect the business performance from residual business only .

The major reasons for the losses are primarily due to delay in restructuring and monetization, which led to a high interest burden that has eroded the profits.

During the year under review the Company has been focusing on restructuring and carve-out of the Civil EPC business. The Company has also been successful in recovering certain arbitration claims. The Company is evaluating and exploring various courses of action for raising funds for resolving the Company's debts . The Company is also exploring various options of monetizing its investments and other non core assets ,including its real estate to ensure liquidity in the Company and repayment of debt.

CORPORATE RESTRUCTURING AND DEBT RESOLUTION

The Company has been facing financial stress since 2012 on account of various reasons including a slowdown in the economy, inadequate capital, slow and delayed projects, sticky receivables , slow dispute resolution mechanism, delays in land acquisition. Further the Company had also invested in overseas subsidiaries and non-core assets by way of loans and advances or equity. The subdued market conditions could not yield the desired returns on overseas investments and the interest cost on acquisitions added to the Company's financial stress. As a consequence the Company faced difficulties in meeting its obligations to the lenders and referred itself under the aegis of Corporate Debt Restructuring ("CDR") Cell for restructuring of its debt in March, 2013. The final CDR package was approved on June 24, 2013. The Master Restructuring Agreement pursuant to the package was signed on September 24, 2013. Due to CDR the Company faced several problems in securing projects.

The Company's project execution was further impacted due to higher interest burden, delays in project execution thereby resulting in the risk of devolvement of bank guarantees by clients, further deepening the liquidity crisis. Also monetization of assets as envisaged under the CDR package was slow. Due to the severe cash crunch and inability of the existing promoters to infuse additional funds the Lenders invoked Strategic Debt Restructuring ("SDR") in the Company pursuant to RBI Circular dated 8th June, 2015, with reference date as 17th November, 2015. On the invocation of SDR, the lenders converted part of their outstanding loan and interest aggregating to Rs.277.12 Crores into 233,072,637 equity shares in the Company acquiring 63.07% of the total equity capital. The SDR came to an end on 17th May, 2017.

The severe liquidity stress exposed the Company to further delays in project execution and delays in meeting repayment obligations. A critical part of the earlier CDR scheme was monetization of various real state/non-core assets so as to realize amounts totaling to Rs. 2000 Crores over a period of time. However, due to the slowdown in the economy both in India and overseas the Company could not monetize these assets. The Core Civil Engineering, Procurement and Construction ("EPC") business and the Transmission & Distributions ('T&D') business of the Company were being severely impacted due to the additional debt burden. Further the Company also faced difficulties in attracting strategic investors to invest in the Company.

With a view to improve the overall functioning of the Company and to ensure investment by strategic investors in core businesses to ensure their sustenance and growth, it was decided to restructure the businesses by carving out the Transmission and Distribution business and the Civil EPC Business together with all the assets and liabilities including the CDR Debt pertaining to each of these businesses into separate entities and transferring related CDR debt.

The rationale and objective of the restructuring inter-alia includes:

i. To create sector focused companies;

ii. To enable investments by strategic investor;

iii. De-risk businesses from each other;

iv. Deleverage balance sheet of the company;

v. Maintain the PQs including profitability and net worth criteria for bidding in new projects;

vi. Fulfill its debt servicing obligation as per the CDR repayment schedule;

vii. Expedite sale of non-core assets in a phased and more focused manner.

Carve Out of the Transmission And Distribution Business:

The Transmission and Distribution ("T &D") business of the Company was carved out in two phases effective from 1st January, 2016 i.e. by way of a slump sale through a Business Transfer Agreement ("BTA") between the Company and Transrail Lighting Limited ("TLL") and a Slump Exchange by way of a Scheme of Arrangement ("Scheme") between the Company and TLL and their respective shareholders and creditors. The BTA was executed on October 27, 2015 and duly amended on February 12, 2016 pursuant to which the manufacturing facilities at Deoli and Silvassa were transferred along with all assets and liabilities, including secured debt.

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

The National Company Law Tribunal ("NCLT") vide its Order dated 30th March, 2017 approved the Scheme. The Scheme came into operation on 19th April, 2017. On the Scheme becoming operational, the Transmission and Distribution Undertaking of the Company essentially comprising of the Engineering, Procurement and Construction business of the Company in the power Transmission and Distribution sector, the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts including CDR debt of Rs. 3855.20 crores , duties and obligations of the T&D Undertaking stands transferred to and vested in TLL with effect from the appointed date i.e. 1st January, 2016. The Company continues to hold 25% stake in TLL.

Carve Out of Civil EPC Business

The Company as part of the restructuring exercise also carved out major part of the Civil Engineering and Procurement Business of the Company in two phases i.e. by way of a slump sale through a Business Transfer Agreement ("BTA") between the Company and Gammon Engineers and Contractors Private Limited ("GECPL"), then a wholly owned subsidiary of the Company and secondly by way of a slump exchange through a Scheme of Arrangement ("Scheme") between the Company and GECPL and its respective shareholders and creditors. The Civil EPC business essentially comprising of Civil Engineering, Procurement and Construction business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, thermal power etc. as a going concern, which includes all the pre-qualifications, properties, rights and powers and all debts including CDR debt of Rs. 6505.42 crores (Fund and Non-Fund based) liabilities, duties and obligations comprised in/and pertaining to the Civil EPC business which includes the portions being transferred under the BTA and the balance portions being transferred under the scheme. The Business Transfer Arrangement (BTA) was entered into on 21st July, 2016 for transferring certain identified business forming part of the EPC business into GECPL to speed up the process of transfer of the business. The National Company Law Tribunal ("NCLT") in its hearing held on March 22, 2017 also approved the Scheme of Arrangement and the Order became operational from 31st March, 2017. In terms of the Scheme of Arrangement and also the BTA, the Civil EPC business of the Company stands transferred to and vested into GECPL on a going concern basis with effect from the appointed date i.e. July 1, 2016 .

Pursuant to the Investment cum Shareholders Agreement entered into between the Company, GECPL and the G .P Group of Thailand ("Investor") on 21st July, 2016 G P Group of Thailand acquired 75% stake in GECPL and will invest Rs.150.01 Crore. The Company will continue to hold 25% stake in GECPL.

CARVE OUT OF RETAINED CIVIL EPC BUSINESS

As part of further restructuring the Board in its meeting held on 11th April, 2017 approved carve out of the retained Civil EPC business viz. Civil EPC business carried on by the Company in cooling towers, chimneys, industrial and residential buildings, tunnels, dams etc., in relation to the execution capabilities pertaining to identified contracts along with all assets, properties, rights, and all debts, liabilities etc to its wholly owned subsidiary Gammon Transmission Limited ("GTL") in two phases viz. through a slump sale and part transfer through a Scheme of Arrangement between the Company and GTL and its respective shareholders and creditors.

The Shareholders approved the slump sale on 15th May, 2017 for transfer of the retained residual EPC undertaking for a cash consideration of Rs. 10 lakhs. The Company also executed another Business Transfer Agreement for transfer of two identified civil EPC projects along with all assets, properties rights, obligations to GTL for a consideration of Rs. 6,00,00,000/- (Rupees Six Crores) to be discharged by GTL way of issue of 60,00,000 (Sixty Lakhs) equity shares of Rs. 10 each to the Company. On approval of the Scheme of Arrangement between the Company and GTL by the National Company Law Tribunal, GTL will issue 7,40,000 (Seven lakhs forty thousand) fully paid up equity shares of face value of Rs. 10/- each to GIL towards transfer of the retained Civil EPC Undertaking. The said Scheme is awaiting SEBI approval .

The Board has also approved the sale of 90% of its equity stake in GTL to Transrail Lighting Limited and Ajanma Holdings Private Limited ("Investors") for a consideration of Rs. 5,00,00,000/- (Rupees Five Crores only) . The Board has also accepted the proposal from Transrail Lighting Limited and Ajanma Holdings Private Limited ("Investors") for investment of Rs.10,00,00,000, (Rupees Ten Crores only) into GTL post the completion of the Scheme as aforementioned. Post the investment, the Investors will hold 90% and the Company will hold 10% equity stake in GTL.

The Company has sought the approval of the lenders for carve out of the retained Civil EPC business .

Infrastructure Development Business

GIPL is a pan India BOT infrastructure project development company and is engaged in development of infrastructure projects in core sectors such as Roads, Ports, and Power through a multi-segment footprint, significant geographical spread, vast repository of industry experience and technical expertise. It also provide services in other areas of project development such as operations & maintenance and project advisory services.

GIPL posted a total income of Rs. 68,585.11 Lakhs on a Consolidated basis (Rs. 21,677.96 Lakhs and on a Standalone basis) for the 12 month period ended 31st March, 2017. It posted a Net Loss of Rs. 10,405.95 Lakhs on a Consolidated basis (Net Profit of Rs. 1,875.16 lakhs on a Standalone basis) as on 31st March, 2017.

GIPL Projects Commissioned and Under Operation

- Vizag Seaport Private Limited (VSPL)
- Rajahmundry Godavari Bridge Limited (RGBL)
- Pravara Renewable Energy Limited (PREL)
- Patna Highway Projects Limited (PHPL)

Projects Under Construction

- Indira Container Terminal Private Limited (ICTPL)
- Sikkim Hydro Power Ventures Limited (SHPVL)
- Sidhi Singrauli Road Project Limited (SSRPL)

- Vijayawada Gundugolanu Road Project Private Limited(VGRPPL)

Projects Under Development

- Youngthang Power Ventures Limited (YPVL)
- Tidong Hydro Power Limited (THPL)

Details	PHPL	RGBL	VGRPPL	SSRPL	VSPL	ICTPL	PREL	SHPVL
Location	Bihar	Andhra Pradesh	Andhra Pradesh	Madhya Pradesh	Andhra Pradesh	Maharashtra	Maharashtra	Sikkim
Client	NHAI	APRDC	NHAI	MPRDC	Visakhapatnam Port Trust	Mumbai Port Trust	Padamshree Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana (PDVVPSKL)	Energy & Power Dept. of Govt. of Sikkim
Project Length	63.17 Kms	14.49 Kms	103.59 Kms	102.6 Kms	9 MMTPA Capacity	1.2 Million TEUs Capacity	30 MW Capacity	66 MW Capacity
Annual Annuity (Rs. in Crores)	Rs 189.2 crore	NA	*Rs 57.57 crore (premium payment)	NA	NA	NA	NA	NA
Concession Period	15 years	25 years	30 years	30 years	30 years	30 years	25 years post COD	35 years post COD
Project Cost (Rs. in Crores)	Rs. 1,284 crore	Rs. 1,071 crore	Rs. 2,085 crore	Rs. 1,094 crore	Rs. 345 crore	Rs. 1,233 crore	Rs. 274 crore	Rs. 496 crore
Project Stage	Under Construction	Operational	Under Construction	Under Construction	Operational	Under Construction (trial run been carried out)	Operational	Under Construction
Revenue Model	Annuity	Toll	Toll	Toll	Rev Share 17.11%	Rev Share 35.064%	Sale of power, steam to client; surplus power to MSEDCL	IPP

*Incremental at 5% p.a.

PHPL	Patna Highway Projects Limited	VSPL	Vizag Seaport Private Limited
RGBL	Rajahmundry Godavari Bridge Limited	ICTPL	Indira Container Terminal Private Limited
VGRPPL	Vijayawada Gundugolanu Road Project Private Limited	PREL	Pravara Renewable Energy Limited
SSRPL	Sidhi Singrauli Road Project Limited	SHPVL	Sikkim Hydro Power Ventures Limited

Gammon Infrastructure Projects Limited (‘GIPL’) and its subsidiaries have ceased to be the subsidiary of the Company effective from 8th August, 2017 pursuant to the sale of GIPL shares by Gammon Power Limited and Gactel Turnkey Projects Limited (wholly owned subsidiaries of the Company) in various tranches in the open market . The Company continues to hold as on date 39.61% of the equity stake in GIPL through its wholly woned subsidiary Gammon Power Limited .

OVERSEAS SUBSIDIARIES

GROUP SOFINTER

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 March, 2017 the group clocked a turnover of Euro 337.80 million, EBITDA of Euro 6.28 million and Loss after tax of Euro 3.25 million. The improved results were mainly on account of better execution of the projects in Egypt by A.C Boilers S.p.A. The higher revenues were inspite of the Italian banks continuing with only the Standstill Agreement operational since 1st January, 2016 and currently extended upto September, 2017, when it is expected to sign a formal long-term loan agreement for a 3 (three) year period. The main reason for the Bank continuing with the Standstill Agreement is due to the insistence by them on a capital increase within Sofinter group in order to enhance its Net worth to support the levels of funding sought by the Group. However the continuous extension of the Standstill Agreement since January, 2016 has also resulted in Banks making the same conditional upon the reconstitution of the Board of Sofinter S.p.A and A.C. Boilers S.p.A. Consequently the strength of the Board of these two companies has been fixed at five members of which 4 including the Managing Director are nominated by the group of Italian Banks with representation from the shareholders side restricted to 1 (one) which is given to Gammon group it being the single largest shareholder with 67.5% combined holding as a result of the formal transfer of the shares of the B.T. Global investors under an erstwhile Put Option agreement. The transfer was concluded in September, 2016 and the nominee of Gammon on Group Sofinter Board is the President of the Board.

Furthermore, in February, 2017 Sofinter S.p.A entered into a Share Purchase Agreement with Ansaldo Energia S.p.A for transferring 10% stake held in A.C. Boilers S.p.A for a consideration of Euro 6 million. The participation by Ansaldo Energia in A.C. Boilers is strategic in order to jointly participate in markets where significant demand for Gas based cogeneration plants exist and where Ansaldo Energia S.p.A has a significant presence. The move also helps A.C. Boilers S.p.A and Ansaldo Energia S.p.A to qualify as one of the four consortiums i.e. General Electrics, Mitsubishi and Siemens for complete Power Island utility Power plants.

The Group continues to consolidate on various initiatives taken by it in the previous period towards cost optimization and relocation of its main production facilities and the impact of these initiatives are reflected in the results during this period.

The Macchi division engaged in the manufacture of Industrial boilers mainly in the Oil, gas and petrochemical industry witnessed a modest decline in order intake to Euro 130 million due partly to delays by customers notably in U.S.A in placing orders. However these are expected to materialize in the third quarter of 2017.

A.C. Boilers S.p.A received two large orders for heat recovery steam generators valued at approx Euro 210 million and is expected to exceed its target booking for 2017 in view of the pipeline orders where it is well placed.

ITEA S.p.A a research and development company engaged in flameless pressurized oxycombustion technology has successfully concluded MOU to undertake initial phases of contracts in the region of Bari, Italy. It is expected a formal contract in this regard will materialize in the calendar year 2017.

Europower S.p.A which is engaged in EPC of waste to energy plants including the operation & maintenance continued to clock satisfactory revenues and profitability and presently has an order book of approx Euro 45 million.

The order backlog of Group Sofinter as on 31st March 2017 is approx Euro 600 million.

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

As pointed out in the previous period's report 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, there has been hardly any progress in disposing off the same. Meanwhile creditors in order of ranking and their dues are also being negotiated and will be paid off to the extent of amounts received from the disposal of the assets as and when these materialize.

A statement of assets and liabilities prepared by the Commissioner in December, 2016 is available in terms of the procedure. No further updates to this document or Audited Financial Statements are available on the date of this report.

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 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 of these only 2 wells are currently flowing with the remaining being capped awaiting 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, resulting in drop in average to approx 300 barrels of oil per day at the per barrel service fee of USD 21.50. 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 context of the current production levels is proving to be a significant challenge.

2. **Dividend**

The Board of Directors do not recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2017 with a view to conserve the resources of the Company to meet the payment obligations towards the lenders.

3. **Reserves**

No amount was transferred to Reserves for the Financial Year ended March 31, 2017.

4. **Finance**

During the period 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.

Pursuant to the carve out of part of the Civil EPC Undertaking to Gammon Engineers and Contractors Private Limited ("GECPL") and the Transmission and Distribution Undertaking to Transrail Lighting Limited ("TLL") proportionate CDR debt has also been transferred to GECPL and TLL.

The Company executed Novation Agreements on 29th December, 2016, and 10th May, 2017 for novating CDR debts aggregating to Rs. 6505.42 crores (Fund and Non-Fund based) to GECPL as part of the carve out of the Civil EPC Undertaking.

The Company executed Novation Agreements on 26th February, 2016 and 10th May, 2017 for novating CDR debts aggregating to Rs. 3855.20 crores (Fund and Non-Fund based) to TLL pursuant to the transfer of the Transmission and Distribution business.

The Company also availed a non fund based facility of Rs. 500 crores during the year under review from its lenders to enable GIL to secure release of 75% of cash wherever arbitration award is in its favor but appealed by the clients and the said client is willing to release 75% of the awarded amount against issue of bank guarantee as prescribed by Niti Aayog Guidelines.

The residual CDR debt of Rs. 4263 crores has become a Non Performing Asset with the lenders as on 30th June, 2017 . The Company is working on a resolution plan with the lenders for resolving the residual debt.

5. **Debentures**

During the period under review Non-Convertible Debentures ("NCD's") held by the CDR lenders aggregating to Rs.15.49 crores have been novated/transferred to Transrail Lighting Limited ("TLL") as part of the carve out of the Transmission and Distribution business into TLL .

During the period under review Non-Convertible Debentures ("NCD's") held by the CDR lenders aggregating to Rs. 6.21 Crores have been novated/transferred as part of the CDR debt pursuant to the Novation Agreements entered into between the Company, the Lenders and Gammon Engineers and Contractors Private Limited, such debt being novated as part of the carve out of the Civil EPC Undertaking. However some NCD holders have yet to approve the novation .

6. **Public Deposits**

Your Company has not accepted or renewed any deposits under Chapter V of the Companies Act, 2013, during the Financial Year 2016-17.

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

Pursuant to Section 124 of the Companies Act ,2013 the Company has transferred unclaimed dividend for the Financial Year 2008 - 09 which remained unclaimed and unpaid for a period exceeding seven years from its due date aggregating to Rs. 4,20,977/- (Rupees Four Lakh Twenty Thousand Nine Hundred and Seventy Seven only) to the Investor Education and Protection Fund (IEPF) on 14th December, 2016 . The Company has also transferred unclaimed and unpaid Interim Dividend outstanding for seven or more years for the Financial Year 2010-11 amounting to Rs. 2,41,168/- (Rupees Two Lakh Forty One Thousand One Hundred and Sixty Eight) to the IEPF Fund on 21st October, 2017 and Unclaimed

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Final Dividend for the financial year 2009-10 amounting to Rs. 3,68,722/- (Rupees Three Lakh Sixty Eight Thousand Seven Hundred and Twenty Two only) to the IEPF Fund on 22nd November, 2017 .

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares in respect of interim dividend 2010-11 are transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at www.gammonindia.com under the 'Investors' section.

In accordance with the aforesaid provision of the Act read with the IEPF Rules, the Company has already initiated necessary action for transfer of all shares in respect of final dividend for the financial year 2009-10 which has remained unpaid or unclaimed by the Members for 7 (seven) consecutive years or more. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at www.gammonindia.com under the 'Investors' section.

The following are the due date(s) for claiming the unpaid/unclaimed dividend declared by the Company

Financial year	Type of Dividend	Due date for transfer to IEPF account
2010-11	Final Dividend	29th October, 2018
2011-12	Final Dividend	28th November, 2019

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**

The Scheme of Arrangement for transfer of the Civil EPC business to Gammon Engineers and Contractors Private Limited ("GECPL") as approved by the National Company Law Tribunal, Mumbai bench came into operation on 31st March, 2017 with effect from the appointed date i.e 1st July, 2016 . GECPL ceased to be the subsidiary of the Company on 31st March, 2017 . Similarly the Scheme of arrangement between the Company and Transrail Lighting Limited ("TLL") for transfer of the transmission and distribution business which was approved by the NCLT, Mumbai bench on 30th March, 2017 came into operation on 19th April, 2017 with effect from the appointed date i.e. 1st January, 2016.

Both these businesses accounted for almost 65% of the total revenues of the Company .

During the period under review the retained civil EPC Business of the Company has also been proposed to be carved out to the Company's wholly owned subsidiary Gammon Transmission Limited. However the same is awaiting approvals of necessary authorities and all the stakeholders including the lenders .

Turnover of the residual EPC Division to be carved out and as percentage to the Total Turnover as on 31st March, 2017

Particulars	**Amt (Rs. In crores)**	**%age to Total Turnover as on 31st March, 2017**
EPC Turnover	1559.25	59.31%

9. **Change in Nature of Business**

Post completion of restructuring of business as mentioned above, the Company continues to carry on the retained Civil EPC business . The Company has investments in its overseas subsidiaries and will monetize its real estates and recover long pending receivables including arbitration claims .

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**

As on date of this report no significant and material orders have been passed by the regulators or courts or Tribunals which will impact the going concern status and company's operations in future. However the Company continues to face risk of winding up from its creditors both secured and unsecured .

11. **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) your 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, 2017 and its loss for the year ended on that date;

iii) your 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 fraud and other irregularities;

iv) your Directors have prepared the Annual Accounts for the year ended March 31, 2017 on a going concern basis;

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

12. **Extract of Annual Return**

The extract of Annual Return as per the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is annexed to this report as "**Annexure A**" in Form " **MGT–9**".

13. **Subsidiary / Associates and Joint Venture Companies**

During the period under review Gammon Engineers and Contractors Private Limited ("GECPL") ("Formerly Nikias Metals Private Limited") ceased to be the subsidiary of the Company effective from 31st March, 2017 .

The Company had 57 subsidiaries including step-down subsidiaries, 5 Associates and 8 Joint venture companies as on 31st March, 2017.

Gammon Infrastructure projects Limited ("GIPL") ceased to be the Company's subsidiary effective from 8th August, 2017 post divestment by the Company of its stake in GIPL held through two of its wholly owned subsidiaries Gammon Power Limited and Gactel Turnkey Projects Limited. Pursuant to this all the subsidiaries and SPV's of GIPL have ceased to be the subsidiaries of the Company .However the Company continues to hold as on date 39.61% of the equity stake in GIPL through its wholly owned subsidiary Gammon Power Limited.

Report on the financial performance of each of the subsidiaries, joint ventures and associate companies is included in the consolidated financial statements of the Company in prescribed Form AOC-1 and is also set out in "**Annexure B**" to this Report.

14. **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, 2017 along with comparable as on March 31, 2016 on a Standalone and Consolidated basis, which form a part of this Annual Report.

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

The said Financial Statements and detailed information of the subsidiary 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 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 are available on the Company's website viz. www.gammonindia.com.

15. **Directors/Key Managerial Personnel**

Mr. Digambar Bagde-Non Executive and Non-Independent Director resigned from the Company's Board on 5th May, 2017. Mr. Atul Dayal and Mr. Jagdish Sheth resigned as the Independent Directors of the Company w.e.f. 23rd August, 2016 and 5th October, 2016 respectively. Mr. Chandrahas Dayal resigned as the Non – Executive and Non – Independent Director of the Company w.e.f. 29th September, 2017. Mr. Ajit B. Desai ceased to be an Executive Director of the Company effective from 17th December, 2017, by virtue of expiry of his term. However, he was appointed as a Chief Executive Officer for a period of one year w.e.f. 18th December, 2017.

The Board in its meeting held on 6th February, 2018 appointed Mr. Chayan Bhattacharjee as Non-Executive Non-Independent Director of the Company in a casual vacancy caused by the resignation of Mr. Digambar Bagde and whose term expires at the ensuing 95th Annual General Meeting. (i.e. Mr. Bagde would have retired by rotation at the 95th AGM had he not resigned). Notice has been received pursuant to Section 160 of the Companies Act, 2013 with the requisite deposit from a shareholder proposing the name of Mr. Chayan Bhattacharjee as a Non Executive and Non Independent Director of the Company for a period of three years w.e.f. 6th February, 2018. Mr. Bhattacharjee shall be liable to retire by rotation.

Further, Mr. Vardhan Dharkar – President Finance and Chief Financial Officer and Ms. Gita Bade – Company Secretary resigned from the Company's services w.e.f. 2nd May, 2017.

As on the date of this report, the Board members suffer disqualification under the provisions of Section 164(2) of the Companies Act, 2013. Accordingly all the Directors have given a declaration to that effect. The vacancy shall be filled up as and when the term of the Directors expires.

The Company has designated the following persons as Key Managerial Personnel of the Company

Sr. No	Name of the Key Managerial Personnel	Designation of the Key Managerial Personnel
1.	Mr. Abhijit Rajan	Chairman and Managing Director
2.	Mr. Ajit B. Desai	Chief Executive Officer
3.	Mr. Rajul Bhansali	Executive Director – International Operations

16. **Auditors**

(A) **Statutory Auditors**

M/s. Natvarlal Vepari & Co., Chartered Accountants, Firm Registration No: 106971W were appointed as the Statutory Auditors of the Company at the 92nd Annual General Meeting (AGM) of the Company held on 30th June, 2014, for a period of 3 (three) years, i.e. from the conclusion of the 92nd AGM, until the conclusion of the AGM to be held for the Financial Year 2016-2017. Accordingly, the term of the existing Statutory Auditors i.e. M/s. Natvarlal Vepari & Co., expires on the conclusion of the ensuing 95th Annual General Meeting.

In compliance with the provisions of Section 139 of the Companies Act, 2013, the Board of Directors of the Company and as recommended by the Audit Committee, has proposed 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, subject to the approval of the shareholders at the forthcoming AGM for a period of 5(Five) years i.e. from the conclusion of this 95th AGM, till the conclusion of the 100th AGM. As per the provisions of Section 139(1) of the Companies Act, 2013, their appointment for the above tenure is subject to the ratification of the members of the Company at every subsequent AGM.

Nayan Parikh & Co., Chartered Accountants being eligible for appointment have given their consent to such appointment and have rendered their eligibility certificate in accordance with the provisions of Section 141 of the Companies Act, 2013 .

(B) **Cost Auditor**

In accordance with the provisions of Section 148 of the Companies Act, 2013, the Board in its meeting held on 20th July, 2016 appointed Mr. R. Srinivasarghavan and Co. as the Cost Auditors of the Company, for the Financial Year ended 31st March, 2017 at a remuneration of Rs. 2,50,000/- (Rupees Two Lakh and Fifty Thousand only). The said payment was ratified by the members of the Company at the 94th Annual General Meeting held on 21st September, 2016.

The Board in its meeting held on 20th September, 2017 has on the recommendation of the Audit Committee appointed Mr. R. Srinivasarghavan and Co., as the Cost Auditor for the Financial Year ended 31st March, 2018, on a remuneration of Rs. 1,00,000/- (Rupees One Lakh only).

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, the remuneration of the Cost Auditor for the aforementioned Financial Year ended 31st March, 2018, is sought to be ratified by the members at the ensuing 95th Annual General Meeting.

(C) **Secretarial Auditor and Audit Observations**

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, 2017 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 C**".

With reference to the Auditor's qualification regarding non compliance under the FEMA Regulations relating to filing of APR's and filing of Return of Foreign Liabilities and Assets within the stipulated time. The management would like to state that the delay in filing APR's is due to non –receipt of accounts from overseas subsidiaries . The Company is in the process of complying with the regulations .

17. **Corporate Governance Report and Management Discussion & Analysis**

A Report on Corporate Governance and Management Discussion and Analysis for the period ended 31st March, 2017, 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.

18. **Boards' Explanation On 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 D**".

Members attention is drawn to "Emphasis of Matter" stated in the Auditor's Report dated 20th September, 2017 on the Standalone Financial Statements and in the Auditor's Report dated 6th February, 2018 on the Consolidated Financial Statements of the Company for the year ended 31st March, 2017. 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.

19. **Declaration by Independent Directors**

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

20. **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. In line with this, the Board adopted the Nomination and Remuneration Policy which is annexed to this Report as "**Annexure – E**".

21. **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
4. Corporate Social Responsibility Committee
5. Securities Allotment Committee
6. Review Committee of Independent Directors

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.

22. **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 are updated about the ongoing events and developments relating to the Company from time to time either through presentations at board or committee meetings or through in house journals. The Independent Directors also have access to any information relating to the Company, whenever they so request. In addition presentations are made to the Board and its committees where Independent Directors get an opportunity to interact with members of the senior management. The Independent Directors also have interaction with the Statutory Auditors, Internal Auditors, and External Advisors, if any, appointed by the Company at the meetings.

The senior management conducted two sessions for the Independent Directors where the senior management team of the Company updated the Directors on the Company and the projects. Details of the familiarization programmes are available on the Company's website on www.gammonindia.com under the Investor Section.

23. **Meetings of the Board**

During the Financial Year under review, the Board of Directors of your Company met 11(eleven) times, i.e. on 2nd April, 2016, 13th May, 2016, 4th June, 2016, 17th June, 2016, 8th July, 2016, 20th July, 2016, 21st July, 2016, 13th September, 2016, 12th December, 2016, 15th February, 2017 and 20th February, 2017.

24. **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 11(eleven) times, i.e. on 13th May, 2016, 4th June, 2016, 17th June, 2016, 18th July, 2016, 20th July, 2016, 21st July, 2016, 13th September, 2016, 12th December, 2016, 29th December, 2016, 15th February, 2017 and 20th February, 2017.

Mr. Chandrahas Dayal ceased to be the Chairman of the Audit Committee due to his resignation from the Company's Board on 29TH September, 2017. Mr. Naval Choudhary has been appointed as the Audit Committee Chairman.

25. **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

26. **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.

27. **Particulars of Contracts/Arrangements with Related Parties**

All contracts/arrangements/transactions entered into by the Company during the Financial Year ended 31st March, 2017 with the Related Parties were in the ordinary course of business and at arm's length basis. All such Related Party Transactions were placed before the Audit Committee and also the Board for its approval, wherever required. No omnibus approvals were taken during the period under review. Further all continuing Related Party Transactions as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly approved by the shareholders.

The Company has framed a policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The 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.

The Details of the Related Party transactions are given in **Form AOC-2** which is enclosed to this report as **"Annexure F."**

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

28. **Board Evaluation**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and Regulation 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates a formal evaluation to be done by the Board of its own performance and that of its Committees and individual Directors and that the Independent Directors shall evaluate Non-Independent Directors and the Chairperson of the Board

Pursuant to provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee carried out an evaluation of every Director's performance and the Board has carried out a formal annual evaluation of its own performance and that of its Committees and individual Directors.

The Independent Directors at their meetings evaluated the performance of the Non-Independent Directors, the Chairman and Managing Director ("CMD") with inputs from other Directors. Independent Directors were also evaluated by Board members on the functioning, participation and contribution made by each Independent Director to the Board and Committee processes, the degree of each Independent Director's involvement in Board and Committee decision making, communication and other attributes of each of the Independent Directors. A Report of the evaluation has been been forwarded to the Chairman and Managing Director, and the Nomination and Remuneration Committee to maintain confidentiality of the Report and to improve the Board dynamics, strengthening the Board and enhancing Board's overall performance in the challenging environment.

29. **Corporate Social Responsibility**

The Company's Corporate Social Responsibility (CSR) Policy as formulated by the Corporate Social Responsibility Committee and approved by the Board is annexed to this Report as "**Annexure G**" and is also available on the website of the Company viz. www.gammonindia.com.

The Company has not spent any amount on CSR activities during the Financial Year ended 31st March, 2017 since the average net profits of the Company for the immediately preceding three Financial Years stood negative.

The Annual Report as per the Companies (Corporate Social Responsibility Policy) Rules is annexed to this Report as "**Annexure H**".

30. **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.

31. **Internal Financial Controls**

The Company has devised and implemented internal control systems as are required in its business processes. The Company remains committed to ensuring an effective internal control environment that provides assurance on the operations and safeguarding of its assets. 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.

Internal Audit is that function which monitors the Company's internal control environment. Conventional and strong internal audit processes, both at the corporate and project level ensure concurrent review of the adequacy and effectiveness of internal controls across the Company and the compliance status with laid down systems, policies and procedures. In the ERP environment of the Company, authentication of IT security and rights to operate and view are periodically addressed by the internal audit team and observations are submitted to the management on a case to case basis. The Company has an inhouse internal audit team and an external internal audit firm to carry out periodic internal audits across the company's functions and premises.

During the year, the internal controls across the Company's business processes were reviewed for adequacy and robustness and documentation was updated as and where required, after discussion with relevant process owners. The mitigation of procedural risks was also reviewed and a document in this behalf was tabled before the Audit Committee and the Board and duly made available to the Company's statutory auditors.

The Company's Internal Audit function has a documented process which is in conformity with ISO quality standards. The Audit Committee consists of Independent Directors and is headed by experienced professional. The Committee meets periodically to inter-alia review the Internal Auditor's Reports and their observations and makes recommendations for adequacy, effectiveness of Internal Controls and required remedial action, if any, to the Board of Directors for its implementation.

32. **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.

33. **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 I**" to this Report.

34. **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 J**" to this report.

35. **Prevention of Sexual Harassment of Women at Workplace**

During the year under review, no complaints were received by the Committee for Redressal pursuant to Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. **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, Debenture Trustees, Shareholders, Debenture-Holders and Employees of the Company for their continued support and encouragement.

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

Abhijit Rajan
Chairman & Managing Director

Place: Mumbai
Date: 6th February, 2018

GAMMON
Builders to the Nation

Annexure "A"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. **REGISTRATION & OTHER DETAILS:**

1.	**CIN**	L74999MH1922PLC000997
2.	**Registration Date (dd/mm/yyyy)**	15/06/1922
3.	**Name of the Company**	Gammon India Limited
4.	**Category/Sub-Category of the Company**	Company Limited by shares and having a Share Capital/Indian Non-Government Company
5.	**Address of the Registered office & contact details**	'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai- 400025, Maharashtra, India E-mail : investors@gammonindia.com Tel No: 022- 61153000; Fax No: 022-24300221 Website : www.gammonindia.com
6.	**Whether listed company (Yes/No)**	Yes
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai- 400083, Maharashtra, India. E-mail: rnt.helpdesk@linkintime.co.in Tel No: 022-25963838 Website : www.linkintime.co.in

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product/Service	% to total turnover of the company
1.	Construction of buildings, Civil Engineering, Construction of utility projects and Specialized Construction activities.	4100, 4210, 4220, 4312, 4330, 4390, 4290	100%

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	Ansaldocaldai Boilers India Private Limited ASV Adarsh, Door No.719, Block C, 1st & 3rd Floor Pathari Road Chennai 600002	U28123TN2005PTC055309	Subsidiary	73.40%	2(87)
2.	ATSL Holdings B.V Fred. Roeskestraat 123, 1076EE Amsterdam	N.A	Subsidiary	100%	2(87)
3.*	Birmitrapur Barkote Highway Private Limited Second Floor, Plot No.360, Block-B Sector 19, Dwarka New Delhi - 110075 India	U45200DL2012PTC234342	Subsidiary	100%	2(87)
4.*	Chitoor Infra Company Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U74990MH2010PTC210401	Subsidiary	100%	2(87)
5.*	Earthlink Infrastructure Projects Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74990MH2010PTC210405	Subsidiary	100%	2(87)
6.*	Gammon Logistics Limited Flat No.5, First Floor, Amar Jeevan Shakti Co-op. Housing Society, Ganesh Nagar, Dombivali West Thane – 421202,	U45309MH2007PLC171578	Subsidiary	100%	2(87)

7.*	Gammon Projects Developers Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45200MH2006PLC159107	Subsidiary	100%	2(87)
8.*	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	L45203MH2001PLC131728	Subsidiary	58.44%	2(87)
9.	Gammon International FZE Leased Office Bldg, 15 Office No., Hamriyah free zone-Sharjah, UAE	N.A	Subsidiary	100%	2(87)
10.*	Gammon Renewable Energy Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U74990MH2009PLC194805	Subsidiary	100%	2(87)
11.*	Gammon Road Infrastructure Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U74990MH2009PLC194822	Subsidiary	100%	2(87)
12.*	Gammon Seaport Infrastructure Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U74990MH2009PLC194663	Subsidiary	100%	2(87)
13.*	Ghaggar Renewable Energy Private Limited Second Floor, Plot No.360, Block-B Sector 19, Dwarka New Delhi - 110075	U40108DL2010PTC210979	Subsidiary	100%	2(87)
14.	P. Van Eerd Beheersmaatschappij B. V. Orlyplein 10, floor 24, 1043DP, Amsterdam, P. O. Box 58176, 1040 HD Amsterdam	N.A	Subsidiary	100%	2(87)
15.*	Tidong Hydro Power Limited 177/1, Nirsu Village, Dutt Nagar Rampur Bushahr, Shimla 172001, Himachal Pradesh	U40101HP2007PLC030774	Subsidiary	51%	2(87)
16.*	Haryana Biomass Power Limited Gammon House, Veer Savarkar Marg, Prabhadevi ,Mumbai - 400025	U40102MH2007PLC173416	Subsidiary	100%	2(87)
17.	Deepmala Infrastructure Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45201MH2007PTC174676	Subsidiary	51%	2(87)
18.	GACTEL Turnkey Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U40101MH1995PLC088439	Subsidiary	100%	2(87)
19.*	Cochin Bridge Infrastructure Projects Limited Flat No.5, First Floor, Amar Jeevan Shakti Co-Op. Housing Society, Ganesh Nagar, Dombivali (West) Thane 421202	U45200MH1999PLC122317	Subsidiary	97.66%	2(87)
20.	Gammon & Billimoria Limited Gammon House, Veer Savarkar Marg, Prabhadevi Mumbai - 400025 Maharashta, India	U42200MH2002PLC138442	Subsidiary	50.94%	2(87)
21.*	Sikkim Hydro Power Ventures Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi -110075	U40100DL2005PLC257673	Subsidiary	100%	2(87)
22.*	Marine Project Services Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U61100MH2007PLC168759	Subsidiary	100%	2(87)
23.	Gammon Power Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U40108MH2008PLC186403	Subsidiary	90%	2(87)

24.	Gammon Retail Infrastructure Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45202MH2008PTC184838	Subsidiary	99%	2(87)
25.*	Jaguar Projects Developers Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U70102MH2008PLC185427	Subsidiary	100%	2(87)
26.*	Rajahmundry Godavari Bridge Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45203MH2008PLC185941	Subsidiary	71.43%	2(87)
27.*	Youngthang Power Ventures Limited 177/1, Nirsu Village, Dutt Nagar Rampur Bushahr, Shimla 172001, Himachal Pradesh	U40101HP2008PLC030953	Subsidiary	100%	2(87)
28.	Gammon Holdings (Mauritius) Limited 4th Floor, Raffles Tower, 19, Cybercity, Ebene, Mauritius	N.A	Subsidiary	100%	2(87)
29.	Transrail Lighting Limited R:F, 3rd W:P; 3/8 H amilton House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400038	U31506MH2008PLC179012	Associate	25%	2(6)
30*.	Lilac Infraprojects Developers Limited Second Floor, Plot No.360, Block-B Sector 19, Dwarka New Delhi - 110075	U45203DL2010PLC202526	Subsidiary	100%	2(87)
31.*	Patna Highway Projects Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi – 110075	U74999DL2009PLC197265	Subsidiary	100%	2(87)
32.*	Pravara Renewable Energy Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45202MH2008PLC185428	Subsidiary	100%	2(87)
33.*	Ras Cities and Townships Private Limited 312. Road No, 25 Jubileehills, Hyderabad.033	U70102TG2005PTC047148	Subsidiary	100%	2(87)
34.*	Satluj Renewable Energy Private Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi - 110075	U40108DL2010PTC202832	Subsidiary	100%	2(87)
35.*	Segue Infrastructure Projects Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U74900MH2010PTC210430	Subsidiary	100%	2(87)
36.*	Tada Infra Development Company Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45400MH2008PLC186002	Subsidiary	100%	2(87)
37.*	Tangri Renewable Energy Private Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi - 110075 India	U40108DL2010PTC210977	Subsidiary	100%	2(87)
38.*	Vizag Seaport Private Limited Administrative Block, S4 Gallery, Near GFCL Visakhapatnam, Port Area , Visakhapatnam-530 035	U45203AP2001PTC038955	Subsidiary	73.76%	2(87)
39.*	Yamuna Minor Minerals Private Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi - 110075	U40108DL2010PTC210978	Subsidiary	100%	2(87)

40.*	Sidhi Singrauli Road Project Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi - 110075	U74999DL2012PLC234738	Subsidiary	100%	2(87)
41.*	Yamunanagar Panchkula Highway Private Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi - 110075	U74999DL2012PTC234340	Subsidiary	100%	2(87)
42.	ATSL Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45400MH2007PLC169995	Subsidiary	100%	2(87)
43.	G & B Contracting LLC G&B Contracting LLC, PO BOX 60494, Dubai –UAE	N.A	Subsidiary	49%	2(6)
44.*	Vijayawada Gundugolanu Road Private Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi DL 110075	U74990DL2012PTC232205	Subsidiary	100%	2(87)
45.	SAE Powerlines S.r.L Viale Edison, 5 – 20099 Sesto San Giovanni , Milan (MI), Italy	N.A	Subsidiary	100%	2(87)
46.	Associated Transrail Structures Limited., Nigeria Garki 2 off ahmadu belloway, kumo street, Birnin kebbi, Crescent No. 03 Marte Close Garki 2 Abuja, Nigeria, West Africa	N.A	Subsidiary	100%	2(87)
47.	Gammon Realty Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45201MH2006PLC165785	Subsidiary	75.06%	2(87)
48.	Gammon Holdings B.V., Netherlands Orlyplein 10, floor 10, 1043DP, Amsterdam, P. O. Box 58176, 1040 HD Amsterdam	N.A	Subsidiary	100%	2(87)
49.	Franco Tosi Meccanica S.p.A Piazza Monumento 12, 20025 legnano (MI), Milan, Italia	N.A	Subsidiary	84.16%	2(87)
50.	Gammon Italy S.r.L Legnano (Mi) Piazza, Monumento 12 Cap 20025	N.A	Subsidiary	100%	2(87)
51.	Gammon International B.V., Netherlands Orlyplein 10, floor 24, 1043DP, Amsterdam, P. O. Box 58176, 1040 HD Amsterdam	N.A	Subsidiary	100%	2(87)
52.	Metropolitan Infrahousing Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45201MH2006PTC162441	Subsidiary	84.16%	2(87)
53.	Gammon Transmission Limited R:F, 3rd W:P; 3/8 H amilton House, J.N. Heredia Marg, Ballard Estate, Mumbai, Maharashta – 400038, India	U45204MH2009PLC195888	Subsidiary	100%	2(87)
54.	Gammon Real Estate & Developers Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U29268MH2010PTC202531	Subsidiary	100%	2(87)

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55.	Franco Tosi Turbines Private Limited. Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U29253MH2010PTC202902	Subsidiary		2(87)
56.	Preeti Townships Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U70101MH2007PTC167189	Subsidiary	60%	2(87)
57.	Patna Water Supply Distribution Network Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45400MH2012PTC231297	Subsidiary	73.99%	2(87)
58.	Sofinter S.p.A via conservatorio 17, Milano (MI) CAP 20122	N.A	Subsidiary	67.5%	2(87)
59.*	Eversun sparkle Maritime Services Private Limited VSPL Admn. Block, S4 Gallery, Port Area, Visakhapatnam – 530035, Andhra Pradesh, India	U60210AP2004PTC044374	Associate		2(6)
60.*	Modern Toll Roads Limited Shiv Sagar Estate, A Block, 2nd Floor, Dr. A. B. Road, Worli, Mumbai MH 400018 IN	U45203MH2007PTC173503	Associate	49.00%	2(6)
61.*	Finest S.p.A, Italy F. Vegezio, 15, Milano,Italy	N.A	Associate	50%	2(6)
62.	Gammon Engineers and Contractors Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U45100MH2014PTC260191	Associate	23.96%	2(6)

* Gammon Infrastructure Projects Limited ('GIPL') and its subsidiaries have ceased to be the subsidiary of the Company effective from 8th August, 2017.

V. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

i. ***Category-wise Share Holding***

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	81,89,479	-	81,89,479	2.24	81,89,479	-	81,89,479	2.22	(0.02)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,64,81,240	-	3,64,81,240	9.98	3,39,91,240	-	3,39,91,240	9.20	(0.78)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	4,46,70,719	-	4,46,70,719	12.22	4,21,80,719	-	4,21,80,719	11.41	(0.81)
(1) **Foreign**									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	30,86,435	-	30,86,435	0.84	30,86,435	-	30,86,435	0.84	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	30,86,435	-	30,86,435	0.84	30,86,435	-	30,86,435	0.84	-

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2):-	**4,77,57,154**	**-**	**4,77,57,154**	**13.07**	**4,52,67,154**	**-**	**4,52,67,154**	**12.25**	**(0.82)**
A. Public Shareholding									
(1) **Institutions**									
a) Mutual Funds	1,34,33,417	-	1,34,33,417	3.68	67,43,038	-	67,43,038	1.82	(1.86)
b) Banks/FI	23,03,12,751	5770	23,03,18,521	63.02	23,60,44,197	5770	23,60,49,967	63.87	0.85
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	14,30,456	-	14,30,456	0.39	-	-	-	-	(0.39)
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Corporate	15,89,217	-	15,89,217	0.43	10,02,469	-	10,02,469	0.27	(0.16)
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Any other									
• UTI	-	100	100	0.00	-	100	100	0.00	-
Sub-total (B) (1):-	**24,67,65,841**	**5870**	**24,67,71,711**	**67.52**	**24,37,89,704**	**5,870**	**24,37,95,574**	**65.97**	**(1.55)**
(1) **Non-Institutions**									
a) Bodies Corp.									
i. Indian	1,66,68,218	16,78,540	1,83,46,758	5.02	86,36,270	14,38,540	1,00,74,810	2.73	(2.29)
ii. Overseas	46,79,220	5,500	46,84,720	1.28	46,79,220	5,500	46,84,720	1.27	(0.01)
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,84,99,805	10,10,334	2,95,10,139	8.08	3,94,83,160	9,98,219	4,04,81,379	10.95	2.87
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	62,02,750	7,25,800	69,28,550	1.90	1,00,07,678	7,25,800	1,07,33,478	2.90	1.00
c) Others (specify)									
i. Non Resident Indians	15,80,817	6,160	15,86,977	0.43	24,38,294	6,160	24,44,454	0.68	0.25
ii. Foreign Nationals	-	1,68,570	1,68,570	0.05	-	1,68,570	1,68,570	0.05	-
iii. Clearing Members	16,57,985	-	16,57,985	0.45	30,15,284	-	30,15,284	0.77	0.30
iv. Trusts	365	58,04,680	58,05,045	1.59	365	58,04,680	58,05,045	1.57	(0.02)
v. Office Bearers	45,024	2,910	47,934	0.01	44,024	11,990	56,014	0.01	-
vi. Other Directors	8,23,472	-	8,23,472	0.23	8,23,472	-	8,23,472	0.23	-
vii. HUF	13,59,594	-	13,59,594	0.37	22,23,151	-	22,23,151	0.60	0.23
Sub-total (B)(2):-	**6,15,17,250**	**94,02,494**	**7,09,19,744**	**19.41**	**7,13,50,918**	**91,59,459**	**8,05,10,377**	**21.78**	**2.34**
Total Public Shareholding (B)=(B)(1)+ (B)(2):-	**30,82,83,091**	**94,08,364**	**31,76,91,455**	**86.93**	**31,51,40,622**	**91,65,329**	**32,43,05,951**	**87.75**	**0.39**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**35,60,40,245**	**94,08,364**	**36,54,48,609**	**100.00**	**36,04,07,776**	**91,65,329**	**36,95,73,105**	**100**	**(1.22)**

** The Share Capital of the Company increased during the Financial Year 2016-2017, subsequent to the allotment of 41,24,496 shares.*

ii) ***Shareholding of Promoters***

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2016)			Shareholding at the end of the year (31st March, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Pacific Energy Private Limited	1,80,13,015	4.93	4.93	1,80,13,015	4.87	4.87	(0.06)
2.	Devyani Estate and Properties Private Limited	1,21,82,805	3.33	3.33	96,92,805	2.67	2.62	(0.71)
3.	Abhijit Rajan	81,72,459	2.24	2.24	81,72,459	2.21	2.21	(0.03)
4.	Nikhita Estate Developers Private Limited	34,85,420	0.95	0.95	34,85,420	0.94	0.94	(0.01)
5.	Masayor Enterprises Limited	30,86,435	0.84	0.00	30,86,435	0.84	0.84	0.00
6.	Ellora Organic Industries Private Limited	28,00,000	0.77	0.77	28,00,000	0.76	0.76	(0.01)
7.	Jagdish Rajan	17,020	0.00	0.00	17,020	0.00	0.00	0.00
	Total	**4,77,57,154**	**13.06**	**11.46**	**4,52,67,154**	**12.29**	**12.24**	**(0.82)**

* *During the year under review, the promoter shareholding reduced due to the invoking of the pledged shares by the lenders of Devyani Estate and Properties Private Limited a promoter group entity.*

* *The subsequent change in the % of shareholding of the promoter group, is as a result of the cumulative change in the total shareholding of the promoter group.*

iii) ***Change in Promoters' Shareholding (please specify, if there is no change):***

Sr. No.	Name & Type of Transaction	Shareholding at the Beginning of the year (1st April, 2016)		Transactions During The Year		Cumulative Shareholding at the end of the Year (31st March, 2017)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1.	Pacific Energy Pvt. Ltd.	1,80,13,015	4.87	-	-	-	-
	At the end of the year	-	-	-	-	1,80,13,015	4.87
2.	Devyani Estate And Properties Pvt. Ltd.	1,21,82,805	3.33	-	-	-	-
	Transfer	-	-	22nd April, 2016	(3,50,000)	1,18,32,805	3.20
	Transfer	-	-	31st March, 2017	(19,40,000)	98,92,805	2.68
	Transfer	-	-	31st March, 2017	(2,00,000)	96,92,805	2.62
	At the end of the year	-	-	-	-	96,92,805	2.62
3.	Abhijit Rajan	81,72,459	2.21	-	-	-	-
	At the end of the year			-	-	81,72,459	2.21
4.	Nikhita Estate Developers Pvt. Ltd.	34,85,420	0.94	-	-	34,85,420	0.94
	At the end of the year			-	-	34,85,420	0.94
5.	Masayor Enterprises Limited	30,86,435	0.84			30,86,435	0.84
	At the end of the year			-	-	30,86,435	0.84
6.	Ellora Organic Industries Pvt. Ltd	28,00,000	0.76	-	-	-	-
	At the end of the year			-	-	28,00,000	0.76
7.	Jagdish Rajan	17,020	0.00	-	-	-	-
	At the end of the year	-	-	-	-	17,020	0.00

iv) ***Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)***

Sr. No.	For Each of the Top 10 Shareholders	Date	Transaction	No of Shares	Shareholding at the beginning of the Financial Year (1st April, 2016)		Cumulative Shareholding during the year (31st March, 2017)	
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Canara Bank – Mumbai	-	-	-	5,28,14,769	14.29	5,28,14,769	14.29
2.	ICICI Bank Ltd.	-	-	-	3,96,96,547	10.74	3,96,96,547	10.74
3.	Punjab National Bank	-	-	-	2,42,09,101	6.55	2,42,09,101	6.55
4.	Syndicate Bank	-	-	-	2,26,96,508	6.14	2,26,96,508	6.14
5.	Bank of Baroda	-	-	-	2,21,04,507	5.98	2,21,04,507	5.98
6.	Allahabad Bank	-	-	-	1,95,82,216	5.29	1,95,82,216	5.29
7.	IDBI Bank Ltd.	-	-	-	1,40,53,827	3.80	1,40,53,827	3.80
8.	Oriental Bank of Commerce	-	-	-	1,23,89,240	3.35	1,23,89,240	3.35
9.	United Bank of India	-	-	-	63,62,258	1.72	63,62,258	1.72
10.	Alok Choudhary	-	-	-	58,04,680	1.57	58,04,680	1.57
11.	HDFC Trustee Company Limited – HDFC Infrastructure Fund	-	-	-	1,21,14,310	3.28	-	-
		29/07/2016	Transfer	(2,00,000)	-	-	1,19,14,310	3.22
		19/08/2016	Transfer	(4,30,000)	-	-	1,14,84,310	3.10
		26/08/2016	Transfer	(1,17,000)	-	-	1,13,67,310	3.07
		02/09/2016	Transfer	(5,00,000)	-	-	1,08,67,310	2.94
		09/09/2016	Transfer	(5,54,574)	-	-	1,03,12,736	2.79
		16/09/2016	Transfer	(1,27,000)	-	-	1,01,85,736	2.75
		21/10/2016	Transfer	(73,100)	-	-	1,01,12,636	2.73
		28/10/2016	Transfer	(20,500)	-	-	1,00,92,136	2.73
		09/12/2016	Transfer	(2,73,100)	-	-	98,19,036	2.65
		16/12/2016	Transfer	(2,85,900)	-	-	95,33,136	2.57
		23/12/2016	Transfer	(1,28,852)	-	-	94,04,284	2.54
		30/12/2016	Transfer	(82,500)	-	-	93,21,784	2.52
		06/01/2017	Transfer	(85,600)	-	-	92,36,184	2.49
		13/01/2017	Transfer	(12,000)	-	-	92,24,184	2.49
		20/01/2017	Transfer	(1,84,253)	-	-	90,39,931	2.44
		27/01/2017	Transfer	(3,04,000)	-	-	87,35,931	2.36
		03/02/2017	Transfer	(6,59,000)	-	-	80,76,931	2.18
		10/02/2017	Transfer	(6,29,000)	-	-	74,47,931	2.01
		17/02/2017	Transfer	(2,46,000)	-	-	72,01,931	1.94
		24/02/2017	Transfer	(1,63,000)	-	-	70,38,931	1.90
		03/03/2017	Transfer	(3,71,000)	-	-	66,67,931	1.80
		10/03/2017	Transfer	(1,80,000)	-	-	64,87,931	1.75
		17/03/2017	Transfer	(1,95,000)	-	-	6,292,931	1.70
		24/03/2017	Transfer	(1,55,000)	-	-	61,37,931	1.66
		31/03/2017	Transfer	(5,84,000)	-	-	55,53,931	1.50

v) ***Shareholding of Directors and Key Managerial Personnel:***

Name of the Director and Key Managerial Personnel	At the Beginning of the year (1st April, 2016)		Date wise Increase/ (Decrease) in shareholding during the year and specifying the reasons for increase/ (decrease) during the year. [allotment, transfer, bonus sweat equity etc.]		Cumulative Shareholding during the year		At the end of the year (31st March, 2017)	
	No. of shares	% of total shares of the company	Date of Increase/ (Decrease)	Reason for Increase / (Decrease)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Abhjit Rajan Chairman & Managing Director	81,72,459	2.24	No change		-	-	81,72,459	2.21
Mr. Digambar Bagde Deputy Managing Director	8,17,472	0.22	No change		-	-	8,17,472	0.22
Mr. Ajit Desai, Executive Director & CEO	4,500	0.00	No change		-	-	4,500	0.00
Mr. Atul Kumar Shukla Independent Director	-	-	No change		-	-	-	-
Mr. Chandrahas C. Dayal Independent Director	1,500	0.00	No change		-	-	1,500	0.00
Mr. Rajul Bhansali, Executive Director – International operations	-	-	No change		-	-	-	-
Mr. Naval Choudhary Independent Director	-	-	No change		-	-	-	-
Mrs Urvashi Saxena Independent Director	-	-	No change		-	-	-	-
Mr. Jagdish C. Sheth Independent Director	-	-	Ceased to be a Director of the Company w.e.f. 5th October, 2016		-	-	-	-
Mr. Atul Dayal, Independent Director	-	-	Ceased to be a Director of the Company w.e.f. 23rd August, 2016		-	-	-	-
Mr. Vardhan Dharkar, Chief Financial Officer	-	-	No change		-	-	-	-
Ms. Gita Bade, Company Secretary	-	-	No change		-	-	-	-

VI. **Indebtedness:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.:

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (1st April, 2016)				
i) Principal Amount	49,475,075,134.76	825,477,952.00	-	50,300,553,086.76
ii) Interest due but not paid	1,669,432,471.00	807,478.00	-	1,670,239,949.00
iii) Interest accrued but not due	104,641,200.00	-	-	104,641,200.00
Total (i+ii+iii)	**51,249,148,805.76**	**826,285,430.00**	**-**	**52,075,434,235.76**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the Financial Year				
*** Addition**				
i) Principal Amount	2,163,684,610.84	-	-	2,163,684,610.84
ii) Interest due but not paid	2,600,477,319.00	4,679,477.00	-	2,605,156,796.00
iii) Interest accrued but not due		-	-	-
*** Reduction**				
i) Principal Amount	(15,753,600,000.00)	(797,820,660.00)	-	(16,551,420,660.00)
ii) Interest due but not paid	-	(4,714,588.00)	-	(4,714,588.00)
iii) Interest accrued but not due	(96,619,502.00)	-	-	(96,619,502.00)
Net Change	**(11,086,057,572.16)**	**(797,855,771.00)**	**-**	**(11,883,913,343.16)**
Indebtedness at the end of the Financial Year (31st March, 2017)				
i) Principal Amount	35,885,159,745.60	27,657,292.00	-	35,912,817,037.60
ii) Interest due but not paid	4,269,909,790.00	772,367.00	-	4,270,682,157.00
iii) Interest accrued but not due	8,021,698.00	-	-	8,021,698.00
Total (i+ii+iii)	**40,163,091,233.60**	**28,429,659.00**	**-**	**40,191,520,892.60**

VII. **Remuneration of Directors and Key Managerial Personnel:**

A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Abhijit Rajan	Mr. Rajul Bhansali	Mr. Ajit B. Desai	Mr. Digambar Bagde	
		Chairman & Managing Director*	Executive Director – International Operations**	Executive Director ***	Deputy Managing Director – T&D Business #	
A	**Gross salary**	-	**80,84,841**	**80,62,003**	-	**1,61,46,844**
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	78,30,330	74,32,159	-	**1,52,62,489**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2,54,511	6,29,844	-	**8,84,355**
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
	Stock Option	-	-	-	-	-
	Sweat Equity	-	-	-	-	-
	Commission - as % of profit - others, specify	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (A)	**-**	**80,84,841**	**80,62,003**	-	**1,61,46,814**
	No of shares held	**81,72,459**	**-**	**4,500**	**-**	**-**
	Ceiling as per the Act	Central Government Approvals: **** Application made to the Central Government for the payment of remuneration for the period 17th May, 2016 to 16th May, 2019, was rejected vide their letter dated 25th April, 2017. Therefore the Company has not paid any remuneration to Mr. Abhijit Rajan for the aforementioned period.*** ***** As approved by the Central Government vide their letter dated 9th December, 2015.*** ****** As approved by the Central Government vide their letter dated 20th November, 2015.*** ***# Mr. Bagde ceased to be a Whole-time Director w.e.f. 1st October, 2016.*** ***Further, pursuant to the Scheme of Arrangement between Gammon India Ltd and Transrail Lighting Limited, the appointed date of which was 1st January, 2016, Mr. Bagde was not in receipt of any remuneration from Gammon India Ltd for the Financial Year 2016-2017.***				

B. Remuneration to other directors

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors						
		Mr. Atul Dayal*	Mr. Chandrhas Dayal	Mr. Naval Choudhary	Mr. Jagdish Sheth**	Ms. Urvashi Saxena	Mr. Atul Kumar Shukla	Total
1	***Independent Directors***							
	Fee for attending Board/ Committee Meetings	-	4,00,000	4,60,000	-	2,20,000	4,00,000	**14,80,000**
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**-**	**4,00,000**	**4,60,000**	**-**	**2,20,000**	**4,00,000**	**14,80,000**
2	***Other Non-Executive Directors***	-	-	-	-	-	-	-
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total Managerial Remuneration	**-**	**4,00,000**	**4,60,000**	**-**	**2,20,000**	**4,00,000**	**14,80,000**
Overall Ceiling as per the Act		***11% of the Net profit of the Company as specified in Schedule V of the Companies Act, 2013/as approved by the Central Government, as the case may be.***						

**** Ceased to be a Director of the Company w.e.f. 23rd August, 2016***

***** Ceased to be a Director of the Company w.e.f. 5th October, 2016***

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD:

(Amount in Rs.)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Vardhan Dharkar Chief Financial Officer	Ms. Gita Bade Company Secretary	Mr. Ajit B. Desai Chief Executive Officer	Total
A	**Gross salary**	**2,20,04,143**	**53,49,280**	**80,62,003**	**3,54,15,426**
1	**(a)** Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,16,22,423	50,93,478	74,32,159	**3,41,48,060**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,81,720	2,55,802	6,29,844	**12,67,366**
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
Total		**2,20,04,143**	**53,49,280**	**80,62,003**	**7,08,30,852**

VIII. **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENSES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment		Not Applicable			
Compounding					
B. DIRECTORS					
Penalty					
Punishment		Not Applicable			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		Not Applicable			
Compounding					

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Annexure “B”

Form No AOC - 1

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 (Rs. in Crores)

Sr. No.	Name of the Subsidiary	Reporting period	Reporting 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 16 - Mar 17	INR	0.05	(0.02)	2.54	2.51	-	-	(0.00)	-	(0.00)	-	100.00%
2	Deepmala Infrastructure Private Limited	Apr 16 - Mar 17	INR	0.01	6.92	1,154.80	1,147.87	-	29.62	5.47	-	5.47	-	51.00%
3	Gactel Turnkey Projects Limited	Apr 16 - Mar 17	INR	5.05	(145.89)	151.49	292.33	-	10.26	(95.04)	(18.33)	(76.71)	-	100.00%
4	Gammon & Billimoria Limited	Apr 16 - Mar 17	INR	0.10	(3.04)	109.45	112.39	-	-	(4.96)	0.02	(4.98)	-	50.94%
5	Gammon Infrastructure Projects Limited	Apr 16 - Mar 17	INR	189.18	732.18	1,547.07	696.53	70.82	189.82	19.21	0.46	18.75	-	58.44%
6	Gammon Power Limited	Apr 16 - Mar 17	INR	22.55	43.86	217.71	151.30	-	-	(511.69)	-	(511.69)	-	90.00%
7	Gammon Realty Limited	Apr 16 - Mar 17	INR	20.05	(79.86)	119.72	179.53	-	-	(9.14)	-	(9.14)	-	75.06%
8	Gammon Retail Infrastructure Private Limited	Apr 16 - Mar 17	INR	0.05	0.00	0.43	0.38	-	-	(0.03)	-	(0.03)	-	99.00%
9	Metropolitan Infra housing Private Limited	Apr 16 - Mar 17	INR	0.01	80.67	1,238.90	1,158.22	-	-	17.28	9.00	8.28	-	84.16%
10	Gammon Transmission Limited	Apr 16 - Mar 17	INR	0.05	0.45	0.68	0.18	-	-	0.85	0.16	0.69	-	100.00%
11	Gammon Real Estate Developers Private Limited	Apr 16 - Mar 17	INR	0.01	(0.03)	0.00	0.02	-	-	(0.01)	-	(0.01)	-	100.00%
12	Preeti Township Private Limited	Apr 16 - Mar 17	INR	0.10	(0.13)	8.80	8.83	-	-	(0.01)	-	(0.01)	-	60.00%
13	Patna Water Supply Distribution Networks Private.Limited	Apr 16 - Mar 17	INR	0.01	(29.40)	36.29	65.68	-	-	(4.68)	0.00	(4.68)	-	73.99%
14	Ansaldocaldaie Boilers India Private Limited	Apr 16 - Mar 17	INR	50.00	(73.27)	76.68	119.94	20.00	25.80	(3.12)	0.17	(3.30)	-	73.40%
15	Gammon Italy Srl	Apr 16 - Mar 17	EURO/ 69.2476	0.07	(0.20)	0.03	0.17	-	-	-	-	-	-	100.00%
16	SAE Powerlines Srl	Apr 16 - Dec 16	EURO/ 71.6175	92.72	(89.54)	213.22	210.04	-	146.23	24.62	1.59	23.03	-	100.00%
17	Gammon & Billimoria LLC	Apr 16 - Mar 17	AED/ 17.6174	1.76	(69.65)	82.20	150.09	-	67.66	(3.52)	-	(3.52)	-	49.00%
18	P.Van Eerd Beheersmaatsc-happaji B.V.,Netherlands	Apr 16 - Mar 17	EURO/ 69.2476	0.11	(118.44)	(51.54)	118.76	51.97	-	(12.01)	-	(12.01)	-	100.00%
19	ATSL Holdings BV, Netherlands	Apr 16 - Mar 17	EURO/ 69.2476	0.12	(167.42)	59.03	226.33	-	-	(104.56)	-	(104.56)	-	100.00%
20	Associated Transrail Structures Limited., Nigeria	Apr 16 - Mar 17	Naira/ 0.2059	0.21	(2.12)	0.00	1.91	-	-	(0.47)	-	(0.47)	-	100.00%
21	Gammon Holdings B.V., Netherlands	Apr 16 - Mar 17	EURO/ 69.2476	0.12	(493.83)	74.96	852.67	284.01	-	(102.63)	-	(102.63)	-	100.00%

Sr. No.	Name of the Subsidiary	Reporting period	Reporting 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
22	Gammon International B.V., Netherlands	Apr 16 - Mar 17	EURO/ 75.0955	0.12	(246.79)	17.75	747.81	483.39	-	(80.81)	-	(80.81)	-	100.00%
23	Gammon International FZE	Apr 16 - Mar 17	AED/ 17.6174	0.26	(42.52)	65.12	107.38	-	-	(8.55)	-	(8.55)	-	100.00%
24	Gammon Holdings (Mauritius) Limited	Apr 16 - Mar 17	USD/ 64.8386	0.10	249.94	0.85	271.39	520.58	-	(27.78)	-	(27.78)	-	100.00%
25	Franco Tosi Meccanica S.p.A	Apr 16 - Mar 17	INR	-	-	-	-	-	-	-	-	-	-	-
26	Franco Tosi Turbines Private Limited. ('FTT')	Apr 16 - Mar 17	INR	-	-	-	-	-	-	-	-	-	-	-
27	Birmitrapur Barkote Highway Private Limited*	INR	N.A.	0.01	(10.89)	0.13	11.01	-	-	(0.01)	-	(0.01)	-	100.00%
28	Cochin Bridge Infrastructure Company Limited *	INR	N.A.	6.40	8.75	26.79	11.64	-	0.01	(2.72)	(0.08)	(2.64)	-	97.66%
29	Chitoor Infra Company Private Limited *	INR	N.A.	0.01	(0.06)	0.05	0.10	-	0.00	(0.01)	-	(0.01)	-	100.00%
30	Earthlink Infrastructure Projects Private Limited *	INR	N.A.	0.01	1.26	12.43	11.15	-	0.02	(1.57)	-	(1.57)	-	100.00%
31	Gammon Logistics Limited *	INR	N.A.	2.55	(4.38)	0.03	1.86	-	0.65	0.64	0.12	0.52	-	100.00%
32	Gammon Projects Developers Limited *	INR	N.A.	0.25	(0.42)	0.28	0.45	-	0.06	(0.08)	0.01	(0.09)	-	100.00%
33	Gammon Renewable Energy Infrastructure Projects Limited *	INR	N.A.	0.05	0.52	5.07	4.50	-	0.03	(0.55)	-	(0.55)	-	100.00%
34	Gammon Road Infrastructure Limited *	INR	N.A.	0.05	(0.70)	0.71	1.36	0.01	-	(0.35)	-	(0.35)	-	100.00%
35	Gammon Seaport Infrastructure Limited*	INR	N.A.	0.05	(0.03)	0.03	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
36	Ghaggar Renewable Energy Private Limited*	INR	N.A.	0.01	(0.09)	0.00	0.08	-	-	(0.00)	-	(0.00)	-	100.00%
37	Haryana Biomass Power Limited *	INR	N.A.	0.05	(1.34)	0.01	1.31	-	-	(0.00)	-	(0.00)	-	100.00%
38	Jaguar Projects Developers Limited *	INR	N.A.	0.05	(0.02)	0.04	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
39	Lilac Infraprojects Developers Limited *	INR	N.A.	0.05	(0.03)	0.02	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
40	Marine Project Services Limited *	INR	N.A.	0.05	0.13	0.19	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
41	Patna Highway Projects Limited *	INR	N.A.	50.00	185.36	1,363.49	1,128.14	-	150.94	4.99	1.61	3.38	-	100.00%
42	Pravara Renewable Energy Limited *	INR	N.A.	47.92	(74.38)	287.61	314.07	-	59.70	(19.81)	25.44	(45.25)	-	100.00%
43	Ras Cities and Townships Private Limited *	INR	N.A.	0.01	(0.57)	30.97	31.53	-	0.48	0.46	0.15	0.30	-	100.00%
44	Rajahmundry Godavari Bridge Limited *	INR	N.A.	203.96	(32.94)	1,100.76	929.74	-	54.14	(64.70)	-	(64.70)	-	75.28%
45	Satluj Renewable Energy Private Limited *	INR	N.A.	0.01	(0.21)	0.26	0.46	-	0.00	(0.06)	-	(0.06)	-	100.00%

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Sr. No.	Name of the Subsidiary	Reporting period	Reporting 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
46	Sidhi Singrauli Road Project Limited *	INR	N.A.	170.41	68.26	935.88	697.21	-	180.53	1.57	0.52	1.05	-	100.00%
47	Sikkim Hydro Power Ventures Limited*	INR	N.A.	62.74	39.89	117.63	15.00	-	-	(0.01)	-	(0.01)	-	100.00%
48	Segue Infrastructure Projects Private Limited *	INR	N.A.	0.01	(0.09)	0.01	0.10	-	0.01	0.01	0.00	0.01	-	100.00%
49	Tada Infra Development Company Limited *	INR	N.A.	0.05	(0.19)	0.00	0.14	-	-	(0.00)	-	(0.00)	-	100.00%
50	Tangri Renewable Energy Private Limited *	INR	N.A.	0.01	(0.01)	0.00	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
51	Tidong Hydro Power Limited *	INR	N.A.	0.05	0.19	2.10	1.86	-	0.00	(0.23)	-	(0.23)	-	51.00%
52	Vijaywada Gundugolanu Road Project Private Limited (VGRPPL)*	INR	N.A.	0.01	125.10	891.21	766.10	-	57.35	(12.01)	-	(12.01)	-	100.00%
53	Vizag Seaport Private Limited *	INR	N.A.	87.19	4.55	377.18	285.43	-	152.57	6.48	2.02	4.46	-	73.76%
54	Yamuna Minor Minerals Private Limited*	INR	N.A.	0.01	(0.09)	0.01	0.09	-	0.00	0.00	0.00	0.00	-	100.00%
55	Yamunanagar Panchkula Highway Private Limited *	INR	N.A.	19.05	(27.99)	0.26	9.20	-	-	(0.01)	-	(0.01)	-	100.00%
56	Youngthang Power Ventures Limited *	INR	N.A.	14.45	54.14	69.10	0.52	-	0.01	(0.11)	-	(0.11)	-	100.00%

* Subsidiaries of Gammon Infrastructure Projects Limited, a subsidiary of Gammon India Limited ("the Company") as on 31st March, 2017.

Names of subsidiaries which are yet to commence operations:
Sidhi Singrauli Road Project Limited
Sikkim Hydro Power Ventures Limited
VGRPPL - The project SPV has commenced tolling on the 4 lanes & 4 to 6 laning works are under progress
Tidong Hydro Power Limited
Youngthang Power Ventures Limited

Note: Gammon Infrastructure Projects Ltd ("GIPL") and its subsidiaries have ceased to be the subsidiaries of the Company effective from 8th August, 2017.

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 "B": Associates and Joint Ventures (Rs. in Crores)

Particulars	Details						
Name of associates/Joint Ventures	**Gammon Engineers and Contractors Pvt Ltd**	**Transrail Lighting Limited (TLL)**	**Fin est Spa^**	**Eversun Sparkle Maritime Services Private Limited**	**Modern Tollroads Limited****	**GIPL - GIL JV**	**Campo Puma Oriente S.A.****
Latest audited Balance Sheet Date	31st Mar 2017	31st Mar 2017	31st Dec 2013	31st Mar 2016	30 September 2014	31st Mar 2016	31st Mar 2017
Shares of Associate/Joint Ventures held by the company on the year end:						0	
No. of Shares	23,00,000	50,000	7,80,000	21,43,950	24,470	-	
Amount of Investment in Associates/Joint Venture	2.30	0.05	19.52	2.14	0.02	-	-
Extend of Holding%	23.96%	25.00%	50.00%	30.90%	49.00%	100.00%	51.00%
Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence & Control	Significant Influence & Control
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Net worth attributable to shareholding as per latest audited Balance Sheet	123.35	142.30	17.41	1.64	0.02	(0.18)	(84.29)
Profit/Loss for the year							
Considered in Consolidation	12.22	12.71	-	0.39	-	0.09	(25.99)
Not Considered in Consolidation	-	-	-	0.87	-	-	-

Particulars	Details					
Name of associates/Joint Ventures	**Gammon – Ojsc Mosmetrostroy – JV('GOM')**	**Ansaldocaldaie-GB Engineering Private Limited. ('ACGB')****	**Gammon SEW('GSEW')**	**Blue Water Iron Ore Terminal Private Limited^**	**Indira Container Terminal Private Limited ****	**SEZ Adityapur Limited^**
Latest audited Balance Sheet Date	31st Mar 2017	31st Mar 2016	31st Mar 2017	30th Sep 2014	31st Mar 2016	30th Sep 2014
Shares of Associate/Joint Ventures held by the company on the year end:				-		
No. of Shares		2,00,00,000		30,51,808	5,07,83,000	19,000
Amount of Investment in Associates/Joint Venture	-	20.00	-	3.05	50.78	0.02
Extend of Holding%	51.00%	50.00%	90.00%	10.12%	50.00%	38.00%
Description of how there is significant influence	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated	Not Consolidated
Net worth attributable to shareholding as per latest audited Balance Sheet	-	13.77	0.00	-	27.68	-
Profit/Loss for the year				-		
Considered in Consolidation	(0.01)	3.77	0.00	-	(25.70)	-
Not Considered in Consolidation	(0.00)	-	0.01	-	(25.70)	-

** Based on the un-audited management accounts for the period ended March 31, 2017.

^ In the absence of financial statements of BWIOTPL,SEZAL, Fin esta Spa no effects are taken in these Financial Statements for the current period. The balances as at September 30, 2014 are incorporated. However, these joint ventures/associates are not carrying out any operations and therefore their impact is not expected to be significant.

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

Abhijit Rajan
Chairman & Managing Director
DIN: 00177173

Mumbai, Dated : 06 February, 2018

Annexure "C"

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31st MARCH, 2017

[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, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2017 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;

(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;

(5) 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;
- (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;
- (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;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable during the period of Audit);**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the period of Audit);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the period of Audit);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the period of Audit);**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS–1 & SS– 2).

(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 FEMA Circular of RBI pertaining to Overseas Direct Investments (ODI) dated April 13, 2016 which provides for Submission of Annual Performance Report (APR). The Company has not filed Annual Performance Report ('APR') within the stipulated time. However, the Management has informed that they are in the process of filing the same.***

2. ***As per FEMA Circular of RBI pertaining to submission of Return of Liabilities & Assets ('FLA') by all the Indian companies which have received FDI and/or made FDI abroad (i.e. overseas investment) in the previous year(s) as per Circular No. 45 dated March 15, 2011. The Company has not filed Return of Foreign Liabilities & Assets (FLA) within the stipulated time. However, the Management has informed that they are in the process of filing the same.***

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'). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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.

Place: Mumbai
Date: 13/11/2017

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

Bharat Sompura – Partner
Pramod S. Shah & Associates
Membership No.: A10540
C.O.P. No.: 5540

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Annexure "D"

BOARDS' EXPLANATION ON AUDITORS QUALIFICATION ON FINANCIAL STATEMENTS

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

Relevant Para Nos. of the Auditors Report on the Standalone Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause a. of Basis of Qualified Opinion	We invite attention to note no 39(c) relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/ liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 919.56.crores (net of provisions made) as at March 31 2017 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the quarter and the year ended March 31 2017.	Based on estimation given by the Commissioner in charge, the management believes the value of non-core assets including land is sufficient to cover external liabilities of FTM as also the exposure of the Group. However on a prudent basis Company has provided Rs.100 crores. Accordingly Board has come to the conclusion that no further impairment is required for the Company.
Clause b. of Basis of Qualified Opinion	We invite attention to note no 7(i), detailing the recognition of claims during the previous year ended March 31, 2016 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2017 is Rs. 871.01 crores after the transfer of claims under slump exchange scheme and BTA as detailed in aforesaid note. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results of the quarter and year ended March 31, 2017.	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 c. of Basis of Qualified Opinion	We invite attention to note no 39(b) relating to the Company's exposure to Sofinter Group of Rs. 1000.33 crores. As detailed in the note the Company despite holding 67.50% does not have control over the operations of the Company as the same is in the control of the lenders. The financials statements of the said Sofinter group are not audited and are pending issuance of the Audit Report by their Statutory Auditors on account of issues related to the lending limits that the Group has access to. Gammon India Limited has not carried out impairment test of its exposure to Group Sofinter and the available independent valuations are more than 24 months old. We are therefore unable to state whether the said exposure needs to be impaired or not	Based on the valuation carried out internally by Sofinter S.p.A. Group by an independent valuer in June 2015 and the valuation carried out internally by Sofinter S.p.A. and approved by its board while approving the Group Financial statements of 2015 in January 2017, the Management is of the view that no impairment is required in the exposure of the Company.

Relevant Para Nos. of the Auditors Report on the Standalone Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause d. of Basis of Qualified Opinion	We also invite attention to note no 39(d) relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 291.97 crores. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised and in view of the impairment testing of the said exposure not being carried out by Gammon India Limited and the available independent valuations are more than 24 months old. The internal estimates of realisability are not backed by independent valuation and therefore we are therefore unable to state whether the said impairment carried out is adequate or not.	The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 24 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has made a provision of Rs 130 crores against its exposure based on internal estimates of the realisable value and the management is confident that there will be no further provision required towards impairment.
Clause e. of Basis of Qualified Opinion	We invite attention to Note 28(a) of the Statement wherein the Company's Application for managerial remuneration aggregating to Rs. 30.54 crores for the Chairman and Managing Director has been rejected by the shareholders in their meeting held on June 29, 2017 The Board of Directors considering the efforts made by Chairman and Managing Director in steering the Company through the challenging times and the contribution made by him in the CDR package ,on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders approval afresh for waiver of remuneration paid to Chairman and Managing Director Therefore no adjustments have been made for the amount of Rs. 30.54 crores. Similarly for one of executive director the MCA has rejected the excess remuneration of Rs. 0.59 crores for which the Company is making a fresh representation. In the absence of the fresh approval of the shareholders, as aforesaid we are unable to ascertain the impact on profits on this account for the quarter and year ended March 31, 2017.	Considering the efforts made by CMD in steering the Company through the challenging times and the contribution made by him in the CDR package, the Board on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders' approval afresh for waiver of remuneration paid to CMD. No remuneration has been paid to him since October 2014 and only provision has been made in books for the same.
Clause f. of Basis of Qualified Opinion	Trade receivables and loans and advances includes an amount of Rs. 438.65 crores in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 4(a)(iii)).	There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 438.65 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 g. of Basis of Qualified Opinion	We invite attention to note no 39(g) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. In the absence of any indicators of value arising out of the project we are unable to state whether any provision is required towards the exposure of Rs. 314.50 crores.	The management is of the opinion that the current situation is temporary and the value of the business arising out of the development is higher than the carrying value as aforesaid and therefore no provision for impairment is necessary presently.

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 Consolidated Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause a. of Point No: 4	The accounts of one of the entities M/s Franco Tosi Meccanica S.p.A, Italy (FTM) in which the Holding Company owns 83.94% stake have not been audited since December 2011 for reasons mentioned in note 6.B.(ii) under Investments note which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court, partial completion of the composition agreement where the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. In the light of what is stated in the aforesaid note, the Holding Company does not have any control over the financial and operating decisions of the said FTM. Therefore the said FTM has not been consolidated in accordance with INDAS 110 – Consolidated Financial Statements. Further the management contends that considering the status as detailed in the above-referred note the entity operates under severe restrictions, which significantly impairs its access to variable returns. The said Subsidiary has therefore been accounted as Financial Instrument accounted on Fair Value through Other Comprehensive Income. However since the financial information and other records are not available the fair value could not be determined. The funded and non-funded exposure of the group to FTM net of eliminations is Rs. 309 Crores as at 31st March 2017 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure however in the absence of any indication of the value of the non-core assets or the surplus and we are unable to quantify the possible further provision towards the exposure of the Group and determine whether the said entity carrying value is appropriate as FVTOCI and whether the effect on the consolidated loss of the Group for the year ended March 31, 2017 is appropriate.	Based on estimation given by the Commissioner in charge, the management believes the value of non-core assets including land is sufficient to cover external liabilities of FTM as also the exposure of the Group. However on a prudential basis Company has provided Rs. 100 crores. Accordingly Board has come to the conclusion that no impairment is required for the Company.

Relevant Para Nos. of the Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause b. of Point No: 4	We invite attention to Note 32(a) of the Statement wherein the total excess remuneration to the Chairman and Managing Director for past years up to March 31, 2017 is Rs 30.54 crores. The MCA has not approved the excess remuneration. The Company's Application for waiver of recovery of managerial remuneration aggregating to Rs. 17.19 crores for the Chairman and Managing Director has been rejected by the shareholders in their meeting held on June 29, 2017. The Board of Directors considering the efforts made by Chairman and Managing Director in steering the Company through the challenging times and the contribution made by him in the CDR package, on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders approval afresh for waiver of remuneration paid to Chairman and Managing Director Therefore no adjustments have been made for the amount of Rs. 30.54 crores. Similarly for one of the erstwhile executive director the MCA has rejected the excess remuneration of Rs. 0.59 crores for which the Company is making a fresh representation. In the absence of the fresh approval of the shareholders, as aforesaid we are unable to ascertain the impact on profits on this account for the quarter and year ended March 31, 2017.	Considering the efforts made by CMD in steering the Company through the challenging times and the contribution made by him in CDR/SDR package, getting new investors on board, the Board on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders' approval afresh for waiver of remuneration paid to CMD. No remuneration has been paid to him since October 14 and only provision has been made in books for the same. Further the company also proposes to make a representation to the Central Government in respect of excess remuneration paid to the erstwhile executive director. GIPL has made a representation to the MCA for the previous periods for the said amount of Rs. 3.88 crores and is in the process of making application for the current year ended March 31st 2017 of Rs. 1.09 crores.
Clause c. of Point No: 4	Similarly attention is invited to note 32(b) relating to the excess managerial remuneration, in respect of M/s Gammon Infrastructure Projects Limited (GIPL) , paid of Rs. 3.88 crores for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. GIPL had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, GIPL has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 3.88 crores. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 3.88 crores. Pending the same no adjustments have been made to the Consolidated Ind AS Financial Statements. Subject to the outcome of the application made to the MCA, we are unable to ascertain the impact on profits on this account for the year ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 1.09 crores for which GIPL is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the Consolidated Ind AS Financial Statements for the remuneration of the current period. This matter has been qualified in the consolidated financial statements of GIPL.	Considering the efforts made by CMD in steering the Company through the challenging times and the contribution made by him in CDR/SDR package, getting new investors on board, the Board on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders' approval afresh for waiver of remuneration paid to CMD. No remuneration has been paid to him since October 14 and only provision has been made in books for the same. Further the company also proposes to make a representation to the Central Government in respect of excess remuneration paid to the erstwhile executive director. GIPL has made a representation to the MCA for the previous periods for the said amount of Rs. 3.88 crores and is in the process of making application for the current year ended March 31st 201 of Rs. 1.09 crores.

Relevant Para Nos. of the Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause d. of Point No: 4	Trade receivables and loans and advances includes an amount of Rs. 376.92 crores in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 7.A.(iii))	There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 376.92 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 e. of Point No: 4	We invite attention to note no 11(i), detailing the recognition of claims during the previous period ended March 31, 2016 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2017 is Rs. 871.01 crores after the transfer of claims under slump exchange scheme and BTA as detailed in aforesaid note. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the Consolidated INDAS Financial Statements for the year ended March 31, 2017	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 f. of Point No: 4	We invite attention to note no 12(d) relating to the exposure of the Company to a real estate project of one of its subsidiary engaged in real estate development in Bhopal. In the absence of any indicators of value arising out of the project we are unable to state whether any provision is required towards the carrying value of the property development in progress (Real Estate WIP) of Rs. 998.38 crores.	The management is of the opinion that the current situation is temporary and the value of the business arising out of the development is higher than the carrying value as aforesaid and therefore no provision for impairment is necessary presently.
Clause g. of Point No: 4	Attention is invited to Note no 9(i) relating to the recoverability of the Insurance claim in respect of one of the subsidiaries of the Company. The financial statements of the subsidiary has been qualified by the statutory auditors that in the absence of any intimation of acceptance of the claim or receipt of any survey report findings they are unable to comment upon the recoverability of the amount of Insurance claim aggregating to Rs. 5.20 crores. The Management is however confident that its claim will be approved and the insurance claim will be realized.	The Subsidiary Company is in talks with insurer and expects to receive the claim at the earliest.

Relevant Para Nos. of the Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause h. of Point No: 4	Attention is invited to Note no 48, where GIPL has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). GIPL was required to pay the entire outstanding by September 30, 2017. Based on the update since the balance sheet date GIPL has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI we are unable to state whether the group has to account for the reversal of benefits of Rs. 18.05 crores in its financial statements for the period upto March 31, 2017.	The Company (GIPL) has requested for a further extension of time for the one time settlement (OTS) till 31st March 2018 in Nov 2017 and is hopeful that IFCI would respond favorably. Pending receipt of response from IFCI, the amount of Rs 18.05 crores has not been provided.
Clause i. of Point No: 4	Attention is invited to Note no 46 in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The GIPL has since the balance sheet date as updated to us has not fulfilled the condition of revocation of termination notice by NHAI i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group. GIPL is still negotiating with NHAI for a mutual and amicable settlement. The exposure of the company in the SPV is Rs. 160.62 crores (including Bank guarantee of Rs 84.20 crores). We are unable to comment upon the fructification of the amicable settlement with NHAI or continuance of the project	The SPV (VGRPPL) and the holding company (GIPL) are currently in discussion with NHAI for a mutually acceptable exit.

Relevant Para Nos. of the Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause j. of Point No: 4	a. 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 Subsidiary of the Company whose financial statements reflect Total Assets of Rs. 297.34 Crores, Revenue of Rs. 36.86 Crores for the period ended 31st December 2016. These financials are signed by one of the Director representing GIL on account of differences between the Group Company and the other Shareholder. There are no audited financial statements after 31st December 2011. ii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1154.80 crores and total revenues of Rs. 39.29 crores. iii. M/s SAE Powerlines S.r.L, a wholly owned subsidiary of the Company whose financial statements reflect total assets of Rs. 206.16 crores and total revenue of Rs. 157.33 crores. iv. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of Rs. 161.18 Crores, Revenue of Rs. NIL Crores for the year ended March 31, 2017, the groups share in the Revenue being Rs. NIL Crores. The JV is accounted on equity method. Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any.	The audit could not be completed due to various reasons for the above entities. Based on the discussions with the respective managements, we do not foresee any material impacts arising out of audit in the aforesaid financials statements.

Relevant Para Nos. of the Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Board's Explanation/remarks
Clause k. of Point No: 4	The auditors of three subsidiaries of the Company have qualified their auditors' report as follows: i. Ansaldo Caldaie Boilers India Limited: - "In respect of trade receivable of Rs. 35.84 crores due from M/s Nagai Power. Based on the development as detailed in the contract, the management is of the view that the debts are good and receivable. No adjustments are therefore made for the same in the books except for provision for expected credit loss. - ACBI had received amounts as Share Application Money of Rs. 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 receive a refund of the advance share application money vide its letter dated 18th May 2015. The appropriate effects of the said amount will be given on receiving final approval from Reserve Bank of India." ii. In the case of G&B Contracting LLC: "Included in accounts and other receivables is an amount of AED 2.7 million (Rs 4.76 crores) (31st march 2016: AED 2.7 million (Rs 4.86 crores)), Which due to the Company as a sub- contractor. Since the company has back to back terms with its customer i.e. the main contractor, the recoverability of the amount is dependent on the successful outcome of the customers dispute with the main client , a matter which could potentially be referred to arbitration. In view of the foregoing, we were unable to satisfy ourselves as to the extent of the recoverability of the receivables of AED 2.7 million (Rs 4.76 crores) (31st March 2016: AED 2.7 million (Rs 4.86 crores)) and are of the view that a substantial portion thereof could be impaired." iii. In the case of Gammon & Billimoria Limited: - "On account of sticky advances, interest on advances given is not provided in books of accounts. Interest provision not made is of Rs 9.72 crores - Interest is not paid provided on Loans outstanding in the name of Bebanco Developers Limited in view of financial loss. Company appreciates and acknowledges the right of Bebanco Developers Limited for the interest of Rs 4.74 crores not provided in the books as and when the financial position of the company improves." Consequent effects of two qualifications are as under: 1. On account of non- provision of interest profits would go up by Rs 9.71 crores 2. 2. On account of non- provision of interest on amount advance profit would go down by Rs 4.73 crores Net effects profit would go up by Rs 4.98 crores The above would impact the Consolidated financial statement by non-provision of Rs 4.74 crores towards the loan of Bebanco Developers Limited and to that extent consolidated profit is higher by Rs 4.74 crores.	In respect of Gammon & Billimoria Limited due to financial losses and liquidity crunch it was agreed by Bebanco Developers Ltd that till the financial condition of Gammon & Billimoria Ltd. Improves, it can defer provisioning of interest on loans provided by Bebanco Developers Ltd. Accordingly Gammon & Billimoria Ltd. has not provided interest on loan given by Bebanco Developers Ltd. In respect of ACBI- the contract with M/s Nagai Power has been revived and the company is confident to recover the whole amount. ACBI has made an application to RBI for write back of the share application money received from Ansaldo Caldaie Italy. . In respect of G&B Contracting LLC (GBLLC) –the management continues to be hopeful of receiving the amount from the Customer.

GAMMON
Builders to the Nation

Annexure "E"

NOMINATION AND REMUNERATION POLICY

1. **PREAMBLE:**

The Selection and Remuneration Committee ("Committee") of Gammon India Limited ("the Company") was constituted by the Company's Board of Directors on 6th May 2009. The Committee currently comprising of three (3) Independent Directors viz. (1) Mr. Naval Choudhary (Chairman), (2) Mr. Atul Kumar Shukla & (3) Mrs. Urvashi Saxena. 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 Clause 49 of the Listing Agreement.

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 a majority 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 circulate copies of the minutes of the Committee meeting to the remaining Board members upon request.

Annexure "F"

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3)of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with Related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis : Nil**
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts /arrangements/transactions
   (c) Duration of the contracts / arrangements/transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) Date(s) of approval by the Board
   (g) Amount paid as advances, if any:
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions	Consideration	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
Gammon Transmission Limited	Sale and transfer of retained Civil EPC business of the Company	Ongoing	Vide Business Transfer Agreement (BTA) executed on 25th September, 2017 and 26th September, 2017 between the Company and Gammon Transmission Ltd for transfer of retained Civil EPC undertaking by way of a slump sale on going concern basis.	Consideration under the BTA dated 25th September, 2017 is Rs.10,00,000/- Consideration under the BTA dated 26th September, 2017 is Rs.6,00,00,000/-	20th September, 2017	N.A.
Gammon Transmission Limited	Sale and transfer of retained Civil EPC business of the Company	Ongoing	Vide Scheme of Arrangement between the Company and Gammon Transmission Ltd for transfer of retained Civil EPC undertaking.	On approval of the Scheme by the National Company Law Tribunal (NCLT), GTL will issue 7,40,000 (Seven lakh forty thousand) equity shares of Rs. 10/- each to GIL as consideration.	20th September, 2017	

Annexure "G"

COPORATE SOCIAL RESPONSIBILITY POLICY (CSR) POLICY

1. INTRODUCTION

Pursuant to the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Rules, 2014 the CSR Policy of Gammon India Limited ("the Company") was constituted by the Board of Directors of the Company at their meeting held on 3rd April, 2014.

The Committee comprises of four directors viz., Mr. Naval Choudhary (Chairman), Mr. Abhijit Rajan, Chairman and Managing Director, Mr. Atul Kumar Shukla and Ms. Urvashi Saxena, Independent Directors as the members of the Committee. However, the Board has power to re-constitute the Committee as and when required from time to time

2. OBJECTIVE

This Policy has been framed in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

3. CSR VISION

The company's CSR philosophy is to strive towards wellbeing of society and being socially responsible for undertaking various activities including those specified in Schedule VII of the Companies Act, 2013.The Organization functions in society and receives all the resources including manpower from the society itself. Hence it is necessary to give back to the society and become responsible towards the society where it operates. The Company aims at contributing in best possible way towards society and has positive approach for sustainable development of society.

4. SCOPE

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

5. DEFINITIONS:

1. **Corporate Social Responsibility** (CSR) means and includes but is not limited to Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').
2. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
3. **CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in normal course of business.
4. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz; (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act. Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

6. ROLE OF THE CSR COMMITTEE

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.

b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.

c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.

e. Monitor the implementation of the CSR Policy from time to time.

f. Such other functions as the Board may deem fit.

7. ROLE OF THE BOARD

a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company

b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.

c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that –

If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

d. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy.

e. If the Company fails to spend such amount the Board shall, in its report shall specify the reasons for not spending such amount

f. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,

g. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

8. CSR ACTIVITIES FOR IMPLEMENTATION:

The CSR Activities would be in accordance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013 as below :-

(a) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation [including contribution to the Swach Bharat Kosh promoted by Central Government for promotion of sanitation] and making available safe drinking water;

(b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;[including clean Ganga fund set-up by the Central Government for rejuvenation of river Ganga];

(e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(f) measures for the benefit of armed forces veterans, war widows and their dependents;

(g) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

(h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;

(i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(j) rural development projects;

(k) slum area development

Apart from the above activities, the Company shall undertake activities as may be specified by the Ministry of Corporate Affairs (MCA) from time to time through any amendments, circulars, notifications, rules thereof

9. CSR MONITORING AND REPORTING FRAMEWORK

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The Board Report shall consist a section of Annual Report on CSR as per the format prescribed under the Rules

The CSR Policy shall also be displayed on the website of the Company

10. CSR EXPENDITURE

The CSR activities undertaken in India only shall amount to CSR Expenditure. CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

11. DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

12. CSR REPORTING

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

13. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required.

14. QUORUM

The quorum of the meetings shall be two members .

15. CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

16. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

17. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be prepared and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

18. MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

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ANNEXURE "H"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. **A brief outline of the Company's CSR policy, including an overview of the projects or programs proposed to be undertaken and a reference of the web-link to the CSR policy and the projects or programs.**

   The Company's CSR policy is framed in such a manner so as to provide a contribution for the betterment of the society where it operates, identifying and implementing the programmes mentioned in Schedule VII of the Companies Act, 2013. The Policy also defines a monitoring mechanism and delegates powers to the CSR Committee and the Board of Directors for effective implementation of the CSR activities. However, during the Financial Year ended 31st March, 2017, the Company has not undertaken any CSR projects/programs since the average net profit of the Company stood negative. The CSR policy is hosted on the Company's website viz; www.gammonindia.com

2. **Composition of the CSR Committee.**

   The CSR Committee comprises of Mr. Naval Choudhary - Non-Executive and Independent Director (Chairman) Mr Abhijit Rajan, Chairman and Managing Director (Member), Mr. Atul Kumar Shukla - Non-Executive and Independent Director (Member) and Mrs. Urvashi Saxena - Non-Executive and Independent Director (Member).

3. **Average net profit of the Company for the last three financial years:**

Year	Profit/(loss) (Rs. In Crores)
1st October, 2014 to 31st March, 2016 (18 months)	14.64
1st January, 2014 to 30th September, 2014 (9 Months)	67.80
1st April, 2013 to 31st December, 2013 (9 Months)	(765.91)
Total Net Profit	(597.59)
Average Net Profit	(199.20)

4. **Prescribed CSR Expenditure (two percent of the Average Net profit as mentioned in "Item 3" above):** Since the average net profit for the last three Financial Years stood negative, the Company has not spent any amount on CSR activities during the Financial Year 2016-17.

5. **Details of CSR spent during the financial year**

   a. Total amount to be spent for the financial year – Not applicable

   b. Amount unspent, if any – Not applicable

   c. Manner in which the amount was spent during the financial year :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Not Applicable							

   * Give details of implementing agency

In case Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide reasons for not spending such amount: Not applicable.

ANNEXURE – "I"

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, 2017

Sr. No	Name of the Director	Designation	Ratio of Directors remuneration to Median remuneration
1.	Mr. Abhijit Rajan	Chairman and Managing Director	1 : 86.95
2.	Mr. Rajul Bhansali	Executive Director – International Operations	1 : 17.39
3.	Mr. Ajit B. Desai	Executive Director and CEO	1 : 17.39
4.	Mr. Digambar Bagde	Deputy Managing Director – T&D Business	NIL
5.	Mr. Chandrahas C. Dayal	Non-Executive Non-Independent Director	1 : 0.869
6.	Mr. Naval Choudhary	Non-Executive Non-Independent Director	1 : 0.999
7.	Mrs. Urvashi Saxena	Non-Executive Non-Independent Director	1 : 0.478
8.	Mr. Atul Kumar Shukla	Non-Executive Non-Independent Director	1 : 0.869
9.	Mr. Jagdish Sheth*	Non-Executive Non-Independent Director	-
10.	Mr. Atul Dayal*	Non-Executive Non-Independent Director	-

* *Mr. Atul Dayal and Mr. Jagdish Sheth resigned as a Non-Executive Independent Director w.e.f. 23rd August, 2016 and 5th October, 2016 respectively.*

2) Percentage increase in the remuneration of each Director, CFO, CEO, CS and Manager –

There is no increase in the remuneration of Directors and KMP's during the Financial Year ended 31st March, 2017

3) Percentage increase in median remuneration of employees:

There was no increase in remuneration of employees during the Financial Year ended 31st March, 2017

4) No. of permanent employees on rolls of the Company –

There are 2019 employees as on 31st March 2017, on the rolls of the Company.

5) 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:

Not applicable. Since there is no increase in remuneration of employees during the Financial Year ended 31st March, 2017

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

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 One Crore Two Lakh rupees per annum and not less than Eight Lakh Fifty Thousand per month, if employed for a part of Financial Year, forms part of the Directors Report as a separate Annexure. The Directors report along with the accounts are sent to the members excluding the aforesaid Annexure. In terms of Section 136 of the Companies Act, 2013 the Annexure is open for inspection at the Registered office of the Company and shareholders interested in obtaining copy of the same may write to the Compliance Officer.

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ANNEXURE "J"

A. **Conservation of Energy:**

The Company continues its efforts to reduce and optimize the use of energy consumption at its Corporate Headquarter and its project sites / workshops to minimize wastage and increase overall efficiency at every stage of power consumption. Along with previously proposed measures, company has widened its scope in conserving energy in every possible way by initiating following other measures:

a. Improvement in quality of Electric Power by using APFC Panels, Voltage Regulation system at transformer output,

b. proper matching of Frequency & Voltage in case of Captive Power.

c. Minimisation of system losses by using appropriate size of Cables & Switchgears, elimination of poor cable joints.

d. Ensured quality grid power (i.e. voltage, power factor etc.) for performance optimization of electrical construction equipment. Voltage adjustment provisions through transformers tap changer & provision of boosters to maintain desirable parameters of grid power if necessary.

e. Ensured quality captive power (i.e. voltage & frequency) for performance optimization of all electrical construction equipment.

f. Further improvement in power factor: Sites and workshop are consistently striving to achieve power factor at 0.99 level

g. Control over energy losses in Electrical system: Energy losses in electrical system are being monitored to take further corrective actions. All components in electrical system, particularly cables & switch gears are installed in appropriate rating to control energy losses. All poor joints in cables & other terminations have improved to avoid drain of energy.

h. Provision of soft starters in large motors: In place of hard start and stop, soft start & stop have implemented to save energy and reduce capacity of system.

i. Ventilation system is significant source of energy consumption at tunnel sites. Following site measures have contributed in energy efficiency:

   a) Implementation of Variable Frequency Drives (VFD).

   b) Air leakage control in ventilation duct.

   c) Kink elimination from ventilation duct.

j. Monitoring of fuel quality & storage: HSD is the core fuel source at site, it's quality and storage methods have been modified to obtain quality fuel for construction equipments.

k. Leakage control on compressed air: Air compressor is a major source of energy consumption at sites, air pipeline are fixing and maintaining to control any type of air leakage. In addition to air leakage control, air pressure regulation has also helped to save the energy consumption.

B. **Technology Absorption:**

1. **Efforts made towards technology absorption and adaption:**

   a. Hydraulic Dam Vibrator: The Company has successfully adopted the technology of Hydraulic Dam Vibrator for effective vibration & compaction of mass concrete. Two numbers (a set of 3 needles of Ø150mm) VBM 3HD are being used at Bajoli Holi Hydro Electric project mounted on Tata Hitachi EX -70 Hydraulic excavator for dam concreting with a MSA of 150mm .

   b. Pneumatic Concrete Bucket: The Company has successfully design and developed in-house Pneumatic operated 3.0m³ concrete Bucket at Taloja workshop. Total 6 nos. of such concrete bucket are being used at Bajoli Holi Hydro project for dam concreting.

   c. Inundation Bin arrangement: The Company has successfully designed & developed the Inundation Bin technique for Aggregate cooling at Vyasi Hydro project. It has a peak capacity of 350TPH and able to handle three types of aggregates to be cooled in 6 nos. of 100m³ Inundation Bins. The system is being used to cool the aggregate to produce concrete at 10°c. The total system is automatically operated & control through PLC system.

   d. Flake Ice Production and Handling: The Company has successfully used the Flake Ice system for producing temperature controlled concrete at Bajoli Holi and Vyasi Hydro Project. Four nos. of 25TPD capacity Flake Ice plants has been installed above the 100T cap. containerized Ice storage room mounted on a elevated structure. Flake Ice is being fed directly to the Batching Plant Mixer through Ice Screw conveyor and Ice Day Tank arrangement. Three nos. of such arrangement has been installed at different Hydro project.

   e. 32T Capacity Tower Crane: We have installed 2 nos. of one of biggest capacity Tower Crane of India (Zoomlion T630-32 Ton) at Bajoli Holi Hydro Electric project. These cranes are successfully being used for the Dam concreting.

   f. Surge Hopper: We have sourced and developed one Indian manufacturer for the Surge Hopper of 9.0m³ capacity adhering the "Make in India" concept. This Surge Hopper is being used to feed the Putzmiester Telebelt TBS 130 for Dam Concreting at Vyasi Hydro Electric project.

   g. Modification of Slipform Paver: We have successfully done the modification to increase the Paving width of Wirtgen 850 Slipform Paver from 8.0 m to 9.0 m. The whole modification was done in-house at our Nagpur Regional workshop. The said paver is now being used at Hospet Bellary Road project.

- **h.** **Tunnel Formwork:** The Company has design, develop and fabricate the Tunnel Formwork with 15m shutter and Traveler, for a finished tunnel diameter of 6.0m. We have fabricated total 5 set of such formwork for Mangdechhu project. The total fabrication was done in-house at Ranchi workshop.
- **i.** **High Strength Self Compacting Concrete**: High Strength Self Compacting Concrete of grade M 50 was poured in selected piers of Signature Bridge. This enabled smooth concreting in heavily reinforced sections.
- **j.** **Use of Iron Slag in Concrete**: Owing to the proximity of JSW from the Project. We are using Iron Slag as a replacement of sand in all concrete mixes being executed in Hospet Bellari Road Project, NH 63, for the first time in the history of NHAI.

2. Benefits derived as a result of the above efforts

1. Reduction in cost and better quality product
2. Faster progress implying earlier completion of projects
3. Efficiency improvements
4. Enhancement of quality

3. Innovation

Through directed efforts in Innovation, Company has focused on following ideas:

1. Cost reduction through value engineering
2. Innovating and adopting new concepts for construction
3. Improving self-reliance through indigenous designs
4. Faster progress of projects

C. **Research and Development (R & D):**

Increasing focus on developing infrastructure in the country has opened up many opportunities for the construction companies. To rise up to the challenge of completing huge quantum of work in a short time, we have to back up the onsite teams with continual improvement in construction technology.

In the continued difficult economic conditions, cost reductions and early completion of projects remains high on the agenda. The opportunities for economizing structural designs, improving productivity, reducing wastage and adopting better construction practices are the main areas of focus for research and technology this year. Focus on optimizing cement content by improving the quality standards and use of supplementary cementitious material with an aim of improving durability and reducing carbon footprint is the prime area of current research.

The ultimate aim of the R&D undertaken is to achieve reduction in cost and time of construction.

Current R&D projects undertaken are:

a. Use of Iron & Copper Slag as replacement of sand in concrete

b. Design low cost Self compacting concrete upto M35 grade

c. To design concrete with high durability

d. To design and fabricate single side climbing formwork for parabolic dome having 54-20 media.

e. To design and fabricate step frame and cantilever trusses for construction of 4.5 m cantilever floor at height of 120 m

D. **Foreign Exchange earnings and outgo:**

Total foreign exchange used and earned during the year

(Rs. in Crores)

	Current Period	Previous Period
Foreign Exchange Earnings	-	327.48
Foreign Exchange Outgo	-	115.25

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, 2017. The information given in this Report is as on 31st March, 2017.

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 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 continues 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 has 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, 2017, the Board of Directors comprised of 8 (eight) Directors which include a Chairman and Managing Director (Executive), 2 (two) Executive Directors, 1 (one) Non-Executive Non-Independent Director and 4 (four) Non-Executive Independent Directors including a Woman Director. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The Chairman and Managing Director provides leadership to the Board and to the Management in strategizing and realizing business objectives and is supported by the Executive Directors. 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 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, 2017, the following changes have taken place in the Board composition:

- Mr. Atul Dayal and Mr. Jagdish Sheth resigned as Independent Directors w.e.f. 23rd August, 2016 and 5th October, 2016 respectively.
- Change in designation of Mr. Digambar Bagde from Deputy Managing Director - Transmission and Distribution Business to Non-Executive Non-Independent Director w.e.f. 1st October, 2016.

(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 meetings is less than 120 days. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all 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 11 (eleven) Board Meetings on 2nd April, 2016, 13th May, 2016, 4th June, 2016, 17th June, 2016, 8th July, 2016, 20th July, 2016, 21st July, 2016, 13th September, 2016, 12th December, 2016, 15th February, 2017 and 20th February, 2017.

(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, 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 attended (01.04.2016 to 31.03.2017)		Attendance at last AGM held on 21st September, 2016	Directorships in other Companies in India (as on 31st March, 2017)**	Committee Positions held (Other than in Gammon India Limited) ***	
		Held	Attended			Chairman	Member
Mr. Abhijit Rajan	Chairman & Managing Director	11	10	Present	2	NIL	NIL
Mr. Rajul Bhansali	Executive Director – International Operations	11	6	Present	2	NIL	NIL
Mr. Digambar Bagde	Non-Executive Non-Independent	11	6	Present	3	NIL	NIL
Mr. Ajit B. Desai	Executive Director & CEO	11	9	Present	2	NIL	NIL
Mr. Chandrahas C. Dayal	Non-Executive & Independent Director	11	9	Present	2	2	3
Mr. Atul Dayal *	Non-Executive & Independent Director	11	0	Absent	--	--	--
Mr. Jagdish Sheth *	Non-Executive & Independent Director	11	0	Absent	--	--	--
Mrs. Urvashi Saxena	Non-Executive & Independent Director	11	5	Present	2	0	2
Mr. Naval Choudhary	Non-Executive & Independent Director	11	10	Absent	5	0	2
Mr. Atul Kumar Shukla	Non-Executive & Independent Director	11	9	Present	6	1	3

* Mr. Atul Dayal and Mr. Jagdish Sheth resigned as a Non-Executive Independent Director's w.e.f. 23rd August, 2016 and 5th October, 2016 respectively.

** Excludes Private Limited Companies, Foreign Companies and Companies registered under Section 8 of Companies Act, 2013.

*** Chairmanship / Membership of Audit Committee and Stakeholder Relationship Committee has been considered.

(e) Information to the Board

The Board Meetings are held at the Registered Office of the Company. 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 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. No new Independent Director was appointed during the period.

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 or through inhouse journals.

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

The senior management conducted two sessions for the Independent Directors where the senior management team of the Company updated the Directors on the Company and the projects , Details of the familiarization programmes are available on the Company's website viz. www.gammonindia.com under the Investor Section.

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) Corporate Social Responsibility Committee (v) Review Committee of Independent Directors (vi) Securities Allotment Committee.

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, 2017 comprised of 4 (four) Non-Executive Independent Directors viz. (1) Mr. Chandrahas C. Dayal (Chairman), (2) Mrs. Urvashi Saxena, (3) Mr. Naval Choudhary and (4) Mr. Atul Kumar Shukla.

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

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

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 Director's Responsibility Statement to be included in the Board Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Any changes in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on exercise of judgments by management;
- Modified opinion(s) in draft audit report;
- Significant adjustments made in the financial statements arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with listing and legal requirements concerning financial statements;
- All Related Party Transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.

e) Reviewing with the management, statutory and internal auditors, internal financial controls and risk management system.

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 for monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board.

g) Reviewing with the management the quarterly and half yearly financial results before submission to the Board for approval.

h) Reviewing the adequacy of internal audit functions, 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.

i) Scrutinizing of the inter corporate loans & investments.

j) Discussion with Internal Auditors, any significant findings and follow up thereon.

k) 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.

l) Approval or any subsequent modification of transactions of the Company with related parties.

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

n) Review and monitor the auditor's independence and performance and effectiveness of audit processes.

o) To review the functioning of the Whistle Blower and Vigil mechanism.

p) Valuation of undertaking or assets of the Company where ever it is necessary.

q) Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

r) All such other functions as may be specified from time to time.

Audit Committee Meetings

During the Financial Year ended 31st March, 2017, the Audit Committee held 11 (eleven) meetings on 13th May, 2016, 4th June, 2016, 17th June, 2016, 18th July, 2016, 20th July, 2016, 21st July, 2016, 13th September, 2016, 12th December, 2016, 29th December, 2016, 15th February, 2017 and 20th February, 2017. 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. Chandrahas C. Dayal – Chairman	9
Mr. Naval Choudhary - Member	11
Mrs. Urvashi Saxena	5
Mr. Atul Kumar Shukla	10

Mr. Chandrahas C. Dayal - Chairman of the Audit Committee was present at the previous Annual General Meeting held on 21st September, 2016.

The Audit Committee meetings are held at the Registered Office of the Company and attended by invitation by the Chief Financial Officer, Finance Controllers, Representatives of the Statutory 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 complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.

Composition

The Stakeholders' Relationship Committee comprised of 3 (three) Non-Executive Independent Directors viz.

(1) Mr. Chandrahas C. Dayal (Chairman), (2) Mr. Naval Choudhary and (3) Mr. Atul Kumar Shukla.

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

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, 2017 the Committee held 7 (seven) meetings on 29th July, 2016, 10th November, 2016, 22nd November, 2016, 1st December, 2016, 7th January 2017, 15th March, 2017 and 22nd March, 2017. Necessary quorum was present at all the meetings.

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

Name of the Member	No. of Committee Meetings attended
Mr. Chandrahas C. Dayal - Chairman	5
Mr. Naval Choudhary - Member	7
Mr. Atul Kumar Shukla - Member	7

Details of Investor Complaints

A total 1 query / complaint was received by the Company from Investors as detailed below. All the complaints were resolved by the

Company to the satisfaction of the Investors'. As on 31st March, 2017, there were no pending letters / complaints. The status of Investors complaints received up to 31st March 2017 is as stated below:

No. of Complaints received during the financial year ended 31st March, 2017.	1
No. of Complaints resolved as on 31st March, 2017.	1
No of Complaints pending as on 31st March, 2017.	NIL
No. of pending share transfers as on 31st March, 2017	NIL

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

Ms. Gita Bade

Gammon India Limited

'Gammon House', Veer Savarkar Marg,

Prabhadevi, Mumbai - 400 025.

E-mail Id: gita.bade@gammonindia.com

Telephone : 022 - 6115 3000.

Facsimile : 022 - 2430 0221.

(iii) Nomination & Remuneration Committee

Composition

The Nomination & Remuneration Committee comprised of 3 (three) Non-Executive Independent Directors viz.

(1) Mr. Chandrahas C. Dayal (Chairman) (2) Mr. Naval Choudhary and (3) Mrs. Urvashi Saxena.

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

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, 2017, the Committee held 2 (two) meetings on 13th May, 2016 and 5th October, 2016. 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. Chandrahas C. Dayal – Chairman	2
Mrs. Urvashi Saxena – Member	1
Mr. Naval Chaudhary – Member	2

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.

Performance Evaluation of Board and Independent Directors

As per Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations, annual performance evaluation of the Independent Directors, Board and each of the Committees was carried out and the feedback and information received was communicated to the Nomination and Remuneration Committee, the Chairman and Managing Director and to each Board Member for improving Board dynamics, strengthening the Board and enhancing Board's overall performance in the challenging environment.

Details of Remuneration paid to Directors during the Financial Year ended 31st March, 2017

All Executive Directors are paid salary, allowances and perquisites while Non-Executive Independent Directors receive sitting fees for attending Board and Committee meetings. Payment of remuneration to the Chairman & Managing Director and 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 of the Company and by the Central Government wherever necessary.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the Financial Year ended 31st March, 2017 is as follows:

(Amount in ₹)

Name of Director	Mr. Abhijit Rajan	Mr. Rajul Bhansali	Mr. Digambar C. Bagde	Mr. Ajit B. Desai
Salary	Nil	78,30,330	Nil	74,32,159
Perquisites*	Nil	2,54,511	Nil	6,29,844
Commission	Nil	Nil	Nil	Nil
Performance linked incentives	Nil	Nil	Nil	Nil
Total	Nil	80,84,841 #	Nil ##	80,62,003 ###
Tenure:				
From	17 / 05 / 2016	30 / 03 / 2015	09 / 07 / 2012	18 / 12 / 2014
To	16 / 05 / 2019	29 / 03 / 2018	01 / 10 / 2016**	17 / 12 / 2017
Shares of ₹ 2 /- each held as on 31st March, 2017	81,72,459	NIL	8,17,472	4,500

* Perquisites includes employers contribution to Provident Fund, Superannuation Fund and Gratuity for Directors. (Except Mr. Digambar C. Bagde whose perquisites includes only provident fund contribution)

** Mr. Bagde ceased to be a Whole-time Director w.e.f. 1st October, 2016.

As approved by the Central Government vide letter dated 9th December, 2015.

Mr. Bagde ceased to be a Whole-time Director w.e.f. 1st October, 2016. Further, pursuant to the Scheme of Arrangement between Gammon India Ltd and Transrail Lighting Limited, the appointed date of which was 1st January, 2016, Mr. Bagde was not in receipt of any remuneration from Gammon India Ltd for the Financial Year 2016-2017.

As approved by the Central Government vide letter dated 20th November, 2015.

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 relationship with the Company.

Details of sitting fees paid for attending Board and Committee Meetings during the Financial Year ended 31st March, 2017 are given below:

(Amount in ₹)

Name	Board Meeting	Committee Meeting*	Total
Mr. Chandrahas C. Dayal	1,80,000	2,20,000	4,00,000
Mr. Naval Choudhary	2,00,000	2,60,000	4,60,000
Mrs. Urvashi Saxena	1,00,000	1,20,000	2,20,000
Mr. Atul Kumar Shukla	1,80,000	2,20,000	4,00,000
Mr. Jagdish Sheth	Nil	Nil	Nil
Mr. Atul Dayal	Nil	Nil	Nil

Note: (*) includes Audit Committee, Nomination & Remuneration Committee and Securities Allotment Committee.

Details of Shareholding of Non-Executive Directors as on 31st March, 2017

Name of Director	No of shares held	Percentage
Mr. Chandrahas C. Dayal	1,500	0.0004
Mr. Naval Choudhary	NIL	NIL
Mrs. Urvashi Saxena	NIL	NIL
Mr. Atul Kumar Shukla	NIL	NIL
Mr. Jagdish Sheth	NIL	NIL
Mr. Atul Dayal	NIL	NIL

(iv) Corporate Social Responsibility Committee

The Board of Director at its meeting held on 3rd April, 2014 constituted "Corporate Social Responsibility Committee" ("CSR Committee") as required under Section 135 of the Companies Act, 2013.

Composition

The CSR Committee comprised of the Chairman & Managing Director- Mr. Abhijit Rajan and 3 (three) Non-Executive Independent Directors viz.

(1) Mr. Chandrahas C. Dayal (Chairman), (2) Mr. Naval Choudhary and (3) Mrs. Urvashi Saxena.

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

Terms of reference

The role of the Corporate Social Responsibility Committee is to:

(i) formulate and recommend to the Board a Corporate Social Responsibility Policy to indicate the activities to be undertaken by the Company as specified in Schedule VII and as amended thereof.

(ii) recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company; and

(iii) monitor the Corporate Social Responsibility Policy from time to time.

(B) Non-mandatory Committees

(i) Review Committee of Independent Directors

The Board in its meeting held on 25th November, 2013 constituted a Review Committee of Independent Directors.

The role of the Review Committee of Independent Directors is to review, *inter-alia*, the Company's projects on a periodical basis and all project related issues as well as such matters as may be referred to the Committee by the Board.

Composition

The Committee comprised of 3 (three) Non-Executive Independent Directors viz.:

(1) Mr. Naval Choudhary (Chairman) (2) Mr. Chandrahas C. Dayal and (3) Mrs. Urvashi Saxena.

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

(ii) Securities Allotment Committee

The Securities Allotment Committee was constituted by the Board of Directors in its meeting held on 27th October, 2015.

Composition

As on 31st March, 2017, the Committee comprised of:

(1) Mr. Atul Kumar Shukla - Independent Director (Chairman), (2) Mr. Chandrahas C. Dayal - Independent Director, (3) Mrs. Urvashi Saxena - Independent Director and (4) Mr. Ajit Desai - Executive Director.

During the Financial Year ended 31st March, 2017, 1 (one) meeting of Securities allotment Committee was held on 10th June, 2016.

The details of the Committee meeting attended by the Members is given below:

Name of the Member	No. of Committee Meetings attended
Mr Atul Kumar Shukla - Chairman	1
Mr. Chandrahas C. Dayal – Member	0
Mr. Ajit Desai - Member	1
Mrs. Urvashi Saxena – Member	0

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

4. **COMPANY POLICIES**

The Board of Directors has approved and adopted the following policies:

i. **Policy on Related Party Transactions**

The Policy on Related Party Transaction as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

ii. **Policy on Material Subsidiaries**

The Policy on Material Subsidiaries as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

iii. **Whistle Blower Policy**

The Whistle Blower Policy as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

iv. **Nomination & Remuneration Policy**

The Nomination & Remuneration Policy as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

v. **Preservation of Documents & Archival Policy**

The Preservation of Documents & Archival Policy as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

vi. **Policy on Determination of Materiality of Events or Information**

The Policy on Determination of Materiality of Events or Information as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

vii. **Corporate Social Responsibility Policy**

The Policy on Corporate Social Responsibility as approved by the Board is hosted on the Company's website viz. www.gammonindia.com.

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 Chairman and Managing Director 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 Meetings of the Company for the 18 (eighteen) months period ended 31st March, 2016 and 9 (nine) months period ended 30th September, 2014 and 31st December, 2013 were held, as detailed below:

AGM	Financial Year / Period	Date & Time	Venue
94th	18 months period ended 31st March, 2016	21st September, 2016 at 3.00 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025.
93rd	9 months period ended 30th September, 2014	24th March, 2015 at 3.30 p.m.	Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), 3rd Floor (Mini Theatre), Sayani Road, Prabhadevi, Mumbai - 400 025
92nd	9 months period ended 31st December, 2013	30th June, 2014 at 4.30 p.m.	Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), 3rd Floor (Mini Theatre), Sayani Road, Prabhadevi, Mumbai - 400 025

(ii) **Special Resolutions passed in the previous three Annual General Meetings:**

21st September, 2016	(i) Special Resolution under Section 20 of the Companies Act, 2013 authorising Company to charge for service of documents to members of the Company.
24th March, 2015	(i) Re-appointment of Mr. Rajul A. Bhansali as Whole time Director of the Company designated as Executive Director (International Operations). (ii) Appointment of Mr. Ajit B. Desai as Whole-time Director of the Company designated as Executive Director & Chief Executive Officer. (iii) Approval of existing material related party transaction entered into by the Company with its subsidiaries / joint ventures for execution of infrastructure projects. (iv) Approval of existing material related party transaction entered into by the Company with its subsidiaries Metropolitan Infrahousing Private Limited. (v) Approval of existing material related party transactions entered into by the Company with its subsidiary Campo Puma Oriente S.A. (vi) Approval of existing material related party transactions entered into by the Company with its subsidiary Franco Tosi Meccanica S.p.A.

30th June, 2014	(i)	Allotment of 36,968,575 Equity shares of the Company of face value of ₹ 2 /- each at a price of ₹ 27.05/- aggregating to ₹ 1,000,000,000 /- on preferential basis to the promoters of the Company.
	(ii)	Payment of remuneration aggregating to ₹ 60,000,000 /- (Rupees Six Crores only) per annum to Mr. Abhijit Rajan-Chairman & Managing Director for the financial year 2014-2015 and for a period from 1st April 2016 - 16th May, 2016.
	(iii)	Payment of remuneration aggregating to ₹ 80,00,000 /- (Rupees Eighty Lakhs only) per annum to Mr. Rajul A. Bhansali - Executive Director (International Operations) for the period starting from 1st January, 2014 until the remainder of his tenure i.e. 29th March, 2015.
	(iv)	Appointment of Mr. Harshit Rajan, a relative of Mr. Abhijit Rajan - Chairman & Managing Director as Vice President - Procurement for a period of 3 (three) years effective from 1st May, 2014.

Ms. Gita Bade - Company Secretary acts as Secretary to the Committee.

(iii) Resolution passed by Postal Ballot during the Financial Year ended 31st March, 2017

The following resolutions were passed by Postal Ballot of which results were declared on 20th May, 2016, 10th August, 2016, 21st October, 2016 and 27th March, 2017.

1. Approval of members was sought pursuant to Section 62(3) of the Companies Act, 2013 providing for an option to DBS Bank for conversion of their loans into equity shares of the Company.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	171	52530300
Total number of electronic ballot forms received.	55	167330626
Number of invalid physical ballot forms.	11	45735
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	160	52484565
Number of valid electronic ballot forms.	55	167330626
Number of valid votes –physical and electronic.	215	219815191
Votes in favour of the resolution (both, physical & electronic).	199	219774616
Votes against the resolution (both, physical & electronic).	16	40575
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.98		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.02		

The aforesaid resolution was passed on 20th May, 2016.

2. Approval of members sought for amendment to Business Transfer Agreement (BTA) entered into between the Company and Transrail Lighting Limited (TLL).

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	171	52530300
Total number of electronic ballot forms received.	55	167330626
Number of invalid physical ballot forms.	21	51813938
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	150	716362
Number of valid electronic ballot forms.	55	167330626
Number of valid votes –physical and electronic.	205	168046988
Votes in favour of the resolution (both, physical & electronic).	191	168041728
Votes against the resolution (both, physical & electronic).	14	5260
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.99		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.01		

The aforesaid resolution was passed on 20th May, 2016.

3. Approval of members sought for amendment to Investment cum Shareholders Agreement, executed between the Company, Transrail Lighting Limited (TLL) and Bilav Software Pvt Ltd (Investor).

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	171	52530300
Total number of electronic ballot forms received.	55	167330626
Number of invalid physical ballot forms.	12	45755
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	159	52484545
Number of valid electronic ballot forms.	55	167330626
Number of valid votes –physical and electronic.	214	219815171
Votes in favour of the resolution (both, physical & electronic).	200	219809713
Votes against the resolution (both, physical & electronic).	14	5458
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.99		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.01		

The aforesaid resolution was passed on 20th May, 2016.

4. Approval of members sought pursuant to Section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge on immovable and movable properties of the Transmission and Distribution business for securing the debts transferred to Transrail Lighting Limited.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	171	52530300
Total number of electronic ballot forms received.	55	167330626
Number of invalid physical ballot forms.	21	51813938
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	150	716362
Number of valid electronic ballot forms.	55	167330626
Number of valid votes –physical and electronic.	205	168046988
Votes in favour of the resolution (both, physical & electronic).	190	168009366
Votes against the resolution (both, physical & electronic).	15	37622
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.97		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.03		

The aforesaid resolution was passed on 20th May, 2016.

5. Approval of members sought pursuant to Section 186 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to provide security and corporate guarantee to the lenders of Transrail Lighting Limited (TLL).

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	171	52530300
Total number of electronic ballot forms received.	55	167330626
Number of invalid physical ballot forms.	21	51813938
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	150	716362
Number of valid electronic ballot forms.	55	167330626
Number of valid votes –physical and electronic.	205	168046988
Votes in favour of the resolution (both, physical & electronic).	187	168008571
Votes against the resolution (both, physical & electronic).	18	38417
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.97		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.03		

The aforesaid resolution was passed on 20th May, 2016.

6. Approval of members sought pursuant to Section 180(1)(a), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 for divestment of upto 30% of shares held by the Company in Gammon Infrastructure Projects Limited, through its wholly owned subsidiary, Gammon Power Limited.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	171	52530300
Total number of electronic ballot forms received.	55	167330626
Number of invalid physical ballot forms.	12	45755
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	159	52484545
Number of valid electronic ballot forms.	55	167330626
Number of valid votes –physical and electronic.	214	219815171
Votes in favour of the resolution (both, physical & electronic).	199	219807471
Votes against the resolution (both, physical & electronic).	15	7700
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.99		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.01		

The aforesaid resolution was passed on 20th May, 2016.

7. Approval of the members sought pursuant to Sections 196, 197, 198 and 203 of the Companies Act, 2013 for re-appointment of Mr. Abhijit Rajan (DIN: 00177173) as Chairman and Managing Director of the Company for a period of three years w.e.f 17th May, 2016 and payment of remuneration.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	104	61438915
Total number of electronic votes received.	62	13649072
Number of invalid physical ballot forms.	4	6525
Number of physical ballot forms not voted.	2	8172479
Number of invalid electronic votes.	0	0
Number of electronic votes not casted.	0	0
Number of valid physical ballot forms.	100	61432390
Number of valid electronic votes.	62	13649072
Number of valid votes –physical and electronic (excludes votes not casted).	160	66908983
Votes in favour of the resolution (both, physical & electronic).	133	65780954
Votes against the resolution (both, physical & electronic).	27	1128029
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 98.31		
Percentage of votes casted against the resolution (both, physical & electronic) : 1.69		

The aforesaid resolution was passed on 10th August, 2016.

8. Approval of the members sought pursuant to Section 197 of the Companies Act, 2013 for waiver of recovery of excess remuneration paid to Mr. Himanshu Parikh (DIN: 00760181), erstwhile Whole-time Director during the year 1st April, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	104	61438915
Total number of electronic votes received.	62	13649072
Number of invalid physical ballot forms.	4	6525
Number of physical ballot forms not voted.	3	310
Number of invalid electronic votes.	0	0
Number of electronic votes not casted	2	1100000
Number of valid physical ballot forms.	100	61432390
Number of valid electronic votes.	62	13649072
Number of valid votes –physical and electronic (excludes votes not casted).	157	73981152
Votes in favour of the resolution (both, physical & electronic).	119	73646848
Votes against the resolution (both, physical & electronic).	38	334304
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.55		
Percentage of votes casted against the resolution (both, physical & electronic) : 0.45		

The aforesaid resolution was passed on 10th August, 2016.

9. Approval of the members sought pursuant to Section 180(1)(a) and 186 of the Companies Act, 2013 authorizing the Board of Directors to sell, dispose, hive-off and transfer part of the Civil EPC undertaking of the Company to M/s Gammon Engineers and Contractors Private Limited, an indirect wholly owned step down subsidiary of the Company.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	113	51491941
Total number of electronic votes received.	59	51983360
Number of invalid physical ballot forms.	12	12745
Number of physical ballot forms not voted.	3	1335
Number of invalid electronic votes.	0	0
Number of electronic votes not cast.	0	0
Number of valid physical ballot forms.	98	51477861
Number of valid electronic votes.	59	51983360
Number of valid votes –physical and electronic (excludes votes not cast).	158	103461221
Votes in favour of the resolution (both, physical & electronic).	147	103405800
Votes against the resolution (both, physical & electronic).	10	55421
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.95		
Percentage of votes cast against the resolution (both, physical & electronic) : 0.05		

The aforesaid resolution was passed on 21st October, 2016.

10. Approval of the members sought pursuant to Section 180(1)(a) of the Companies Act, 2013 and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for divestment of 75% stake held by the Company in its indirect wholly owned step down subsidiary of the Company.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	113	51491941
Total number of electronic votes received.	59	51983360
Number of invalid physical ballot forms.	12	12745
Number of physical ballot forms not voted.	4	1435
Number of invalid electronic votes.	0	0
Number of electronic votes not cast.	0	0
Number of valid physical ballot forms.	97	51477761
Number of valid electronic votes.	59	51983360
Number of valid votes –physical and electronic (excludes votes not cast).	156	103461121
Votes in favour of the resolution (both, physical & electronic).	145	103413008
Votes against the resolution (both, physical & electronic).	11	48113
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.95		
Percentage of votes cast against the resolution (both, physical & electronic) : 0.05		

The aforesaid resolution was passed on 21st October, 2016.

11. Approval of the members sought pursuant to Section 180(1)(a) of the Companies Act, 2013 for creation of mortgage / charge on immovable and movable properties of the Civil EPC undertaking for the debts being transferred to M/s. Gammon Engineers and Contractors Private Limited.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	113	51491941
Total number of electronic votes received.	59	51983360
Number of invalid physical ballot forms.	12	12745
Number of physical ballot forms not voted.	4	1435
Number of invalid electronic votes.	0	0
Number of electronic votes not cast.	1	219107
Number of valid physical ballot forms.	97	51477761

Particulars	No. of Postal Ballots	No. of shares
Number of valid electronic votes.	58	51764253
Number of valid votes –physical and electronic (excludes votes not cast).	155	103242014
Votes in favour of the resolution (both, physical & electronic).	145	103194001
Votes against the resolution (both, physical & electronic).	10	48013
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.95		
Percentage of votes cast against the resolution (both, physical & electronic) : 0.05		

The aforesaid resolution was passed on 21st October, 2016.

12. Approval of the members sought pursuant to Section 186 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to provide Security and Corporate Guarantee to the lenders of Gammon Engineers and Contractors Private Limited.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	113	51491941
Total number of electronic votes received.	59	51983360
Number of invalid physical ballot forms.	11	12545
Number of physical ballot forms not voted.	4	1435
Number of invalid electronic votes.	0	0
Number of electronic votes not cast.	1	219107
Number of valid physical ballot forms.	97	51477761
Number of valid electronic votes.	58	51764253
Number of valid votes –physical and electronic (excludes votes not cast).	155	103242014
Votes in favour of the resolution (both, physical & electronic).	145	103186593
Votes against the resolution (both, physical & electronic).	10	55421
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.95		
Percentage of votes cast against the resolution (both, physical & electronic) : 0.05		

The aforesaid resolution was passed on 21st October, 2016.

13. Approval of the members sought pursuant to Section 186 of the Companies Act, 2013 to invest / acquire by way of purchase or otherwise upto 20% of the Equity Shares of Gammon Infrastructure Projects Limited from its wholly owned subsidiary Gammon Power Limited.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	106	8409360
Total number of electronic votes received	77	130576048
Total number of invalid votes E-voting Postal Ballot	 0 5	 0 495
Total number of votes polled in favour of the resolution E-voting Postal Ballot	 69 100	 129475586 8408858
Total number of votes polled against the resolution E-voting Postal Ballot	 8 1	 1100462 7
Percentage of votes cast in favour of the resolution : 99.21% (both physical & electronic)		
Percentage of votes cast against the resolution : 0.79% (both physical & electronic)		

The aforesaid resolution was passed on 27th March, 2017.

14. Approval of the members sought pursuant to Section 180(1)(a) of the Companies Act, 2013 and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 authorizing Gammon Power Limited, a wholly owned subsidiary to divest / sell / dispose off further Equity Shares of Gammon Infrastructure Projects Limited.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	106	8409360
Total number of electronic votes received	76	130575648
Total number of invalid votes E-voting Postal Ballot	 0 14	 0 1490
Total number of votes polled in favour of the resolution E-voting Postal Ballot	 67 90	 129475076 8407771
Total number of votes polled against the resolution E-voting Postal Ballot	 9 2	 1100572 99
Percentage of votes cast in favour of the resolution : 99.21% (both physical & electronic)		
Percentage of votes cast against the resolution : 0.79% (both physical & electronic)		

The aforesaid resolution was passed on 27th March, 2017.

Mr. Vidyadhar Chakradeo of M/s. V. V. Chakradeo & Co., Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot process.

Procedure for Conducting Postal Ballot

After receiving the approval of the Board of Directors and consent of the scrutinizer, notice of the Postal Ballot containing text of the Resolution and Explanatory Statement to be passed through Postal Ballot, Postal ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The Company also provides e-voting facility to enable the shareholders to cast their vote by electronic means. A notice is also published in the newspapers regarding dispatch of Postal Ballot notices. After the last date of receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman / Executive Director. Thereafter, the Chairman / Executive Director declares the result of the Postal Ballot. The same along with the Scrutinizer's Report is submitted to the Stock Exchanges and also displayed on the website of the Company and Depository participant.

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 Stock Exchanges (i.e. NSE & BSE) levied and the Company paid penalties as follows for non- compliance with the provisions of Clause 41 of the Listing Agreement and Regulation 33 of the SEBI Listing Regulations for the previous 3 (three) Financial Years as follows:

(Amount in ₹)

Financial Year	NSE	BSE
During the 9 (nine) months period 1st January, 2014 to 30th September, 2014.	20,000	Nil
During the 18 (eighteen) months period 1st October, 2014 to 31st March, 2016.	12,70,995	12,55,779
During the Financial Year ended 31st March, 2017	8,25,196	8,29,980

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 Chairman and Managing Director and the Chief Financial Officer have 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, 2017.

(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 viz. Free Press Journal and Navshakti 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. As a majority shareholder, the Company has nominated its representatives on the Boards of Subsidiary Companies and also one Independent Director on the Board of each of its material unlisted subsidiaries to monitor the performance of such Companies, *inter-alia*, by means of taking Consolidated Accounts and including all items of the subsidiaries as required under Section 129 of the Companies Act, 2013, except the items which are exempted by the Ministry of Corporate Affairs.

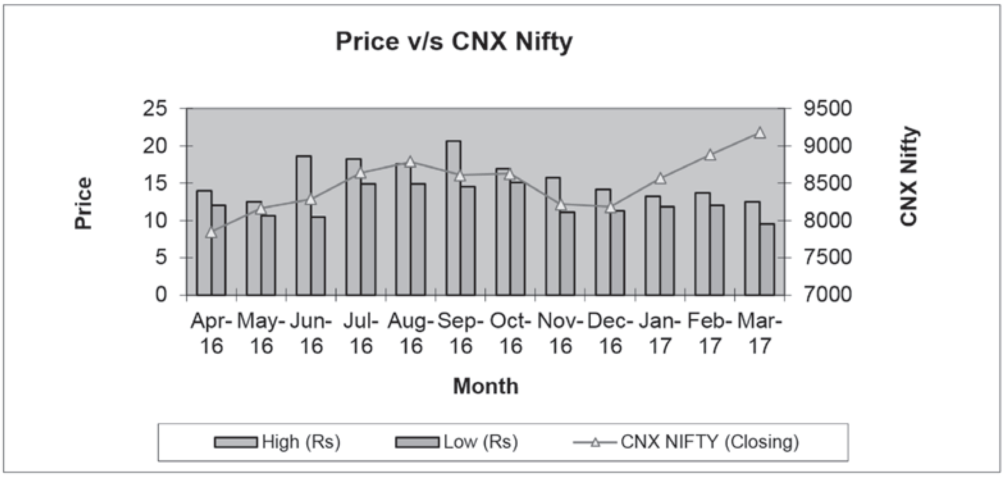
10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the 95th Annual General Meeting	Wednesday, 21st March, 2018 at 3.30 p.m. at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai- 400025.
Financial Calendar for the year Starting from 1st April, 2017 - 31st March, 2018 (Tentative)	• Results for the quarter ending 30th June, 2017 - Second week of September, 2017. • Results for the half year ending 30th September, 2017 - Second week of November, 2017. • Results for the quarter ending 31st December, 2017 - Second week of February, 2018. • Results for the year ending 31st March, 2017 - Second week or last week of May, 2018.
Date of Book Closure	14th March, 2018 to 21st March, 2018 (both days inclusive)
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	Paid to the above Stock Exchanges for F.Y. 2016-17 and also paid for F.Y. 2017-18.
International Securities Identification No. (ISIN)	Equity: INE 259B01020
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.

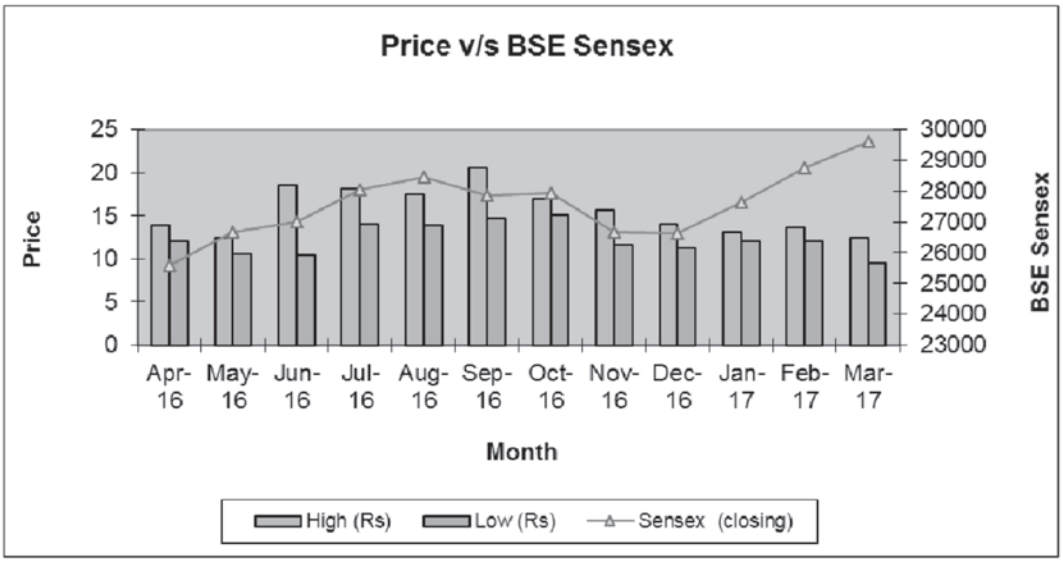
MARKET PRICE DATA: High and Low (in ₹) during each month in the Financial Year ended 31st March, 2017 on the Stock Exchanges.

MONTH	BSE		Sensex	NSE		Nifty
	High	Low	(closing)	High	Low	(closing)
April, 2016	13.95	12.00	25606.62	13.95	12.00	7849.80
May, 2016	12.50	10.60	26667.96	12.50	10.60	8160.10
June, 2016	18.59	10.45	26999.72	18.60	10.45	8287.75
July, 2016	18.20	14.10	28051.86	18.20	14.90	8638.50
August, 2016	17.50	13.85	28452.17	17.55	13.65	8786.20
September, 2016	20.60	14.70	27865.96	20.65	14.50	8611.15
October, 2016	17.00	15.15	27930.21	16.95	15.05	8625.70
November, 2016	15.65	11.60	26652.81	15.70	11.10	8224.50
December, 2016	14.10	11.24	26626.46	14.15	11.30	8185.80
January, 2017	13.15	11.98	27655.96	13.25	11.85	8561.30
February, 2017	13.70	12.05	28743.32	13.70	12.00	8879.60
March, 2017	12.44	9.56	29620.50	12.45	9.55	9173.75

STOCK PERFORMANCE IN COMPARISION TO NIFTY



STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX



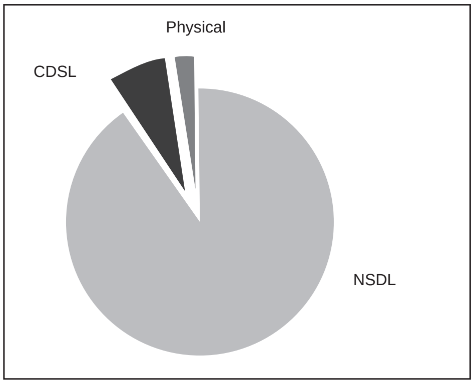
11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:

Shareholding of Shares	No. of Shareholders	% of Total	Total Shares	% of Total
Upto - 500	30889	69.4104	5047691	1.3658
501 - 1000	5687	12.7792	4889786	1.3231
1001 - 2000	3356	7.5412	5379787	1.4557
2001 - 3000	1272	2.8583	3359451	0.9090
3001 - 4000	667	1.4988	2432323	0.6581
4001 - 5000	680	1.5280	3265705	0.8836
5001 - 10000	1034	2.3235	7931602	2.1462
10001 - and above	917	2.0606	337266760	91.2585
TOTAL	**44502**	**100.0000**	**369573105**	**100.0000**

12. DEMATERIALISATION OF SHARES AS ON 31ST MARCH 2017:

Particulars	No. of Equity Shares	% of Share Capital
NSDL	334481598	90.50
CDSL	25926178	7.02
Physical	9165329	2.48
Total*	**369573105**	**100.00**

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



13. TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2017

Sr. No.	Name of the Shareholder	Category	No. of shares	% of Shareholding
1.	Canara Bank-Mumbai	Public	52814769	14.2908
2.	ICICI Bank Ltd	Public	39696547	10.7412
3.	Punjab National Bank	Public	24209101	6.5506
4.	Syndicate Bank	Public	22696508	6.1413
5.	Bank Of Baroda	Public	22104507	5.9811
6.	Allahabad Bank	Public	19582216	5.2986
7.	Pacific Energy Pvt. Ltd	Promoter Group	18013015	4.874
8.	IDBI Bank Ltd.	Public	14053827	3.8027
9.	Oriental Bank of Commerce	Public	12389240	3.3523
10.	Devyani Estate And Properties Pvt. Ltd	Promoter Group	9692805	2.6768

14. LISTING OF DEBT SECURITIES

The Secured Redeemable Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of The National Stock Exchange of India Limited (NSE).

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.	Supply of Cement & Reinforcement Steel At NPCIL Kota-Rajasthan for Design, Engineering & Construction of IDCT.

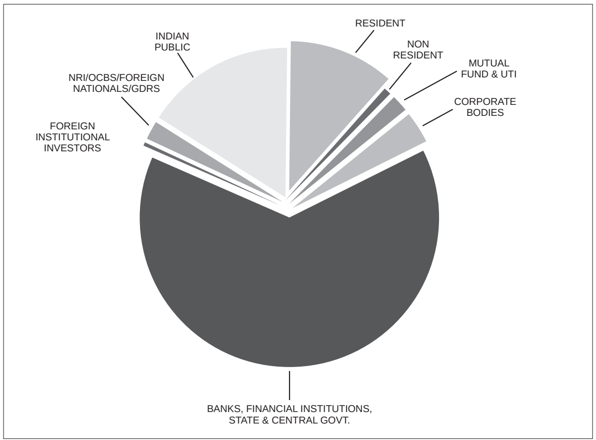
16. ADDRESS FOR CORRESPONDENCE

Registered Office:
'Gammon House', Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
Telephone : 022 - 61153000.
Website : www.gammonindia.com
Email : investors@gammonindia.com
Facsimile : 022 - 2430 0221.

17. CATEGORIES OF SHAREHOLDERS: (AS ON 31ST MARCH 2017)

Sr. No.	Category	No. of Shares	Percentage
	Promoter Holding		
1.	Resident	42380719	11.47
2.	Non - Resident	3086435	0.84
	Non-Promoter Holding		
3.	Mutual Fund & UTI	6743138	1.82
4.	Corporate Bodies	12890094	3.49
5.	Banks, Financial Institutions, State & Central Govt.	236049967	63.87
6.	Foreign Institutional Investors	1002469	0.27
7.	NRIs / OCBs / Foreign Nationals / GDRs	7297744	1.97
8.	Indian Public	60122539	16.27
	GRAND TOTAL*	369573105	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.

GAMMON
Builders to the Nation

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, 2017.

For **GAMMON INDIA LIMITED**

AJIT B. DESAI
CHIEF EXECUTIVE OFFICER

Date: 6th February, 2018
Place: Mumbai

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, 2017, 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.

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

V. V. Chakradeo
COP 1705
Membership No. 3805

Date: 6th February, 2018
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of

Gammon India Limited

Report on the Standalone Ind AS Financial Statements

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

We did not audit the financial statement of Gammon India Limited – Nagpur Branch that incorporates the financial results of the overseas branches at Algeria, Nigeria, Bhutan, Afghanistan, Ethiopia, Rwanda, Yemen & Italy. The Ind AS Financial Statements of the Nagpur Branch include total assets ₹ 70.96 Crore and total revenues of ₹ 7.88 Crore for the period ended March 31, 2017. The financial information of the aforesaid branch has been audited by the Branch Auditors whose report has been received by us. Our opinion so far as transactions of the said Branches are concerned, is based solely on the Auditors' Report of the Branch Auditor.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

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

Basis of Qualified Opinion

a. *We invite attention to note no 39(c) relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is ₹ 919.56 Crore (net of provisions made) as at March 31, 2017 including towards the corporate guarantees and the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2017.*

b. *We invite attention to note no 7(i), detailing the recognition of claims during the previous year ended March 31, 2016 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2017 is ₹ 871.01 Crore after the transfer of claims under slump exchange scheme and BTA as detailed in aforesaid note. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realization and the consequent effect on the financial statements for the year ended March 31, 2017.*

c. *We invite attention to note no 39(b) relating to the Company's exposure to Sofinter Group of ₹ 1,000.33 Crore. As detailed in the note the Company despite holding 67.50% does not have control over the operations of the Company as the same is in the control of the lenders. The financials statements* *of the said Sofinter group are not audited and are pending issuance of the Audit Report by their Statutory Auditors on account of issues related to the lending limits that the Group has access to. Gammon India Limited has not carried out impairment test of its exposure to Group Sofinter and the available independent valuations are more than 24 months old. We are therefore unable to state whether the said exposure needs to be impaired or not.*

d. *We also invite attention to note no 39(d) relating to the Company's Exposure to Campo Puma Oriente S.A. of ₹ 291.97 Crore. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 24 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether the said impairment carried out is adequate or not.*

e. *We invite attention to Note 28(a) of the Statement wherein the Company's Application for managerial remuneration aggregating to ₹ 30.54 Crore for the Chairman and Managing Director has been rejected by the shareholders in their meeting held on June 29, 2017 The Board of Directors considering the efforts made by Chairman and Managing Director in steering the Company through the challenging times and the contribution made by him in the CDR package, on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders approval afresh for waiver of remuneration paid to Chairman and Managing Director therefore no adjustments have been made for the amount of ₹ 30.54 Crore. Similarly for one of executive director the MCA has rejected the excess remuneration of ₹ 0.59 Crore for which the Company is making a fresh representation. In the absence of the fresh approval of the shareholders, as aforesaid we are unable to ascertain the impact on profits on this account for the quarter and year ended March 31, 2017.*

f. *Trade receivables and loans and advances includes an amount of ₹ 438.65 Crore in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 4(a)(iii)).*

g. *We invite attention to note no 39(g) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. In the absence of any indicators of value arising out of the project we are unable to state whether any provision is required towards the exposure of ₹ 314.50 Crore.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in Basis of Qualified Opinion paragraph*, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS under section 133, of the financial position of the Company as at March 31, 2017, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Emphasis of Matter

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

a) *We invite attention to the Note no 40 of the financial statement. There are continuing losses being incurred by the Company primarily on account of finance cost and the liability-asset mismatch of the Company where the current liabilities including interest and principal defaults exceed the current assets by ₹ 2,397.79 Crore. Further In view of the transfer of two of its business and the plans of the Company to transfer further businesses to subsidiaries to invite investors to run the business, the cash flows of the Company to meet its obligations is dependent upon these business declaring dividends or other cash flow to the Company or the Company being able to monetise its stake in the businesses transferred and to be transferred as detailed in the aforesaid note. These conditions as detailed in note no 40 indicate existence of material uncertainties relating to the timing and realization of the cash flows that may cast significant doubt about the going concern assumptions.*

b) We draw attention to Note no 4(a)(i) & 4(a)(ii) of the financial results relating to recoverability of an amount of ₹ 60.99 *Crore* as at March 31, 2017 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 *Crore* 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.

c) We draw attention to Note 4(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 62.47 Crore. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

d) Attention is invited to Note no 39(f). The Branch Auditors' have made a matter of emphasis relating to the outstanding net exposure of ₹ 27.65 Crore by way of Trade Receivables from SAE Powerlines, S.r.l. ("SAE"), Italy, the Company's step-down subsidiary, as at 31st March, 2017. The Management has received a non-binding offer from a prospective Investor, under which the Company expects to realize the said dues from SAE. The Management is confident of recovery of the said outstanding receivables from SAE and hence, no provision is required in connection therewith.

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 Report on the accounts of the branch office of the Company not audited by us but audited under sub-section 143(8) by the branch auditor has been received by us under the provision to that sub-section and the same has been properly dealt with it in preparing our report.

(d) 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;

(e) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon;

(f) The matters described in paragraphs under the Basis for Qualified Opinion and Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

(g) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act except for Mr. Rajul Arun Bhansali and Mr. Atul Kumar Shukla who are disqualified based on the list published on portal by Ministry of Corporate Affairs in September 2017.

(h) *The possible effects of matters mentioned in the basis for qualified opinion paragraph may have an adverse effect on the maintenance of the records of the Company*.

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

(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 36 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 ₹ 0.37 Crore to the Investor Education and Protection Fund during the year.

   iv. The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as regards to holdings as well as dealings in Specified Bank Notes as defined in the notification S.O.3407(E) dated the November 8, 2016 of the Ministry of finance, during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representation provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer Note 9 (b) to the Standalone Ind AS Financial Statements.

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

N Jayendran
Partner
Membership No. 40441

Mumbai,
Dated: September 20, 2017

GAMMON
Builders to the Nation

ANNEXURE A

<u>To the Independent Auditors' Report on the Standalone Ind AS Financial Statements Gammon India Limited</u>

(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 ₹ 18.35 Crore (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 ₹ 24.13 Crore. 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 granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 in respect of which

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

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

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

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

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

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

(vii) (a) *The Company has several instances of delay in depositing undisputed statutory dues including Provident Fund, Professional Tax, Employees State Insurance, Works Contract Tax, Service Tax/VAT, Cess and Sales Tax dues with the appropriate authorities observed on a test check basis.* On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to ₹ *0.01 Crore in case of Provident Fund,* ₹ *0.18 Crore in case of Professional Tax,* ₹ *0.41 Crore in case of Service Tax,* ₹ *2.07 Crore in case of Duty Drawback which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.*

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

(c) The amounts to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time except for ₹ 0.37 Crore which is required to be transferred to Investor Education and Protection Funds..

(viii) According to information and explanations given to us, the Company has defaulted in servicing interest and principal repayment due to debenture holders, financial institutions and banks. The 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 ₹ 426.88 Crore for a period ranging from 1 to 366 days. And Principal for the said facility amounts to ₹ 280.84 Crore ranging from 1 to 366 days. The amounts of default on account of overdrawn of Cash Credit facility were ₹ 588.10 Crore as at March 2017. The amounts include the continuing defaults at Balance Sheet on repayment of interest and principal as disclosed in notes 12(h), 18(vi) and 20(b) of the Ind AS Financial Statements.

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

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

(xi) *According to information and explanation given to us and to the best of our knowledge and belief, the Company has paid/provided managerial remuneration in excess of limit specified under section 197 of the Companies Act. Attention is invited to Note no 28(a) of the Ind AS financial statements. Excess Managerial remuneration aggregating to ₹ 30.54 Crore for the Chairman and Managing Director has been rejected by the shareholders in their meeting held on June 29, 2017. The Board of Directors considering the efforts made by Chairman and Managing Director in steering the Company through the challenging times and the contribution made by him in the CDR package, on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders approval afresh for waiver of remuneration paid to Chairman and Managing Director.*

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

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

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review 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 Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration No.106971W

N Jayendran

Partner

Membership No. 40441

Mumbai,

Dated: September 20, 2017

GAMMON
Builders to the Nation

Annexure - B

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis of Qualified Opinion

The Company has laid down internal financial controls over financial reporting, however, its implementation and effectiveness is critically affected due to manpower attrition and which has inter alia affected timely preparation of financial statements.

Qualified Opinion

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

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

N Jayendran
Partner
Membership No. 40441

Mumbai,
Dated: September 20, 2017

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

Name of the Statute	State	Nature of the dues	Amount in Crore (₹)	Period to which it relates	Forum where Dispute is pending
Direct Tax		Income Tax Assessment Order	306.04	A.Y. 2006-07 to A.Y. 2013-14	CIT Appeal
Direct Tax		TDS Intimation U/s 200A	12.42	A.Y. 2007-08 to A.Y. 2017-18	Not yet Filed
Direct Tax		TDS Intimation U/s 200A	0.18	A.Y. 2008-09 to A.Y. 2017-18	Not yet Filed
Direct Tax		Joint Venture Assessment	7.34	A.Y. 2010-11 to 2013-14	CIT Appeal
Direct Tax		Corporate Guarantee Disallowance	8.83	AY 2016-17	Not yet Filed
	Total		**334.81**		
Excise	Karnataka Road Works / Thumkur Haveri 8712/13 & HDIL-Whispering Tower	As per C.E. Dept. RMC manufactured are taxable w.e.f. 01.03.2011. Our stand is that GIL is not in the business of manufacture & sale (to third party) of RMC. The RMC manufactured by GIL at project site is meant for captive consumption, i.e. for use in the same project and same is exempt from levy of C.E. Department also contends that RMC is manufactured at site other than our road construction which is more than 50 Kms away from plant	0.10	2011-14	Appeal is pending before CESTAT
	Total		**0.10**		
Sales Tax	Andhra Pradesh	Reassessment matter	0.04	2001-02	High Court
Sales Tax	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	2.10	2002-03	Tribunal / High Court
Sales Tax	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	1.63	2003-04	Tribunal / High Court
Sales Tax	Andhra Pradesh	Disallowance of Interstate purchase	0.24	2005-07	High Court
Sales Tax	Andhra Pradesh	Levy of Penalty	1.89	2005-07	High Court
Sales Tax	Gujarat	Levy of Penalty under Amnesty	0.22	2003-04	J C Appeal
Sales Tax	Uttar Pradesh	As per clause no. 11 of the compounding scheme under the UP Trade Tax Act it is categorically made clear that no taxes shall be levied on sub-contractor where main contractor has opted for composition, no tax shall be levied to sub-contractor and benefit of Sec 3G and 3F2 b (1) is available to us.	0.77	2003-04	Hon'ble High Court of Allahabad

Name of the Statute	State	Nature of the dues	Amount in Crore (₹)	Period to which it relates	Forum where Dispute is pending
Sales Tax	Uttar Pradesh	As per clause no. 11 of the compounding scheme under the UP Trade Tax Act it is categorically made clear that no taxes shall be levied on sub-contractor where main contractor has opted for composition, no tax shall be levied to sub-contractor and benefit of Sec 3G and 3F2 b (1) is available to us.	1.90	2004-05	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Entry Tax on Vehicle, VAT levied on RMC rather than its components, whereas we have not purchased any RMC. Tax levied on structural steel which should be allowed as deduction.	0.29	2007-08	Additional Commissioner, Appeal
Sales Tax	Maharashtra	Denial of deduction on Pre cost component	0.06	1993-94 to 1997-98	Tribunal / A C Appeal
Sales Tax	Maharashtra	Disallowance of WCT & BST	5.84	2000 to 2002	Jt. Appeal / Tribunal
Sales Tax	Maharashtra	Lease Matter	0.10	2005-06	Jt. Appeal II
Sales Tax	Orissa	Lab. and Service Charges disallowed	0.11	1992-93 to 1999-00	A C Appeal
Sales Tax	Orissa	Various disallowance	0.11	2001-02	A C Appeal
Sales Tax	West Bengal	Arbitrary demand	0.98	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax	West Bengal	Arbitrary demand	5.65	2008-09 & 2009-10	Revision Board
Sales Tax	West Bengal	Arbitrary demand	2.39	2007-08	Tribunal
Sales Tax	West Bengal	Arbitrary order	0.63	2007-08 (CST)	Tribunal
Sales Tax	West Bengal	Arbitary demand based on prejudice about books of accounts is not reliable.	1.29	2012-13	JC Apeal
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C T
Sales Tax	Assam	Arbitary Demand	0.19	2004-05 and 2006-07	Board of Revenue (GHC Ordered) / Appeal
Sales Tax	Rajasthan	Increase in EC Fees	0.05	2007-08	Tax Law Board – Ajmer
	Total		**26.52**		
Service Tax		Service Tax	0.73	August, 2012 to January, 2016	Supreme Court, New Delhi
Service Tax		Service Tax	0.14	August, 2012 to January, 2016	Supreme Court, New Delhi
Service Tax		Service Tax	6.44	August, 2008 to September, 2012	Supreme Court, New Delhi
	Total		**7.31**		

GAMMON
Builders to the Nation

BALANCE SHEET as at March 31, 2017

(₹ in Crore)

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
ASSETS					
NON-CURRENT ASSETS					
(a)	Property, plant and equipment	2A	451.28	1,224.14	1,610.95
(b)	Capital work-in-progress	2B	20.05	18.74	22.25
(c)	Intangible Asset	2B	-	0.06	0.33
(d)	Financial assets				
	(i) Investments	3	1,202.79	1,702.37	990.61
	(ii) Trade receivable	4	294.86	538.49	846.80
	(iii) Loans	5	2,009.01	2,063.33	1,649.53
	(iv) Others	6	356.04	264.47	165.27
(e)	Deferred tax assets (net)		-	-	-
(f)	Other non-current assets	7	1,266.77	1,798.59	453.98
	TOTAL NON-CURRENT ASSETS		**5,600.80**	**7,610.19**	**5,739.72**
CURRENT ASSETS					
(a)	Inventories	8	146.27	1,031.82	1,616.88
(b)	Financial assets				
	(i) Investments	3	5.74	4.59	11.26
	(ii) Trade receivables	4	60.46	680.59	1,349.94
	(iii) Cash and cash equivalents	9	44.84	113.63	81.95
	(iv) Bank balances	9	6.95	6.90	8.76
	(v) Loans	5	15.63	291.55	153.44
	(vi) Others	6	33.03	38.80	746.80
(c)	Current tax assets (net)		-	-	-
(d)	Other current assets	7	57.07	420.03	323.19
	TOTAL CURRENT ASSETS		**369.99**	**2,587.91**	**4,292.22**
	TOTAL ASSETS		**5,970.79**	**10,198.10**	**10,031.93**
EQUITY AND LIABILITIES					
EQUITY					
(a)	Equity share capital	10	74.11	73.28	27.50
(b)	Other equity	11	569.47	2,232.43	1,893.62
	TOTAL EQUITY		**643.58**	**2,305.71**	**1,921.12**
LIABILITIES					
NON-CURRENT LIABILITIES					
(a)	Financial liabilities				
	(i) Borrowings	12	2,192.17	2,735.57	3,468.97
	(ii) Trade payables	13	8.77	59.84	93.60
	(iii) Other financial liabilities	14	12.00	12.00	12.00
(b)	Provisions	15	0.90	8.36	13.22
(c)	Deferred tax liabilities (net)	16	243.70	248.29	191.24
(d)	Other non-current liabilities	17	101.92	302.31	308.79
	TOTAL NON-CURRENT LIABILITIES		**2,559.46**	**3,366.37**	**4,087.82**
	CURRENT LIABILITIES				
(a)	Financial liabilities				
	(i) Borrowings	18	949.14	1,979.43	1,177.13
	(ii) Trade payables	19	199.71	1,034.49	1,436.25
	(iii) Other financial liabilities	20	1,298.49	688.08	392.37
(b)	Other current liabilities	21	67.72	576.08	765.15
(c)	Provisions	15	250.37	245.62	249.02
(d)	Current tax liabilities (net)	22	2.32	2.32	3.07
	TOTAL CURRENT LIABILITIES		**2,767.75**	**4,526.02**	**4,022.99**
	TOTAL EQUITY AND LIABILITIES		**5,970.79**	**10,198.10**	**10,031.93**
Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements					

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W
N Jayendran
Partner
M.No. 40441
Mumbai, Dated : September 20, 2017

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

ABHIJIT RAJAN
Chairman & Managing Director
DIN No. 00177173
Mumbai, Dated : September 20, 2017

AJIT B. DESAI
Executive Director & CEO
DIN No. 00105836

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

(₹ in Crore)

Particulars		Note No.	April 2016 - March 2017	October 2014 - March 2016
I	**Revenue from Operations**	23	761.68	6,081.30
II	**Other Income**	24	308.17	616.20
III	**Total Income (I +II)**		**1,069.85**	**6,697.50**
IV	**Expenses**			
	Cost of material consumed	25	246.10	1,822.68
	Excise Duty		-	50.34
	Purchases of stock-in-trade	26	-	113.44
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	49.39	422.41
	Subcontracting Expenses		203.44	1,255.07
	Employee benefits expense	28	78.43	535.73
	Finance Costs	29	518.90	1,028.17
	Depreciation & amortization	30	32.65	261.47
	Other expenses	31	298.57	962.50
	Total Expenses		**1,427.48**	**6,451.81**
V	**Profit/(Loss) before exceptional items and tax**		**(357.63)**	**245.69**
VI	Exceptional items (Income) / Expense	32	1,305.09	27.90
VII	**Profit / (Loss) before tax**		**(1,662.72)**	**217.79**
VIII	**Profit/(Loss) from continuing operations**		**(1,614.82)**	**497.27**
IX	**Tax expenses**			
	Current Tax		-	37.70
	Excess / (Short) Provision of Earlier years		2.93	20.54
	Deferred Tax Liability / (asset)		(5.73)	30.88
	Total tax expenses		**(2.80)**	**89.12**
X	**Profit/(Loss) for the period from continuing operations (VIII-IX)**		**(1,612.02)**	**408.15**
XI	**Profit/(Loss) from discontinued Operations**		(47.90)	(279.48)
XII	**Tax expenses**			
	Current Tax		-	1.66
	Excess / Short Provision of Earlier years		-	-
	Deferred Tax Liability / (asset)		-	26.49
	Total tax expenses		**-**	**28.15**
XIII	**Profit/(Loss) from Discontinued Operations after Tax (XI-XII)**		**(47.90)**	**(307.63)**
XIV	**PROFIT FOR THE YEAR (X) + (XIII)**		**(1,659.92)**	**100.52**
XV	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss		(0.89)	(0.95)
	Income tax thereon		(1.14)	0.33
	Total		**(2.03)**	**(0.62)**
XVI	**Total Comprehensive Income / (Loss) for the Period (XIV +XV)**		**(1,661.95)**	**99.90**
XVII	**Earnings per equity share**			
	Basic		(45.10)	6.10
	Diluted		(45.01)	6.07

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : September 20, 2017

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

ABHIJIT RAJAN
Chairman & Managing Director
DIN No. 00177173
Mumbai, Dated : September 20, 2017

AJIT B. DESAI
Executive Director & CEO
DIN No. 00105836

GAMMON
Builders to the Nation

CASH FLOW STATEMENT for the year ended March 31, 2017

(₹ in Crore)

Particulars	April 2016 - March 2017		October 2014 - March 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Extraordinary Items		**(1,662.72)**		**217.79**
Adjustments for :				
Depreciation	32.65		261.47	
(Profit) / Loss on Sale of Assets	(0.81)		(5.55)	
(Profit) / Loss on Sale of Investments	(1.02)		0.69	
(Profit) / Loss on Sale of Business	(26.75)		(6.14)	
Income recognized towards corporate guarantee	(12.01)		(18.59)	
Gain on Remeasurement of Loans to Subsidiary	(0.89)		(90.92)	
Dividend Income	-		(0.05)	
Interest Expenses	518.90		1,028.17	
Provision for Doubtful Debts and Advances	34.13		72.86	
Foreign Exchange Loss / (Gain)	59.14		(65.29)	
Bad Debts Written off	20.94		28.55	
Interest Income	(265.98)		(419.30)	
Exceptional Items	1,305.09		27.90	
Sundry Balances Written off	38.08		20.62	
Asset written off	12.44		-	
Sundry Balances Written Back	(46.32)	1,667.59	(35.98)	798.44
Operating Profit Before Working Capital Changes		**4.87**		**1,016.23**
Trade and Other Receivables	(779.77)		269.15	
Inventories	28.78		448.31	
Trade Payables and Provision	(31.49)		211.44	
Other Non Financial Assets	871.53		(1,623.48)	
Other financial liabilities	21.89		(52.53)	
Other non-financial liabilities	25.75	136.69	(180.81)	(927.92)
CASH GENERATED FROM THE OPERATIONS		**141.56**		**88.30**
Direct Taxes Paid		(15.94)		(84.18)
Net Cash from Operating Activities		**125.62**		**4.13**
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	(18.85)		(145.83)	
Sale of Fixed Assets	27.51		88.34	
Purchase of Investments	(0.26)		(0.04)	
Sale of Investments	-		-	
Subsidiary, Joint Ventures & Associates	-		2.33	
Others	0.26		7.84	
Dividend received	-		0.05	
Other bank balance	(0.05)		1.86	

Particulars	April 2016 - March 2017		October 2014 - March 2016	
Loans and Advances to subsidiary	(26.10)		(668.14)	
Loan repaid by Subsidiary	17.89		338.68	
Interest Received	34.08		162.04	
Net Cash from Investment Activities		**34.47**		**(212.88)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	4.91		-	
Movement in other Equity	(5.08)		-	
Interest paid	(137.53)		(951.12)	
(Repayment)/ Proceeds from Long term Borrowings	(14.00)		105.19	
(Repayment)/ Proceeds from Short term Borrowings	(39.93)		1,095.89	
Net Cash from Financing Activities		**(191.63)**		**249.96**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(31.54)**		**41.21**
Opening Balance		**113.63**		**81.95**
Less: Cash and Cash Equivalent transferred on demerger of Business		37.25		9.53
Closing Balance		**44.84**		**113.63**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(31.54)**		**41.21**
Components of Cash and Cash Equivalents				
Cash on Hand		0.05		0.80
Balances with Bank		44.79		112.83
Total Balance		**44.84**		**113.63**
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 Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : September 20, 2017

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

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Mumbai, Dated : September 20, 2017

AJIT B. DESAI
Executive Director & CEO
DIN No. 00105836

Statement of Changes in Equity for the period ended March 31, 2017

A Equity Share Capital

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Subscribed and Fully Paid up Capital						
Equity shares of INR 10 each						
Opening Balance	364,722,809	72.94	135,774,668	27.16	135,774,668	27.16
Changes in equity share capital during the year	4,124,496	0.83	228,948,141	45.78	-	-
Closing Balance	**368,847,305**	**73.77**	**364,722,809**	**72.94**	**135,774,668**	**27.16**
Share Forfeiture Account						
Money received in respect of Right Shares of ₹10/- each forfeited	170,948	0.34	170,948	0.34	170,948	0.34
Total	**369,018,253**	**74.11**	**364,893,757**	**73.28**	**135,945,616**	**27.50**

B Other Equity

Particulars	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Reval-uation Reserve	General Reserve	Foreign Currency Translation Reserve	Other Comprehensive Income	Promoters Contribution	Treasury Shares	Total
As at October 1, 2014												
Balance as per previous GAAP	(775.32)	105.00	-	1,031.69	81.00	108.66	363.06	150.45	-	-	-	**1,064.54**
Adjustments:												**-**
Total Ind AS Adjustments	991.70	-	-	-	-	(108.66)	-	(150.45)	(1.82)	100.00	(1.69)	**829.08**
Ind AS balance as at October 1, 2014	**216.38**	**105.00**	**-**	**1,031.69**	**81.00**	**-**	**363.06**	**-**	**(1.82)**	**100.00**	**(1.69)**	**1,893.62**
Profit for the year	100.52	-	-	-	-	-	-	-	-	-	-	**100.52**
Capital Reserve on account of Business Transfer	-	-	11.53	-	-	-	-	-	-	-	-	**11.53**
Share allotted during the year	-	-	-	226.43	-	-	-	-	-	-	-	**226.43**
Remeasurement of net defined benefit plans	-	-	-	-	-	-	-	-	(0.95)	-	-	**(0.95)**
- Deferred Tax on above	-	-	-	-	-	-	-	-	0.33	-	-	**0.33**
Ind AS adjustment debited to Retained Earning	(0.08)	-	-	-	-	-	-	-		-	-	**(0.08)**
Ind AS adjustment T & D 2	1.04	-	-	-	-	-	-	-		-	-	**1.04**
Balance as at March 31, 2016	**317.85**	**105.00**	**11.53**	**1,258.12**	**81.00**	**-**	**363.06**	**-**	**(2.44)**	**100.00**	**(1.69)**	**2,232.43**
Profit for the year	(1,659.92)	-	-	-	-	-	-	-	-	-	-	**(1,659.92)**
Capital Reserve on account of Business Transfer	-	-	-	-	-	-	-	-	-	-	-	**-**
Share allotted during the year	-	-	-	4.08	-	-	-	-	-	-	-	**4.08**
FTER Reversal during the year	-	-	-	-	-	-	-	-	-	-	-	**-**
Remeasurement of net defined benefit plans	-	-	-	-	-	-	-	-	(0.89)	-	-	**(0.89)**
- Deferred Tax on above	-	-	-	-	-	-	-	-	(1.14)	-	-	**(1.14)**
Others	(5.08)	-	-	-	-	-	-	-	-	-	-	**(5.08)**
Balance as at March 31, 2017	**(1,347.15)**	**105.00**	**11.53**	**1,262.20**	**81.00**	**-**	**363.06**	**-**	**(4.48)**	**100.00**	**(1.69)**	**569.47**

(a) **General Reserve**

The General Reserve is created to comply with the Companies (Transfer of Profits 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 ₹ 5.44 Crore (P.Y March 2016 : ₹ 5.35 Crore, October 2014: ₹ 0.82 Crore) being 15% of the amount of Debenture due for redemption before 31^{st} March 2017 as required by the aforesaid Circular in view of the financial crunch faced by the Company.

(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, comprising engineering, procurement and construction business of the Company in the power transmission and distribution sector which includes the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the retired T&D Undertaking, to TLL,which was filed with the Hon'ble High Court of Bombay which was later transferred to the National Company Law Tribunal ("NCLT"), the competent judicial authority under the Companies Act 2013. The appointed date for the scheme was January 1, 2016. The Scheme was approved by the NCLT vide their order dated March 30, 2017. The said order was received by the Company on April 18, 2017 and was filed with the Registrar of Companies on April 19, 2017. Pursuant to the scheme and in accordance with the directions of the NCLT the Company has recorded the fair value of the consideration receivable from TLL by way of 725,000 Equity Shares to be issued by TLL to the Company as Non-Current Non Financial Asset, pending allotment of said shares and the Company has derecognised book values of the assets and liabilities of retained T&D Undertaking transferred to TLL and 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, issued Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD's") of upto RS.100 Crore to the promoters against their contribution made to the Company's Corporate Debt Restructuring ("CDR") package. However no allotment was made, since the in-principle approval for allotment was awaited from BSE Limited. On 26^{th} April, 2016, BSE has directed the Company to modify the "relevant date" adopted by the Company for the pricing of the CCD's and seek shareholders approval afresh. The amount contributed by the Promoters continues to remain as debt in the Company.

(f) **Treasury Shares**

Pursuant to the Scheme of Amalgamation with ATSL in 2008, the Company owns 5,804,620 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 Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

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Chairman & Managing Director
DIN No. 00177173
Mumbai, Dated : September 20, 2017

AJIT B. DESAI
Executive Director & CEO
DIN No. 00105836

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

1 **CORPORATE INFORMATION**

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

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

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

2 **SIGNIFICANT ACCOUNTING POLICIES**

i) **Basis of Preparation**

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with Ind AS.

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first set of financial statements that the Company has prepared in accordance with Ind AS.

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

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

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

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

ii) **Revenue Recognition:**

a) **Revenue from Construction Contracts:**

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

b) **Turnover:**

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

c) **Interest Income:**

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

d) **Dividend Income:**

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

e) **Lease Income:**

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

f) **Income from Insurance Claim:**

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

iii) **Joint Ventures**

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

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

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 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 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 may be. Property, plant and equipment which are added / disposed of during the year, depreciation is provided on *pro-rata basis* with reference to the month of addition / deletion.

vi) **Leased Assets**

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

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

vii) **Intangible Assets**

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

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

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

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

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

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

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 determined on Weighted Average Method.

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

xi) **Foreign Currency Transactions**

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

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

xii) **Borrowing Cost**

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

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

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

xiii) **Taxes on Income**

Current Taxes

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized Deferred Tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss. Deferred Tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

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

xiv) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions

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

Contingent liabilities and Contingent Assets

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

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

Onerous contracts

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

xv) **Earning Per Share**

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

xvi) **Leases**

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

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

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

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

xvii) **Current and non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred Tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

xviii) **Fair Value Measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

xix) **Financial Instruments**

a. **Financial Assets:**

(i) **Initial recognition and measurement**

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

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

(ii) **Subsequent measurement**

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

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

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

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

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the Balance Sheet, with value changes recognized in the Statement of Profit and Loss.

(iii) **Derecognition**

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

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

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

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

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

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

(iv) **Investment in Associates, Joint Venture and Subsidiaries**

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

(v) **Impairment of Financial Assets**

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

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

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

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

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

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

b. Financial Liabilities:

(i) **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

(iii) **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

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

(iv) **Loans and borrowings**

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

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

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

(v) **Financial guarantee contracts**

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

(vi) **Derecognition**

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

c. Offsetting of Financial Instruments:

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

d. Derivative Financial Instruments:

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

e. Trade Payables

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

f. Trade Receivable

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

B OTHER NOTES

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

A Tangible Assets

Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Wind Mill	Electric Installation	Total
GROSS BLOCK									
As at 01 October 2014 after Ind AS effects	**506.48**	**178.06**	**1,504.82**	**87.53**	**20.09**	**36.98**	**26.95**	**4.90**	**2,365.81**
Additions		0.05	143.66	0.54	1.11	0.46	-	-	**145.83**
Disposals/Adjustments	-	-	125.03	16.65	3.57	1.91	-	-	**147.16**
Transfer under Scheme and BTA (Refer Note 38)	4.36	72.99	194.15	5.26	9.96	5.41	26.95	4.90	**323.98**
As at 31 March 2016	**502.12**	**105.12**	**1,329.30**	**66.16**	**7.67**	**30.13**	**-**	**-**	**2,040.50**
Additions	-	-	17.69	0.99	0.18	-	-	-	**18.85**
Disposals/Adjustments	-	-	49.91	6.77	0.03	0.20	-	-	**56.90**
Transfer under Scheme and BTA (Refer Note 38)	108.97	63.42	1,197.72	57.12	7.04	29.47	-	-	**1,463.75**
As at 31 March 2017	**393.15**	**41.70**	**99.36**	**3.26**	**0.77**	**0.47**	**-**	**-**	**538.71**
DEPRECIATION									
As at 01 October 2014	0.37	47.35	590.58	64.01	14.24	15.99	20.97	1.35	**754.87**
Charge for the Year	0.06	6.75	224.77	9.85	4.31	14.18	0.37	1.06	**261.35**
Disposals/Adjustments	-	-	46.23	16.26	3.55	1.89	-	-	**67.93**
Transfer under Scheme and BTA (Refer Note 38)	0.43	15.33	78.00	3.35	8.41	2.65	21.34	2.41	**131.93**
As at 31 March 2016	**-**	**38.77**	**691.12**	**54.24**	**6.59**	**25.64**	**-**	**-**	**816.36**
Charge for the Year	-	1.29	29.63	1.00	0.73	-	-	-	**32.65**
Disposals/Adjustments	-	-	10.68	6.38	-	0.09	-	-	**17.15**
Transfer under Scheme and BTA (Refer Note 38)	-	11.16	655.42	46.23	6.55	25.08	-	-	**744.44**
As at 31 March 2017	**-**	**28.90**	**54.64**	**2.64**	**0.77**	**0.47**	**-**	**-**	**87.42**
NET BLOCK									
As at 01 October 2014	**506.11**	**130.71**	**914.24**	**23.52**	**5.85**	**20.99**	**5.98**	**3.55**	**1,610.95**
As at 31 March 2016	**502.12**	**66.35**	**638.18**	**11.92**	**1.08**	**4.50**	**-**	**-**	**1,224.14**
As at 31 March 2017	**393.15**	**12.80**	**44.72**	**0.63**	**-**	**-**	**-**	**-**	**451.19**

GAMMON
Builders to the Nation

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

(i) Intangible Assets

All the amounts are ₹ in Crore unless otherwise stated)

Particulars	Computer Software	Tower Design	Total
GROSS BLOCK			
As at 01 October 2014	4.13	3.47	**7.60**
Additions	0.01	-	**0.01**
Disposals/Adjustments	-	-	**-**
Transfer under Scheme and BTA (Refer Note 38)	2.98	3.47	**6.45**
As at 31 March 2016	**1.15**	**-**	**1.15**
Additions	-	-	**-**
Disposals/Adjustments	-	-	**-**
Transfer under Scheme and BTA (Refer Note 38)	1.15	-	**1.15**
As at 31 March 2017	**-**	**-**	**-**
AMORTISATION			
As at 01 October 2014	3.96	3.41	**7.27**
Charge for the Year	0.02	-	**0.02**
Disposals/Adjustments	-	-	**-**
Transfer under Scheme and BTA (Refer Note 38)	2.89	3.41	**6.30**
As at 31 March 2016	**1.09**	**-**	**0.99**
Charge for the Year	-	-	**-**
Disposals/Adjustments	-	-	**-**
Transfer under Scheme and BTA (Refer Note 38)	1.09	-	**1.09**
As at 31 March 2017	**-**	**-**	**(0.10)**
NET BLOCK			
As at 01 October 2014	**0.17**	**0.06**	**0.33**
As at 31 March 2016	**0.06**	**-**	**0.16**
As at 31 March 2017	**-**	**-**	**0.10**

(ii) Capital Work in Progress

Particulars	**Mar-17**	**Mar-16**	**Oct-14**
Residential Flats	20.05	18.74	22.25
Total	**20.05**	**18.74**	**22.25**

Notes to Fixed Assets:

1 The transfer of assets pursuant to the scheme of amalgamation and BTA has been given in the aforesaid schedules in accordance with the respective scheme and BTA (refer note 38)

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

			As at			As at		
			March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
3	**Financial Assets**		Non- Current			Current		
	A	**Investment carried at amortised Cost**						
	1	Equity Instrument of Subsidiaries -Indian	1,667.56	1,665.45	966.13	-	-	-
	2	Equity Instrument of Subsidiaries - Foreign	45.26	45.26	41.73	-	-	-
	3	Equity Instrument - Others- India	0.24	0.24	0.24	-	-	-
	4	Equity Instrument - Others- Foreign	19.70	19.70	19.70	-	-	-
	5	Government Securities	0.54	0.54	0.54	-	-	-
	6	Partnership Firm	-	-	-	-	-	-
	7	Provision for Impairment	(596.06)	(44.71)	(37.73)	-	-	-
	8	Optionally fully Convertible Debenture (OFCD)	4.37	4.37	-	-	-	-
	9	Consideration Receivable pursuant to Scheme	61.18	11.53	-	-	-	-
		Total	**1,202.79**	**1,702.37**	**990.61**	**-**	**-**	**-**
	B	**Other Investments (At Fair value through P&L)**						
	1	Equity Shares	-	-	-	3.65	3.02	9.94
	2	Liquid Mutual Funds	-	-	-	2.09	1.89	1.65
		Less: Provision for diminution in value of investment				-	0.31	0.33
		Total	**-**	**-**	**-**	**5.74**	**4.59**	**11.26**
		Disclosure:						
	i)	**Investment carried at Cost**	**1,202.79**	**1,702.37**	**990.61**	**-**	**-**	**-**
	ii)	**Investments carried at fair value through Profit and Loss**	**-**	**-**	**-**	**5.74**	**4.59**	**11.26**

I	**Details of Investments**							
A	**Non Current Investments:-**							
i)	**Investment in equity instruments of Subsidiaries (Indian)**							
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
			Nos	**Amount**	**Nos**	**Amount**	**Nos**	**Amount**
	Unquoted Equity Instrument							
	(Fully paid-up unless otherwise stated)							
	Ansaldocaldaie Boilers India Private Limited #	10	3,67,00,000	43.00	3,67,00,000	43.00	3,67,00,000	43.00
	ATSL Infrastructure Project Limited	10	25,500	0.03	25,500	0.03	25,500	0.03
	Deepmala Infrastructure Private Limited	10	5,100	62.09	5,100	62.09	5,100	61.73
	Franco Tosi Hydro Private Limited	10	10,000	0.01	10,000	0.01	10,000	0.01
	Franco Tosi Turbines Private Limited	10	10,000	0.01	10,000	0.01	10,000	0.01
	Gactel Turnkey Projects Limited	10	50,50,000	19.59	50,50,000	17.97	50,50,000	16.78
	Gammon & Billimoria Limited	10	51,000	13.49	51,000	13.05	51,000	12.34
	Gammon Power Limited	10	2,25,45,000	722.27	2,25,45,000	722.27	50,000	0.16
	Gammon Realty Limited	10	1,50,49,940	59.85	1,50,49,940	59.85	1,50,49,940	59.85
	Gammon Retail Infra Private Limited (Fully paid-up)	10	10,000	0.03	10,000	0.01	10,000	0.01

	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	736.48	8,416	736.45	8,416	736.41
	Patna Water Supply Distribution Network Private Limited	10	7,399	0.01	7,399	0.01	7,399	0.01
	Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44	4,41,250	0.44	4,41,250	0.44
	SAE Transmission India Limited	10	50,000	0.05	50,000	0.05	50,000	0.05
	Tidong Hydro Power Limited	10	25,500	0.03	25,500	0.03	25,500	0.03
	Transrail Lighting Limited	10	77,50,000	10.18	77,50,000	10.18	3,10,00,000	33.43
	Gorakhpur Infrastructure Company Limited	10					1,68,28,987	16.83
	Kosi Bridge Infrastructure Company Limited	10					1,25,62,831	12.56
	Rajahmundry Expressway Limited (REL) *	10					56,55,000	5.66
	Andhra Expressway Limited (AEL) *	10					56,55,000	5.66
				1,667.59		**1,665.47**		**1,004.98**
	Add : Acquisition of Beneficial Interest in REL & AEL in lieu of Deposit paid							5.66
				1,667.59		1,665.47		1,010.64
	Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received			0.03		0.03		44.50
				1,667.56		1,665.45		966.13
	Total			**1,667.56**		**1,665.45**		**966.13**

ii)	**Investment in equity instruments of Subsidiaries (Foreign)**							
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		In ₹	**Nos**	**Amount**	**Nos**	**Amount**	**Nos**	**Amount**
	Unquoted Equity Instrument							
	(Fully paid-up unless otherwise stated)							
	Associated Transrail Structure Limited Nigeria	NGN 1	1,00,00,000	0.36	1,00,00,000	0.36	1,00,00,000	0.36
	ATSL Holdings B.V. (Netherland) * #	EUR 100	180	2.29	180	2.29	180	2.29
	ATSL Holdings B.V. (Netherland) (through SAE Power lines srl)	-	-	5.91	-	5.91	-	5.91
	Campo Puma Oriente S.A.	USD 1	6,441	4.66	6,441	4.66	6,441	1.13
	Gammon Holdings (Mauritius) Limited *	USD 1	15,000	2.85	15,000	2.85	15,000	2.85
	Gammon Holdings B.V. *	EUR 100	180	12.28	180	12.28	180	12.28
	Gammon Holdings B.V. * (through Franco Tosi Meccanica S.p.A.)			2.73		2.73		2.73
	Gammon International B.V. *	EUR 100	180	12.09	180	12.09	180	12.09
	Gammon International FZE	AED 150000	1	0.17	1	0.17	1	0.17
	P.Van Eerd Beheersmaatschappij B.V. * #	EUR 453.78	35	1.92	35	1.92	35	1.92
	Total			**45.26**		**45.26**		**41.73**

iii)	**Investment in equity instruments -Others- Indian**							
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		In ₹	**Nos**	**Amount**	**Nos**	**Amount**	**Nos**	**Amount**
	Unquoted Equity Instrument							
	(Fully paid-up unless otherwise stated)							
	Airscrew (India) Limited (₹ 5 paid up) #	100	200	-	200	-	200	-
	Alpine Environmental Engineers Limited	100	204	-	204	-	204	-
	Bhagirathi Bridge Construction Company Limited #	100	300	-	300	-	300	-
	Gammon Engineers and Contractors Pvt. Ltd.							
	Modern Flats Limited (Unquoted)	10	2,040	-	2,040	-	2,040	-
	Neptune Tower Properties Private Limited	10		-	100	-	100	-
	Plamach Turnkeys Limited	100	600	0.01	600	0.01	600	0.01
	Shah Gammon Limited #	100	835	0.01	835	0.01	835	0.01
	STFA Piling (India) Limited (Fully Provided) #	10	2,17,321	0.22	2,17,321	0.22	2,17,321	0.22
	Indira Container Terminal Private Limited *	10	2,64,07,160	26.41	2,64,07,160	26.41	2,64,07,160	26.41
	Less : Transfer of Beneficial Interest in SPV in lieu of Deposit received			(26.41)		(26.41)		(26.41)
				0.24		**0.24**		**0.24**

iv)	**Investment in equity instruments -Others- Foreign**							
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		In ₹	**Nos**	**Amount**	**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	1,142	0.18
	Finest S.p.A, Italy (Associate)	EUR 1	7,80,000	19.52	7,80,000	19.52	7,80,000	19.52
	Total			**19.70**		**19.70**		**19.70**

v)	**Government Securities**							
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		In ₹	**Nos**	**Amount**	**Nos**	**Amount**	**Nos**	**Amount**
	Unquoted							
	Government Securities Lodged with Contractees as Deposit :							
	Sardar Sarovar Narmada Nigam Ltd - Bonds			0.30		0.30		0.30
	Others			0.12		0.12		0.12
	Government Securities Others :			0.12		0.12		0.12
	(Indira Vikas Patras and National Savings Certificates)							
	Total			**0.54**		**0.54**		**0.54**

vi)	Investment in Partnership Firm							
	Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
		In ₹	Nos	Amount	Nos	Amount	Nos	Amount
	Unquoted							
	Gammon Shah (fully provided for)			-		-		-
	Total			-		-		-

vii)	Provision for Impairment of Investment							
	Particulars		March 31, 2017		March 31, 2016		October 1 , 2014	
			Nos	Amount	Nos	Amount	Nos	Amount
	Air Screw India Ltd.			-		-		-
	Bhagirathi Bcc Ltd.			-		-		-
	Shah Gammon Limited			0.01		0.01		0.01
	STFA Piling India Ltd.			0.22		0.22		0.22
	Gammon Midest Ltd.			0.18		0.18		0.18
	Gammon Shah			-		-		-
	Gammon International LLC			0.28		0.28		0.28
	Gammon International LLC Reversed			(0.28)		(0.28)		(0.28)
	PVAN Investment			0.05		0.05		0.05
	ACBI Investment			37.15		37.15		37.15
	ATSL HOLDING BV			0.12		0.12		0.12
	ASSOCIATED TRANSRAIL STR LTD - NIGERIA			0.36		-		-
	Others			-		-		-
	Transrail Lighting Ltd			-		6.98		-
	Finest S.p.A, Italy			19.52		-		-
	Gammon Power Limited			518.99		-		-
	Gactel Turnkey Projects Limited			10.97		-		-
	Gammon Billimoria Limited			8.49		-		-
	Total			**596.06**		**44.71**		**37.73**

viii)	Optionally fully Convertible Debenture (OFCD)							
	Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
		In ₹	Nos	Amount	Nos	Amount	Nos	Amount
	Transrail Lighting Limited	159	2,75,000	4.37	2,75,000	4.37		
	Total			**4.37**		**4.37**		**-**

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

			March 31, 2017		March 31, 2016		October 1 , 2014	
ix)	**Consideration Receivable pursuant to Scheme**			Amount		Amount		Amount
	Equity Shares receivable from Gammon Engineers and Contractors Private Limited			49.65		**-**		**-**
	Equity Shares receivable from Transrail Lighting limited			11.53		**11.53**		**-**
	Total			**61.18**		**11.53**		**-**
	Total Non-Current Investments			**1,202.80**		**1,702.39**		**990.62**

B	Current Investments:-							
	Investment in Shares and Mutual Funds							
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		In ₹	**Nos/ Units**	**Amount**	**Nos/ Units**	**Amount**	**Nos/ Units**	**Amount**
	Quoted							
i)	**Investments carried at fair value through Profit and Loss**							
	Equity Shares							
	Bank of Baroda	10	4,200	0.07	4,200	0.04	4,200	0.04
	Cords Cable Industries Ltd.	10	33,502	0.26	33,502	0.45	33,502	0.45
	Gujarat State Financial Corporation	10	4,600	-	4,600	0.01	4,600	0.01
	HDFC Bank Ltd	2	-	-	-	-	5,345	0.47
	HDFC	2	-	-	-	-	40,000	4.22
	ICICI Bank Ltd	2	-	-	-	-	2,500	0.07
	Infosys Ltd	5	-	-	-	-	400	0.15
	Larsen & Toubro Ltd	2	-	-	-	-	12,000	1.75
	Sadbhav Engineering Ltd.	1	-	-	-	-	11,240	0.25
	Technofeb	10	1,75,000	3.32	1,75,000	2.52	1,75,000	2.12
	Ultra Tech Cement Limited	10	-	-	-	-	1,600	0.42
				3.65		**3.02**		**9.94**
	Particulars	**Face Value**	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		In ₹	**Nos/ Units**	**Amount**	**Nos/ Units**	**Amount**	**Nos/ Units**	**Amount**
ii)	**Mutual funds**							
	SBI Dynamic Bond Fund		6,67,967	1.38	6,67,967	1.21	6,67,967	1.05
	HDFC Balanced Fund		20,553	0.27	-	-	-	-
	ICICI Liquid Plan		18,478	0.44	18,478	0.41	18,478	0.37
	ICICI Prudential FMP		2,00,000	-	2,00,000	0.26	2,00,000	0.23
	HDFC Floating Rate Income Fund		2,048	-	2,048	-	2,048	-
	Total			**2.09**		**1.89**		**1.65**
a	**Provision for Impairment of Investment**							
	Cords Cable Industries Limited			-		0.31		0.33
	Total			**-**		**0.31**		**0.33**
	Total current investments			**5.74**		**4.59**		**11.26**
	Total Non - Current and Current Investments			**1,208.54**		**1,706.98**		**1,001.87**
	Aggregate amount of quoted investments			**2.09**		**1.89**		**1.65**
	Market Value of Quoted Investment			**2.09**		**1.89**		**1.65**
	Aggregate amount of unquoted investments			**1,206.45**		**1,705.09**		**1,000.23**

C	Movement in Investment on account of IND AS Adjustments				
i)	Non - Current Investments: As at March 31, 2017				
	Particulars	**Investment as at March 31, 2017 as per previous GAAP**	**Fair value of Investments /Fair Value of Interest free loans**	**Fair Value of financial guarantee**	**Investment as at March 31, 2017**
	Ansaldocaldaie Boilers India Private Limited #	37.15	0.67	5.18	43.00
	Gactel Turnkey Projects Limited	5.05	10.54	4.00	19.59
	Metropolitan Infrahousing Private Limited	0.01	732.10	4.38	736.48
	Transrail Lighting Limited	7.75		2.43	10.18
	ATSL Holdings B.V. (Netherland) * #	0.12		2.18	2.29
	ATSL Holdings B.V. (Netherland) (Through SAE Power lines srl)			5.91	5.91
	Campo Puma Oriente S.A.	0.03	1.10	3.53	4.66
	Gammon Holdings (Mauritius) Limited *	0.07	0.09	2.69	2.85
	Gammon Holdings B.V. *	0.12	0.04	12.12	12.28
	Gammon Holdings B.V- (Though Franco Tosi Meccanica S.p.A.)			2.73	2.73
	Gammon International B.V. *	0.12	0.14	11.83	12.09
	P.Van Eerd Beheersmaatschappij B.V. * #	0.05	0.01	1.86	1.92
	Gammon Realty Limited	15.05	44.80		59.85
	Deepmala Infrastructure Private Limited	0.01	62.09		62.09
	Gammon Power Limited	675.04	47.23		722.27
	Alpine Environmental Engineers Ltd		-		-
	Gammon Billimoria Limited	0.05	13.44		13.49
	Gammon Retail Infrastructure Private Limited	0.01	0.02		0.03
	Total	**740.64**	**912.26**	**58.82**	**1,711.72**
ii)	**Current Investments: As at March 31, 2017**				
	Particulars	**Investment as at March 31, 2017 as per previous GAAP**	**Fair value of Investments /Fair Value of Interest free loans**	**Fair Value through Profit and Loss Account**	**Investment as at March 31, 2017**
	Bank of Baroda	0.04		0.04	0.07
	Cords Cable Industries Ltd.	0.45		(0.20)	0.26
	Gujarat State Financial Corporation	0.01		(0.01)	-
	HDFC Bank Ltd	-		-	-
	HDFC	-		-	-
	ICICI Bank Ltd	-		-	-
	Infosys Ltd	-		-	-
	Larsen & Toubro Ltd	-		-	-
	Sadbhav Engineering Ltd.	-		-	-
	Technofab Engineering	0.47		2.85	3.32
	Ultra Tech Cement Limited	-		-	-
	SBI Dynamic Bond Fund	1.00		0.38	1.38
	HDFC Balanced Fund	0.26		0.01	0.27
	ICICI Liquid Plan	0.36		0.08	0.44
	ICICI Prudential FMP	-		-	-
	HDFC Floating Rate Income Fund	-		-	-
	Total	**2.59**	**-**	**3.15**	**5.74**

iii)	Non - Current Investments: As at March 31, 2016				
	Particulars	**Investment as at March 31, 2016 as per previous GAAP**	**Fair value of Investments /Fair Value of Interest free loans**	**Fair Value of financial Guarantee**	**Investment as at March 31, 2016**
	Ansaldocaldaie Boilers India Private Limited #	37.15	0.67	5.18	43.00
	Gactel Turnkey Projects Limited	5.05	8.92	4.00	17.97
	Metropolitan Infrahousing Private Limited	0.01	732.07	4.38	736.45
	Transrail Lighting Limited	7.75		2.43	10.18
	ATSL Holdings B.V. (Netherland) * #	0.12		2.18	2.29
	ATSL Holdings B.V. (Netherland) Through SAE Power lines srl			5.91	5.91
	Campo Puma Oriente S.A.	0.03	1.10	3.53	4.66
	Gammon Holdings (Mauritius) Limited *	0.07	0.09	2.69	2.85
	Gammon Holdings B.V. *	0.12	0.04	12.12	12.28
	Gammon Holdings B.V. * (Through Franco Tosi Meccanica S.p.A.)			2.73	2.73
	Gammon International B.V. *	0.12	0.14	11.83	12.09
	P.Van Eerd Beheersmaatschappij B.V. * #	0.05	0.01	1.86	1.92
	Gammon Realty Limited	15.05	44.80		59.85
	Deepmala Infrastructure Private Limited	0.01	62.08		62.09
	Gammon Power Limited	675.04	47.23		722.27
	Alpine Environmental Engineers Ltd		-		-
	Gammon Billimoria Limited	0.05	13.00		13.05
	Gammon Retail Infrastructure Private Limited	0.01	-		0.01
	Total	**740.64**	**910.14**	**58.82**	**1,709.61**

iv)	Current Investments: As at March 31, 2016				
	Particulars	**Investment as at March 31, 2016 as per previous GAAP**	**Fair value of Investments /Fair Value of Interest free loans**	**Fair Value through Profit and Loss Account**	**Investment as at March 31, 2016**
	Bank of Baroda	0.04	-	-	0.04
	Cords Cable Industries Ltd.	0.45	-	-	0.45
	Gujarat State Financial Corporation	0.01	-	-	0.01
	HDFC Bank Ltd	-	-	-	-
	HDFC	-	-	-	-
	ICICI Bank Ltd	-	-	-	-
	Infosys Ltd	-	-	-	-
	Larsen & Toubro Ltd	-	-	-	-
	Sadbhav Engineering Ltd.	-	-	-	-
	Technofeb	0.47	-	2.05	2.52
	Ultra Tech Cement Limited	-	-	-	-
	SBI Dynamic Bond Fund	1.00	-	0.21	1.21
	HDFC Balanced Fund	-	-	-	-
	ICICI Liquid Plan	0.36	-	0.05	0.41
	ICICI Prudential FMP	0.20	-	0.05	0.25
	HDFC Floating Rate Income Fund	-	-	-	-
	Total	**2.53**	**-**	**2.36**	**4.89**

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v)	Non - Current Investments: As at October 1, 2014				
	Particulars	**Investment value including deemed cost as at Oct 1, 2014**	**Fair value of Investments /Fair Value of Interest free loans**	**Fair Value of financial Guarantee**	**Investment as at October 1, 2014**
	Ansaldocaldaie Boilers India Private Limited #	37.15	0.67	5.18	43.00
	Gactel Turnkey Projects Limited	5.05	7.73	4.00	16.78
	Metropolitan Infrahousing Private Limited	571.71	160.33	4.38	736.41
	Transrail Lighting Limited	31.00	-	2.43	33.43
	ATSL Holdings B.V. (Netherland) * #	0.12		2.18	2.29
	ATSL Holdings B.V. (Netherland) Through SAE Power lines srl			5.91	5.91
	Campo Puma Oriente S.A.	0.03	1.10		1.13
	Gammon Holdings (Mauritius) Limited *	0.07	0.09	2.69	2.85
	Gammon Holdings B.V. *	0.12	0.04	12.12	12.28
	Gammon Holdings B.V. Through Franco Tosi Meccanica S.p.A.			2.73	2.73
	Gammon International B.V. *	0.12	0.14	11.83	12.09
	P.Van Eerd Beheersmaatschappij B.V. * #	0.05	0.01	1.86	1.92
	Gammon Realty Limited	15.05	44.80		59.85
	Deepmala Infrastructure Private Limited	0.01	61.73		61.73
	Gammon Power Limited	0.04	0.12		0.16
	Alpine Environmental Engineers Ltd				-
	Gammon Billimoria Limited	0.05	12.28	-	12.34
	Total	**660.58**	**289.04**	**55.29**	**1,004.91**

vi)	Current Investments: As at October 1, 2014				
	Particulars	**Investment as at October 1, 2014 as per previous GAAP**	**Fair value of Investments /Fair Value of Interest free loans**	**Fair Value through Profit and Loss Account**	**Investment as at October 1, 2014**
	Bank of Baroda	0.04	-	-	0.04
	Cords Cable Industries Ltd.	0.45	-	-	0.45
	Gujarat State Financial Corporation	0.01	-	-	0.01
	HDFC Bank Ltd	0.02	-	0.44	0.47
	HDFC	0.18	-	4.04	4.22
	ICICI Bank Ltd	0.04	-	0.03	0.07
	Infosys Ltd	0.03	-	0.12	0.15
	Larsen & Toubro Ltd	0.05	-	1.70	1.75
	Sadbhav Engineering Ltd.	0.02	-	0.24	0.25
	Technofeb	0.47	-	1.65	2.12
	Ultra Tech Cement Limited	0.04	-	0.38	0.42
	SBI Dynamic Bond Fund	1.00	-	0.05	1.05
	HDFC Balanced Fund	-	-	-	-
	ICICI Liquid Plan	0.36	-	0.01	0.37
	ICICI Prudential FMP	0.20	-	0.02	0.22
	HDFC Floating Rate Income Fund	-	-	-	-
	Total	**2.91**	**-**	**8.68**	**11.59**

D	Disclosures u/s 186 (4) of The Companies Act, 2013:					
	Name of Party	**Relation**	**Purpose**	**Period ended (Rupees in Crore)**		
				March 31, 2017	**March 31, 2016**	**October 1, 2014**
	Equity Instrument					
	Gammon Power Limited	Subsidiary	Conversion of loan into equity	-	657.04	0.04
	Gammon Retail Infra Private Limited (partly paid ₹ 8 paid-up)	Subsidiary	Fresh investment	-	0.04	

E	Other Notes
(a)	During the previous period the Company has pledged the Equity Shares of the following Companies -
	- 1,20,00,000 Ansaldocaldaie Boilers India Private Limited
	- 2,300 Deepmala Infrastructure Private Limited
	- 50,49,940 Gactel Turnkey Projects Limited
	- 3,09,99,940 Transrail Lighting Limited
(b)	In the opinion of the Management, diminution in the value of Investment in share of Associated Transrail Structure Ltd. Nigeria is considered to be temporary and , therefore , no provision has been made for the same.
(c)	The details of Beneficial & Contractual Interest acquired and transferred in favour of it's subsidiary M/s Gammon Infrastructure Projects Limited is detailed herein below -

	Acquired						
		March 31, 2017		**March 31, 2016**		**October 1 , 2014**	
		Nos/ Units	**Amount**	**Nos/ Units**	**Amount**	**Nos/ Units**	**Amount**
	Rajahmundry Expressway Limited	-	-	-	-	43,60,500	2.77
	Andhra Expressway Limited	-	-	-	-	45,64,500	2.89
	Total		**-**		**-**		**5.66**
	Transferred	**March 31, 2017**		**March 31, 2016**		**October 1 , 2014**	
		Nos/ Units	**Deposit Received**	**Nos/ Units**	**Deposit Received**	**Nos/ Units**	**Deposit Received**
	Rajahmundry Expressway Limited	-	-	-	-	56,55,000	8.48
	Andhra Expressway Limited	-	-	-	-	56,55,000	8.49
	Kosi Bridge Infrastructure Company Limited	-	-	-	-	1,25,62,831	12.56
	Gorakhpur Infrastructure Company Limited	-	-	-	-	1,49,47,238	14.95
	Indira Containers Terminal Private Limited	-	-	2,64,07,160	26.41	2,64,07,160	26.40
	Tidong Hydro Power Limited	-	-	25,500	0.03	25,500	0.03
	Total	**-**	**-**	**2,64,32,660**	**26.43**	**6,52,52,729**	**70.91**

(e)	In respect of these shares where the voting rights and beneficial rights are so transferred the holder continues to be the original allotted as per the record of the respective Company.
(f)	The Company has made provision for diminution in the value of investments arising out of fall in value of equity shares of Gammon Infrastructure Projects Limited (GIPL) which is held through Gammon Power Limited and GACTEL Turnkey Projects Limited. The provision is made against carrying value of investments and the loans advanced to the companies. The provision is based on the rate at which the Company had sold its partial stake in GIPL since the balance sheet date

4 **Financial Assets - Trade Receivables**

(Unsecured, at amortised cost)

(All the amounts are ₹ in Crore unless otherwise stated)

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Trade Receivables :						
(Unsecured, considered good unless otherwise stated)						
Considered good	295.52	60.56	539.82	682.08	848.42	1,351.73
Considered Doubtful	-	172.97	-	107.01	-	136.88
Provision for Doubtful debts	-	(172.97)	-	(107.01)	-	(136.88)
	295.52	60.56	539.82	682.08	848.42	1,351.73
Less: Expected credit loss	0.66	0.10	1.33	1.49	1.62	1.79
Total	**294.86**	**60.46**	**538.49**	**680.59**	**846.80**	**1,349.94**

(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 ₹ 60.99 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.

(iii) There are disputes in seven projects of the Company. The total exposure against these projects is ₹ 438.65 Crore. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

(iv) The Company has receivable including retention and work in progress (unbilled revenue) aggregating to ₹ 62.47 Crore in various jobs relating to the real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts

(b) Expected Credit Loss

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

Expected Credit Loss Rate:-

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Default rate	0.25%	0.25%	0.25%

Movement in the expected credit loss allowance

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Balance at the beginning of the period	1.33	1.49	1.62	1.79	-	-
Reversal on account of Transfer of Business	0.16	1.86	-	-	-	-
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.51)	0.47	(0.29)	(0.30)	1.62	1.79
Provision at the end of the period	**0.66**	**0.10**	**1.33**	**1.49**	**1.62**	**1.79**

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

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :						
Considered Good	1,985.86	1.03	2,019.82	228.81	1,551.58	122.10
Considered Doubtful	600.37	171.26	172.29	14.75	160.14	21.56
Less : Provision for Doubtful Loans	(600.37)	(171.26)	(172.29)	(14.75)	(160.14)	(21.56)
Deposits						
Considered Good	4.62	8.22	4.73	45.35	37.07	25.97
Unsecured Considered Doubtful	-	3.60	-	3.60	-	3.60
Less : Provision for Doubtful	-	(3.60)	-	(3.60)	-	(3.60)
Other Loans and Advances						
Unsecured Considered Good	18.53	6.38	38.78	17.39	60.88	5.37
Unsecured Considered Doubtful	54.09	4.94	28.31	4.94	3.31	4.94
Less : Provision for Doubtful	(54.09)	(4.94)	(28.31)	(4.94)	(3.31)	(4.94)
Total	**2,009.01**	**15.63**	**2,063.33**	**291.55**	**1,649.53**	**153.44**

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

Name of the Related Party	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Considered good:						
Deepmala Infrastructure Private Limited	214.19	-	190.55	-	157.94	-
Gammon Realty Limited	119.46	-	106.27	-	89.17	-
Metropolitan Infrahousing Private Limited	531.81	-	471.34	-	395.46	-
RAS Cities and Township Private Limited	9.94	-	9.07	-	7.95	-
Sikkim Hydro Power Ventures Limited	-	-	-	-	-	-
Haryana Biomass Power Limited (Hareda Projects)	0.07	-	0.07	-	0.07	-
Gammon International FZE	70.87	-	72.60	-	69.26	-
Gammon International B.V.	312.32	-	323.07	-	307.77	-
Campo Puma Oriente S.A.	264.38	-	57.46	-	26.76	-
Ansaldocaldaie Boilers India Private Limited	29.57	-	60.42	-	8.46	-
Gammon Holdings (Mauritius) Limited	108.85	-	111.29	-	93.99	-
Patna Water Supply Distribution Network Private Limited	51.15	-	50.83	-	-	-
Gammon Holdings B.V.	274.47	-	381.74	-	235.70	-
OSE Gammon Joint Venture	0.14	-	0.14	-	0.14	-
Gammon & Billimoria Limited	-	-	34.41	-	27.80	-
Gactel Turnkey Projects Limited	-	-	42.37	-	29.06	-
Gammon Progressive JV	-	-	0.61	-	0.61	-
Gammon Rizzani JV	-	-	0.44	-	0.44	-
Jaeger Gammon Joint Venture	-	-	1.57	-	2.09	-
Gammon Archirodon Joint Venture	-	-	0.03	-	0.03	-
Gammon Encee JV	-	-	4.85	-	4.85	-
BBJ Gammon JV	-	-	1.35	-	1.35	-
Finest S.p.A	-	-	0.56	-	0.59	-
Atlanta India Limited Gammon JV	-	-	0.06	-	0.06	-

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Name of the Related Party	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
ATSL Holding B.V. (Netherland)	(1.36)	-	84.96	-	92.04	-
SAE Power Lines S.r.l	-	-	13.77	-	-	-
Gammon Retail Infrastructure Private Limited	-	0.24	-	0.01	-	-
Gammon Power Limited	-	-	-	153.94	-	1.18
Gammon Cidade Tensacciai Joint Venture	-	-	-	63.09	-	51.92
Kosi Bridge Infrastructure Company	-	-	-	0.61	-	0.61
Youngthong Power Ventures Limited	-	-	-	-	-	-
Rajahmundry Godavari Bridge Limited	-	0.35	-	0.35	-	0.35
Tidong Hydro Power Limited	-	0.02	-	0.02	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	-	-	-	-	-
Franco Tosi Hydro Private Limited	-	0.01	-	-	-	-
Transrail Lighting Limited	-	-	-	0.01	-	58.88
Mumbai Nasik Expressway Limited	-	-	-	0.01	-	0.01
Gammon JMC Joint Ventures	-	-	-	0.05	-	-
Gammon Sew Joint Venture	-	0.08	-	0.08	-	-
Preeti Township Private Limited	-	0.01	-	-	-	-
Gammon CMC Joint Venture	-	-	-	7.50	-	-
SAE Transmission India Limited	-	0.20	-	0.20	-	0.20
Franco Tosi Turbine Private Limited	-	0.11	-	0.11	-	0.40
Associated Transrail Structure Limited, Nigeria	-	-	-	2.82	-	2.15
GIPL GIL Joint Venture	-	-	-	-	-	5.81
Rajahmundry Expressway Limited	-	-	-	-	-	0.12
Andhra Expressway Limited	-	-	-	-	-	0.43
Total	**1,985.86**	**1.03**	**2,019.82**	**228.81**	**1,551.58**	**122.10**

Considered Doubtful:

Gammon & Billimoria Limited	40.37	-	-	-	-	-
Gactel Turnkey Projects Limited	65.54	-	-	-	-	-
Gammon International FZE	17.04	-	18.48	-	17.65	-
P.Van Eerd Beheersmaatschappij B.V.	9.11	-	9.30	-	7.78	-
Gammon International B.V.	2.55	-	2.76	-	0.78	-
Campo Puma Oriente S.A.	130.00	-	-	-	-	-
Gammon Holdings B.V.	171.77	-	77.83	-	80.08	-
Finest S.p.A	0.52	-	-	-	-	-
ATSL Holding B.V. (Netherland)	114.51	-	26.14	-	22.78	-
SAE Power Lines S.r.l	48.96	-	37.78	-	31.08	7.94
Gammon Power Limited	-	168.05	-	-	-	-
Associated Transrail Structure Limited, Nigeria	-	3.21	-	-	-	-
JV Gammon-FECP, Nigeria	-	-	-	14.75	-	13.62
Total	**600.37**	**171.26**	**172.29**	**14.75**	**160.14**	**21.56**

(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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Ansaldocaldaie Boilers India Private Limited	29.57	60.42	60.42	60.42
Associated Transrail Structure Limited, Nigeria	3.21	2.82	3.29	2.82
Atlanta India Limited Gammon JV	-	0.06	0.06	0.06
ATSL Holding B.V. (Netherland)	113.15	111.10	115.48	114.82
BBJ Gammon JV	-	1.35	1.35	1.35
Campo Puma Oriente S.A.	394.38	57.46	394.38	57.46
Deepmala Infrastructure Private Limited	214.19	190.55	214.19	190.55
Finest S.p.A	0.52	0.56	0.56	0.56
Franco Tosi Hydro Private Limited	0.01	-	0.01	-
Franco Tosi Turbines Private Limited	0.11	0.11	0.11	0.11
Gactel Turnkey Projects Limited	65.54	42.37	65.54	42.37
Gammon & Billimoria Limited	40.37	34.41	40.37	34.41
Gammon Archirodon Joint Venture	-	0.03	0.03	0.03
Gammon Cidade Tensacciai Joint Venture	-	63.09	63.09	63.09
Gammon CMC Joint Venture	-	7.50	7.50	7.50
Gammon Encee JV	-	4.85	4.85	4.85
Gammon Holdings (Mauritius) Limited	108.85	111.29	111.29	111.29
Gammon Holdings B.V.	446.24	459.56	459.56	459.56
Gammon International B.V.	314.86	325.83	325.83	325.83
Gammon International FZE	87.92	91.09	91.09	91.09
Gammon JMC Joint Ventures	-	0.05	0.05	0.05
Gammon Power Limited	168.05	153.94	168.05	153.94
Gammon Progressive JV	-	0.61	0.61	0.61
Gammon Realty Limited	119.46	106.27	119.46	106.27
Gammon Renewable Energy Infrastructure Limited	-	-	-	-
Gammon Retail Infrastructure Private Limited	0.24	0.01	0.24	0.01
Gammon Rizzani JV	-	0.44	0.44	0.44
Gammon Sew Joint Venture	0.08	0.08	0.08	0.08
Haryana Biomass Power Limited (Hareda Projects)	0.07	0.07	0.07	0.07
Jaeger Gammon Joint Venture	-	1.57	1.57	1.57
JV Gammon-FECP, Nigeria	-	14.75	14.75	14.75
Kosi Bridge Infrastructure Company	-	0.61	0.61	0.61
Metropolitan Infrahousing Private Limited	531.81	471.34	531.81	471.34
Mumbai Nasik Expressway Limited	-	0.01	0.01	0.01
OSE Gammon Joint Venture	0.14	0.14	0.14	0.14
P.Van Eerd Beheersmaatschappij B.V.	9.11	9.30	9.30	9.30
Patna Water Supply Distribution Network Private Limited	51.15	50.83	51.15	50.83
Preeti Township Private Limited	0.01	-	0.01	-
Rajahmundry Godavari Bridge Limited	0.35	0.35	0.35	0.35
RAS Cities and Township Private Limited	9.94	9.07	9.94	9.07
SAE Power Lines S.r.l	48.96	51.55	49.08	50.23
SAE Transmission India Limited	0.20	0.20	0.20	0.20
Sikkim Hydro Power Ventures Limited	-	-	-	-
Tidong Hydro Power Limited	0.02	0.02	0.02	0.02
Transrail Lighting Limited	-	0.01	0.01	0.01
Youngthong Power Ventures Limited	-	-	-	-
Total	**2,758.52**	**2,435.67**	**2,916.97**	**2,438.07**

(iii) **Investment by loanee in the subsidiary Companies Shares**

Name of the Company	**Invested in Subsidiary Company**	**March 31, 2017**	**March 31, 2016**
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A	353.26	383.09
	Gammon Italy S.r.L	0.12	0.13
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.L	96.30	96.30
Gammon & Billimoria Limited	G & B Contracting LLC	0.61	0.61
Gammon Realty Limited	Preeti Township Private Limited	0.12	0.12
	Deepmala Infrastructure Private Limited	-	-
Gammon Power Limited	Gammon Infrastructure Projects Limited	714.10	714.10
Gactel Turnkey Projects Limited	Gammon Infrastructure Projects Limited	68.17	68.17
P.Van Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A	51.97	56.36
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) **Disclosures u/s 186 (4) of The Companies Act, 2013:**

Name of Party	**Relation**	**Purpose**	**March 31, 2017**	**March 31, 2016**
Ansaldocaldaie Boilers India Private Limited	Subsidiary	Advance towards Operations	-	20.88
Associated Transrail Structure Limited Nigeria	Subsidiary	----do-----	-	0.67
ATSL Holding B.V. (Netherland)	Subsidiary	----do-----	-	3.72
Campo Puma Oriente S.A.	Subsidiary	----do-----	349.38	30.70
Deepmala Infrastructure Private Limited	Subsidiary	----do-----	0.01	2.62
Gactel Turnkey Projects Limited	Subsidiary	----do-----	19.47	8.74
Gammon CMC Joint Venture	Joint Venture	----do-----	-	7.50
Gammon Cidade Tensacciai Joint Venture	Joint Venture	----do-----	-	11.17
Gammon Holdings (Mauritius) Limited	Subsidiary	----do-----	0.07	17.31
Gammon Holdings B.V.	Subsidiary	----do-----	0.06	143.79
Gammon International B.V.	Subsidiary	----do-----	0.06	17.28
Gammon International FZE	Subsidiary	----do-----	-	4.18
Gammon JMC Joint Ventures	Joint Venture	----do-----	-	0.05
Gammon Power Limited	Subsidiary	----do-----	-	134.51
Gammon Retail Infrastructure Private Limited	Subsidiary	----do-----	0.24	0.01
Gammon Sew Joint Venture	Joint Venture	----do-----	-	0.08
Gammon India Limited -FECP, Nigeria	Joint Venture	----do-----	-	1.13
Metropolitan Infrahousing Private Limited	Subsidiary	----do-----	0.26	0.10
P.Van Eerd Beheersmaatschappij B.V.	Subsidiary	----do-----	0.04	1.52
Patna Water Supply Distribution Network Private Limited	Subsidiary	----do-----	0.44	50.83
Transrail Lighting Limited	Subsidiary	----do-----	-	19.87

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

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Interest Accrued Receivable:						
Considered Good	356.04	32.70	262.82	37.94	163.62	28.38
Considered Doubtful	14.86	4.58	-	-	-	-
Less : Provision for Doubtful Interest	(14.86)	(4.58)	-	-	-	-
Insurance claim receivable	-	-	1.65	-	1.65	5.16
Receivable against Sale of Investment - Related Party	-	-	-	-	-	712.80
Other Receivable	-	0.33	-	0.86	-	0.46
Total	**356.04**	**33.03**	**264.47**	**38.80**	**165.27**	**746.80**

7 **Other Assets**

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	-		4.96	-	0.72	-
Unbilled Revenue (Refer note below)	871.01	-	1,377.96	226.00	-	100.32
Prepaid Expenses	-	-	0.34	1.17	3.23	5.56
Advance to Creditors/Subcontractors						
Unsecured Considered Good	12.97	55.29	17.97	182.55	50.94	180.79
Unsecured Considered Doubtful	-	-	-	15.83	-	7.18
Less: Provision for Doubtful	-	-	-	(15.83)	-	(7.18)
Staff Advances	-	1.00	-	2.85	-	5.16
Balance with Tax Authority	0.28	-	26.70	0.10	51.96	24.47
Advance Tax Net of Provision	382.51	-	370.66	-	347.13	-
Others	-	0.78	-	7.36		6.89
Total	**1,266.77**	**57.07**	**1,798.59**	**420.03**	**453.98**	**323.19**

Unbilled Revenue:

The Company, as part of its restructuring scheme through which it carved out the EPC and T & D Business into separate entities with residual non-core assets and some claims remaining in the main Company, had during the eighteen month period ended March 31, 2016 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 to assess the likely amount of claims being settled in favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to ₹ 1,657.22 will be reasonably certain to be settled in favour of the Company. Accordingly the Company had during the previous year recognized an aggregate amount of ₹ 1,343.97 net of amounts recognized based on management estimates. Out of the total claim amount the Company has, as part of the transfer of business through BTA and slump exchange, transferred certain claims recognized as part of the jobs transferred to GECPL. The balance claims of ₹ 871.01 Crore are being carried in the books as due and receivable. The management contends that the same are due to them and they have a very good chance of realization.

8 **Inventories**

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Raw Material	-	-	23.36
Material at Construction Site	50.69	285.70	346.33
Stores and Spares	-	-	8.63
Work In Progress - Real Estate	21.99	21.95	21.53
Work In Progress	73.59	724.17	1,183.19
Finished Goods	-	-	33.84
Total	**146.27**	**1,031.82**	**1,616.88**

Inventory Valuation Policy

i)	Raw Material	Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average Method.
ii)	Material at Construction Site and Stores & Spares	Material at Construction Site are valued at lower of cost and net realisable value. Costs are determined on Weighted Average Method.The Weighted Average Method of inventory valuation is used to determine the cost.
iii)	Work In Progress	Work In Progress on construction contracts are carried at lower of assessed value of work done less bill certified and net realisable value.
iv)	Work In Progress - Real Estate	Work In Progress on construction contracts reflects value of land, material inputs and project expenses.
v)	Bought Out and Stock in Transit	At lower of cost and Net realisable value
vi)	Other -Scrap Material	At realisable value

9 Cash and Bank Balance

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Cash and cash equivalents			
Cash on Hand	0.05	0.80	5.52
Balances with Bank	44.79	112.83	76.43
Total	**44.84**	**113.63**	**81.95**
Other Bank Balances			
Unpaid dividend	0.64	0.71	0.71
Other Bank Balance	2.00	2.00	5.28
Bank deposits (on margin account)	4.31	4.19	2.77
Total	**6.95**	**6.90**	**8.76**

(a) Other Bank Balances

Other bank balances include ₹ 2.00 Crore (P.Y March 2016 : ₹ 3.93 Crore, October 2014: ₹ 5.28 Crore) with bank branches in foreign countries relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries.

Balances in Foreign Bank Accounts are as per ledger and in case of some of the banks are subject to reconciliation.

(b) Disclosure on specified bank notes (SBNs)

During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs(*)	Other notes	Total
Closing cash on hand as at 8 November 2016	0.02	0.14	0.16
(+) Permitted receipts	-	0.21	0.21
(-) Permitted payments	-	0.23	0.23
(-) Amount deposited in banks	0.02	-	0.02
Closing cash on hand as at 30 December 2016	**-**	**0.12**	**0.12**

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

10 Equity Share Capital

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

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	No of Shares	₹ in Crores	No of Shares	₹ in Crores	No of Shares	₹ in Crores
Authorised Capital :						
Equity Shares of ₹ 2/- each	74,710,000,000	14,942.00	74,710,000,000	14,942.00	74,710,000,000	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	3,000,000	105.00	3,000,000	105.00	3,000,000	105.00
Issued, Subscribed and Fully Paid up Capital :						
Issued Capital						
Equity Shares of ₹ 2/- each, fully paid	370,427,845	74.09	366,303,349	73.26	137,355,208	27.47
Subscribed and Fully Paid up Capital						
Equity Shares of ₹ 2/- each, fully paid	368,847,305	73.77	364,722,809	72.94	135,774,668	27.16
Share Forfeiture Account						
Money received in respect of Right Shares of ₹ 10/- each forfeited	170,948	0.34	170,948	0.34	170,948	0.34
Total		**74.11**		**73.28**		**27.50**

i) Issued share capital includes 725,800 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, 2017		March 31, 2016		October 1, 2014	
	No of Shares	₹ in Crores	No of Shares	₹ in Crores	No of Shares	₹ in Crores
As at the beginning of the year	364,722,809	72.94	135,774,668	27.16	135,774,668	27.16
Add: Issued during the year	4,124,496	0.83	228,948,141	45.78	-	-
As at the end of the year	**368,847,305**	**73.77**	**364,722,809**	**72.94**	**135,774,668**	**27.16**

Pursuant to the invocation to SDR scheme, the bankers have converted an amount of ₹ 4.90 Crore (P.Y: ₹ 272.22 Crore) being principal and interest outstanding in to Equity and have been allotted 4,124,496 Equity Shares (P.Y: 228,948,141 Equity Shares) of ₹ 2 each at a premium of ₹ 9.89 per equity share during the period representing 1.12% (P.Y: 62.77%) of the Equity Capital.

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2017		March 31, 2016		October 1, 2014	
	No of Shares	%	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	18,013,015	4.87%	18,013,015	4.93%	18,013,015	13.20%
Devyani Estate and Properties Private Limited	9,892,805	2.68%	12,182,805	3.33%	12,182,805	8.93%
HDFC Trustee Company Limited-HDFC Infrastructure Fund	5,553,931	1.50%	12,114,310	3.31%	12,114,310	8.87%
Abhijit Rajan	8,172,459	2.34%	8,172,459	2.24%	8,172,459	5.99%
Canara Bank	52,816,269	14.29%	52,814,769	14.45%	-	-
ICICI Bank	39,774,612	10.76%	39,696,547	10.86%	-	-
Punjab National Bank	24,209,101	6.55%	24,209,101	6.62%	-	-
Syndicate Bank	22,696,508	6.14%	22,696,508	6.21%	-	-
Bank Of Baroda	22,104,507	5.99%	22,104,507	6.05%	-	-
Allahabad Bank	19,582,216	5.30%	19,582,216	5.36%	-	-

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(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, 2017**	**March 31, 2016**	**October 1, 2014**
Capital Redemption Reserve	105.00	105.00	105.00
Capital Reserve	11.53	11.53	-
Securities Premium Account	1,262.20	1,258.12	1,031.69
Debenture Redemption Reserves	81.00	81.00	81.00
General Reserve	363.06	363.06	363.06
Perpetual Promoter Contribution	100.00	100.00	100.00
Retained earnings	(1,347.15)	317.85	216.38
Other Comprehensive Income			
-Actuarial Gains / (Loss)	(4.48)	(2.44)	(1.82)
Treasury shares	(1.69)	(1.69)	(1.69)
TOTAL	**569.47**	**2,232.43**	**1,893.62**

12 Non Current Financial Liabilities - Borrowings

Particulars	**March 31, 2017**		**March 31, 2016**		**October 1, 2014**	
	Non Current	**Current Maturities**	**Non Current**	**Current Maturities**	**Non Current**	**Current Maturities**
Non Convertible Debentures						
- Placed with Banks and Financial Institutions	228.45	36.28	246.83	35.68	318.52	5.48
Term Loans			-		-	
Priority Loan	346.43	157.67	505.87	116.36	682.74	51.39
Rupee Term Loan RTL	1,186.33	186.46	1,387.11	126.23	1,579.67	32.24
Funded Interest Term Loan (FITL)	48.80	8.93	98.52	9.47	254.60	5.19
Working Capital Term Loan (WCTL)	382.16	60.64	497.24	27.31	633.44	12.93
			-			
TOTAL	**2,192.17**	**449.98**	**2,735.57**	**315.05**	**3,468.97**	**107.23**
The above amount includes						
Secured Borrowings	**2,192.17**	**449.98**	**2,735.57**	**315.05**	**3,468.97**	**107.23**
Unsecured Borrowings	-	-	-	-	-	-

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

Key features of the CDR 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 instalments 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 instalments 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	ROI Basis	ROI
Cash Credit	MI Base Rate (9.35%) + Spread (2.25%)	11.60%
Term Loans (RTL1, RTL2, RTL3, FITL, Priority Loan, WCTL)	MI Base Rate (9.35%) + Spread (1.75%)	11.10%

Facility	Principal as on 31 March 2017	Rate	Principal as on 31 March 2016	Rate	Principal as on 01 October 2014
10.50%	66.39	10.50%	68.28	10.50%	74.00
11.05%	89.08	11.05%	91.68	11.05%	100.00
9.50%	89.34	9.50%	97.42	9.50%	100.00
9.95%	44.53	9.95%	49.21	9.95%	50.00
Grand Total	**289.34**		**306.59**		**324.00**

(d) Repayment Term

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

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

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

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

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

d) Undertaking to create pledge over shares of Nikhita Estate Developers Private Limited (Promoter Group Company), as and when they are released in the future.

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

f) Pledge over the following shares -

23% of Deepmala Infrastructure Private Limited

100% of SEZ Adityapur Limited

24% of Ansaldocaldaie Boilers India Private Limited

100% of Gactel Turnkey Projects Limited

100% of Transrail Lighting Limited (out of which currently only 25% pledged with the CDR Lenders)

25% of Gammon Engineers and Contractors Private Limited.

(f) Maturity profile of Term Loans and NCD

Period	March 31, 2017	March 31, 2016	October 1, 2014
Principal Overdue	280.84	65.34	-
With in 1 years	449.98	315.05	107.23
2 - 3 years	1,004.13	780.35	674.73
4 - 5 years	778.05	1,033.18	1,030.68
6 - 10 years	409.99	922.04	1,763.56
TOTAL	**2,922.99**	**3,115.96**	**3,576.20**

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

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

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
Rupee Term Loan (RTL)	40.71	21.50	43.00	19.78	124.99
Priority Loan (PL)	42.20	22.35	32.68	11.72	108.95
Funded Interest Term Loan (FITL)	2.38	2.02	2.38	-	6.78
Working Capital Term Loan (WCTL)	14.64	0.87	-	-	15.51
Non Convertible Debentures(NCD)	6.10	6.10	12.42	-	24.62
Total	**106.02**	**52.84**	**90.48**	**31.50**	**280.84**

13 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Retention / Deposits	8.77	59.84	93.60
Total	**8.77**	**59.84**	**93.60**

14 Other Financial Liabilities

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Margin Money Received	12.00	12.00	12.00
	12.00	**12.00**	**12.00**

15 Provisions

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:						
Provision for Gratuity	0.05	0.12	0.25	5.72	1.49	3.50
Provision for Leave Encashment	0.85	0.63	8.11	2.41	11.73	5.25
Others:						
Provision for Risk and Contingencies	-	249.62	-	237.49	-	240.27
Total	**0.90**	**250.37**	**8.36**	**245.62**	**13.22**	**249.02**

(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
October 1, 2014	184.38	55.89	-	240.27
March 31, 2016	240.27	11.06	13.84	237.49
March 31, 2017	237.49	17.80	5.67	249.62

(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, 2017	As at March 31, 2016
Present Value of Benefit Obligation at the Beginning of the Period	7.21	8.22
Interest Cost	0.20	1.10
Current Service Cost	0.23	1.29
Liability transferred out - on scheme and BTA	(6.97)	0.00
Benefit Paid Directly by the Employer	(0.03)	(0.08)
Benefit Paid From the Fund	(1.03)	(3.15)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.03	0.37
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.84	(0.54)
Present Value of Benefit Obligation at the End of the Period	**0.50**	**7.21**
Fair Value of Plan Assets at the Beginning of the Period	1.24	3.54
Interest Income	0.06	0.47
Contribution by Employer	1.42	0.59

Table Showing Change in the Present Value of Projected Benefit Obligation	As at March 31, 2017	As at March 31, 2016
Assets transferred out - on scheme and BTA	(1.34)	0.00
Benefit Paid from the Fund	(1.03)	(3.15)
Return on Plan Assets, Excluding Interest Income	(0.02)	(0.21)
Fair Value of Plan Assets at the End of the Period	**0.32**	**1.24**
Present Value of Benefit Obligation at the end of the Period	(0.50)	7.21
Fair Value of Plan Assets at the end of the Period	0.32	1.24
Funded Status (Surplus/ (Deficit))	(0.17)	(5.98)
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.35)**	**2.48**
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.23	1.29
Net Interest Cost	0.14	0.62
Expenses Recognized	**0.37**	**1.91**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	0.88	-0.17
Return on Plan Assets, Excluding Interest Income	0.02	0.21
Net (Income)/Expense For the Period Recognized in OCI	**0.90**	**0.04**
Balance Sheet Reconciliation		
Opening Net Liability	5.98	4.69
Expenses Recognized in Statement of Profit or Loss	0.37	1.91
Expenses Recognized in OCI	0.90	0.04
Net Liability/(Asset) Transfer Out	(5.62)	-
Benefit Paid Directly by the Employer	(0.03)	(0.08)
Employer Contribution	(1.42)	(0.59)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.17**	**5.98**
Category of Assets		
Insurance fund	0.32	1.24
Total	**0.32**	**1.24**
Assumptions	**2016-17**	**2014-16**
Expected Return on Plan Assets	7.09%	8.06%
Rate of Discounting	7.09%	8.06%
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	**2016-17**	**2014-16**
Projected Benefit Obligation on Current Assumptions	0.50	7.21
Delta Effect of +1% Change in Rate of Discounting	-0.03	-0.44
Delta Effect of -1% Change in Rate of Discounting	0.04	0.51
Delta Effect of +1% Change in Rate of Salary Increase	0.04	0.52
Delta Effect of -1% Change in Rate of Salary Increase	-0.04	-0.46
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.17
Delta Effect of -1% Change in Rate of Employee Turnover	-0.01	-0.19

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 Transfer out of Liability ₹ 6.97 Crore and Plan Assets ₹ 1.34 Crore represents transfer to Gammon Engineers and Contractors Private Limited as at 30-06-2016.

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

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

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

8 The Company's Leave Encashment Liability is entirely unfunded.

16 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
Deferred Tax Liability:						
Property, Plant and Equipment	(114.16)		(197.77)		(198.00)	
Non Current Investments	(129.55)		(129.55)		(129.55)	
		(243.70)		(327.31)		(327.55)
Deferred Tax Asset:						
Tax Disallowances	-		77.87		135.49	
Other Comprehensive Income	-	-	1.14	79.02	0.82	136.31
Deferred Tax (Liabilities) / Assets (Net)		**(243.70)**		**(248.29)**		**(191.24)**

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 recognized in current year.

17 Other Non-Current Liabilities

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Client Advances	58.49	250.41	261.60
Advance received against Real Estate Joint development	33.50	33.50	14.00
Unamortised Guarantee Commission	9.93	18.40	33.19
Total	**101.92**	**302.31**	**308.79**

18 Current Financial Liabilities - Borrowings

The borrowings are analysed as follows :

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Loans Repayable on Demand :			
Cash Credit from Consortium Bankers	946.37	1,896.88	1,060.77
Loans and Advances from Related Party	0.11	6.26	22.97
Other Loans and Advances :			
Buyers Credit	2.66	76.29	87.89
Bill Discounting		-	5.50
TOTAL	**949.14**	**1,979.43**	**1,177.13**
The above amount includes			
Secured Borrowings	**946.37**	**1,896.88**	**1,060.77**
Unsecured Borrowings	**2.77**	**82.55**	**116.36**

(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) Buyer's Credit facility includes an amount of ₹ 53.68 Crore (Previous Period ₹ 42.11 Crore) being the buyers credit availed on behalf ofthe Joint Venture on the strength of the underlying invoices of a Joint Venture, where the Company is a lead partner, for onward utilization of the Joint Venture. The entire Liability of such buyer's credit is represented by loan to the Joint Venture. All costs including exchange rate fluctuation on account of the buyers credit are to the account of the Joint Venture.

(v) Short term loan from consortium Bankers :

a) 1st pari-passu charge on the entire Current Assets, Loans and Claims of the Company.

b) The rate of interest on above loan is linked to Bank base rate +200 bps

(vi) Facility overdrawn as at March 31, 2017:

Facility	**₹ in Crore**	**Default period**
Cash credit other than BG encashment	188.84	> 365 days
Cash credit - BG encashment	399.26	> 365 days
Total	**588.10**	

19 Current Financial Liabilities - Trade Payables

Particulars	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Trade Payables			
Micro, Small and Medium Enterprises	0.65	0.73	-
Others	199.06	1,033.76	1,436.25
Total	**199.71**	**1,034.49**	**1,436.25**

(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	**31-Mar-17**	**31-Mar-16**
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.75	0.82
Principal amount due	0.65	0.73
Interest due on the above	0.10	0.09
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	-	-

Particulars	31-Mar-17	31-Mar-16
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 MSMED Act where payment has been made beyond appointed day during the year.	0.65	0.73
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.10	0.09

20 Other Current Financial Liabilities

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Current Maturities of Term Loan	449.98	315.05	107.23
Others - Overdue Principal (Refer Note (a) below)	280.84	65.34	-
Interest Accrued and Due (Refer Note (b) below)	427.07	167.02	91.78
Interest Accrued But Not Due	7.23	29.02	27.22
Unpaid Dividend (Refer Note (c) below)	0.64	0.71	0.71
Payable for Capital Goods	2.25	14.37	21.73
Other Payables			
- Related Party	113.59	5.13	10.41
- Others	16.89	91.44	133.29
	130.48	96.57	143.70
Total	**1,298.49**	**688.08**	**392.37**

(a) **Principal Overdue includes -**

March 2017: RTL- ₹ 124.99 Crore, NCD- ₹ 24.62 Crore, FITL- ₹ 6.78 Crore, PL- ₹ 108.95 Crore and WCTL- ₹ 15.50 Crore.

March 2016: RTL- ₹ 19.62 Crore, NCD- ₹ 24.08 Crore, FITL- ₹ 3.46 Crore, PL- ₹ 18.18 Crore

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

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	51.61	33.58	64.07	42.55	191.81
PL	19.05	18.02	29.20	6.48	72.75
FITL	5.21	4.52	8.49	5.31	23.53
WCTL	13.70	10.73	20.29	2.05	46.78
NCD	9.32	7.00	15.29	-	31.62
STL	9.03	5.44	10.38	-	24.84
WCDL	3.97	1.87	3.10	0.60	9.54
Cash credit	10.64	3.94	7.87	3.57	26.01
Total	**122.52**	**85.10**	**158.69**	**60.57**	**426.88**

(c) Unpaid dividend includes ₹ 0.37 Crore (P.Y March 2016: ₹ 0.33 Crore and October 2014: ₹ 0.25 Crore) to be transferred to the Investor Education & Protection Fund

(d) **Other Payable Related Party:**

Other payables - related party includes an amount of ₹ 107.16 Crore payable to Gammon Engineers and Contractors Private Limited relates to the payments made from the common pool of funds during the period from July 1, 2016 till the effective date towards obligations of Gammon India Limited out of money received on GECPL account. To secure the receipt of the sum payable to GECPL, the parties have entered into an agreement wherein GIL has assigned receivables from specific claims, awards from arbitration in favour of the Company and other specific receivables with a right to recourse in case of shortfall of receivables from the assigned amounts. The aggregate amount covered under the agreement is ₹ 110 Crore. The amount due to GECPL in terms of the arrangement between the parties shall carry interest equivalent to the rate of interest mentioned in the award. However the same is restricted to the amount due to GECPL.

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21 Other Current Liabilities

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Client Advances	55.27	535.09	678.89
Duty & Taxes Payable	3.98	27.49	72.54
Others	-	1.49	1.44
Unamortised Guarantee	8.47	12.01	12.28
Total	**67.72**	**576.08**	**765.15**

22 Current Tax Liabilities

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Provision for taxation (net of taxes paid)	2.32	2.32	3.07
Total	**2.32**	**2.32**	**3.07**

23 Revenue from Operations

Particulars	April 2016 -March 2017		October 2014 - March 2016	
Turnover		712.02		5,984.26
Other Operating Revenue:				
Export Incentive	-		1.42	
Sale of Scrap	-		20.92	
Freight Charge	-		20.72	
Miscellaneous Operating Income	3.34		13.99	
Sundry Balances Written Back	46.32		35.48	
Share of Profit on Joint Venture	-		4.51	
Other Contractual Revenue	-		50.63	
Other Contractual Cost	-		(50.63)	
		49.66		97.04
Total		**761.68**		**6,081.30**

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

Particulars	April 2016 - March 2017
Method use to determine the contract revenue	% of Completion method
Method use to determine the stage of completion of contract	Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete.

Particulars	April 2016 - March 2017	October 2014 - March 2016
Contract revenue for the year	712.02	5,984.26
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	11,617.29	27,504.23
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	970.26	3,132.26
Advances received from contractees	105.94	698.54
Retention money	5.79	241.10
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,400.06	2,932.87
Gross amount due to customers for contract work	7.82	86.96

24 Other Income

Particulars	April 2016 - March 2017	October 2014 - March 2016
Interest Income on EIR on Financial Assets at amortised cost	265.98	419.30
Profit on Sale of Business (Refer note 38)	26.75	6.14
Miscellaneous Income	0.46	8.64
Excess provision written back	-	0.50
Profit on Sale of Assets	0.81	5.58
Profit on Sale of Investments	-	0.50

Particulars	April 2016 - March 2017	October 2014 - March 2016
Unrealised Gain on Fair Valuation of Current Investments	1.27	0.69
Corporate Guarantee Commission	12.01	18.59
Exchange Gain	-	65.29
Gain on remeasurement of Loan to Subsidiaries	0.89	90.92
Dividend on Current Investments	-	0.05
Total	**308.17**	**616.20**

25 Cost of Materials Consumed

Particulars	April 2016 - March 2017	October 2014 - March 2016
Opening Stock	285.70	369.69
Add : Purchases (Net of Discount)	228.88	1,794.12
Less : Transferred under BTA	217.79	55.43
Less : Closing Stock	50.69	285.70
Total	**246.10**	**1,822.68**

26 Purchase of Stock in Trade

Particulars	April 2016 - March 2017	October 2014 - March 2016
Traded Item - Bought Out Material	-	113.44
(Conductor, Insulators & Hardware Item)		
Excise Duty	-	50.34
Total	**-**	**163.78**

27 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2016 -March 2017		October 2014 - March 2016	
Work in progress				
Opening				
- Construction	724.17		1,180.47	
-Manufacturing	-		2.72	
		724.17		1,183.19
Less : Closing				
- Construction	(73.59)		(724.17)	
-Manufacturing	-		-	
		(73.59)		(724.17)
Finished goods				
Opening Stock	-		33.84	
Less : Closing Stock	-		-	
		-		33.84
Stock transfer on account of business transfer (Refer note 38)				
Work in progress	(601.19)		(43.36)	
Finished	-		(27.09)	
		(601.19)		(70.45)
Total		**49.39**		**422.41**

28 Employee Benefits

Particulars	April 2016 -March 2017	October 2014 - March 2016
Salaries, Bonus, Perquisites etc.	71.89	494.36
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	4.40	26.55
Staff Welfare Expenses	2.08	14.79
Other Expenses	0.06	0.03
Total	**78.43**	**535.73**

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(a) The Ministry of Corporate affairs vide its letter dated November 24, 2016 and March 28, 2017 had rejected the company's application for waiver of excess remuneration paid to Chairman and Managing Director (CMD) for the periods April 1, 2012 to May 16, 2016. The Company in its extra-ordinary general meeting held on June 29, 2017 had sought the approval of the shareholders for waiver of recovery of remuneration of ₹ 17.19 Crore paid (from April 1, 2012 to September 30, 2014) to CMD, for which resolution was not approved by the shareholders. Considering the efforts made by CMD in steering the Company through the challenging times and the contribution made by him in the CDR package, the Board on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders' approval afresh for waiver of remuneration paid to CMD. No remuneration has been paid to him since October 2014 and only provision has been made in books for the same.

Further the Company's application for payment of remuneration of ₹ 4 Crore per annum payable for a period of three years effective from May 17, 2016 has also been rejected by the Ministry due to non-recovery of remuneration paid from April 1, 2012 to September 30, 2014. The total amount of remuneration due to CMD till March 31, 2017 is 30.54 Crore.

Similarly the Company's application for waiver of recovery of excess remuneration paid to its erstwhile Executive Director Mr. Himanshu Parikh for an aggregate amount of ₹ 59.85 lakhs was also rejected. The Company has made a representation to the Ministry to reconsider its decision as Mr. Parikh has resigned from the Company's services since April, 2013. In view of the aforementioned facts no adjustments are made in these financials.

29 Finance Cost

Particulars	April 2016 -March 2017	October 2014 - March 2016
Interest Expense	517.64	983.65
Other Borrowing Costs	1.26	44.52
Total	**518.90**	**1,028.17**

30 Depreciation & Amortisation

Particulars	April 2016 -March 2017	October 2014 - March 2016
Depreciation	32.65	261.30
Amortisation	-	0.17
Total	**32.65**	**261.47**

In accordance with the provisions of Schedule II to the Companies Act 2013, effective from 1st April, 2014, the Company has revised the useful lives of its fixed assets. As a consequence of such revision, the charge for depreciation is higher than the previously applied rates by ₹ 76.88 Crore for the 18 months period ended 31st March, 2016. Further for assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1st October, 2014 of ₹ 33.76 Crore has been charged to Profit and Loss statement during the eighteen month period ended 31st March, 2016 which was earlier adjusted against the opening balance of Surplus in the Profit and Loss Account in the quarterly interim financial results.

31 Other Expenses

Particulars	April 2016 - March 2017	October 2014 - March 2016
Plant Hire Charges	6.49	44.52
Consumption of Spares	7.95	80.86
Outward Freight	-	32.89
Power & Fuel	33.41	149.65
Fees & Consultations	12.01	35.43
Rent	10.76	45.53
Rates & Taxes (incl indirect taxes)	38.13	192.89
Travelling Expenses	5.87	40.32
Communication	0.58	4.28
Insurance	6.42	17.01
Repairs to Plant & Machinery	2.17	6.73
Repairs to Building	-	0.05
Other Repairs & Maintenance	2.12	12.48
Bank Charges & Guarantee Commission	3.94	47.95
Other Site Expenses	0.09	70.70

Particulars	April 2016 - March 2017	October 2014 - March 2016
Sundry Expenses	2.61	53.90
Sundry Balance Written Off	38.08	20.62
Bad debts	20.94	28.55
Provision for Doubtful Debts and Advances	16.33	61.80
Provision for Risks & Contingency	17.80	11.06
Loss on sale of Current Investments	0.25	1.88
Loss on Sale of Assets	-	0.03
Loss on Joint Venture	0.10	-
Foreign Exchange Loss	59.14	-
Asset written off	12.44	-
Foreign Branch Auditor Fees	-	0.09
Branch Auditors' Remuneration	0.09	1.99
Audit Fees	0.85	1.29
Total	**298.57**	**962.50**

(a) Remuneration to Statutory Auditors

Particulars	April 2016 - March 2017	October 2014 - March 2016
Audit Fees (including Tax Audit)	0.54	0.92
Limited Review	0.14	0.18
Certification & Other Attest Services	0.17	0.19
Total	**0.85**	**1.29**

(b) Remuneration to Branch Auditors

Particulars	April 2016 -March 2017	October 2014 - March 2016
Branch Audit fees (including Tax Audit)	0.09	0.83
Limited Review	-	0.30
Taxation and Certification	-	0.86
Total	**0.09**	**1.99**

32 Exceptional Items

Particulars	April 2016 - March 2017	October 2014 - March 2016
Loss on Sale of Investment	-	20.92
Impairment Provision of Investment	557.97	6.98
Impairment Provisions of Loans	606.26	-
Impairment Provisions of Trade Receivable	119.28	-
Impairment Provision of Other Receivable	28.55	-
Write Back of Diminution in the Value of Investment	(6.98)	-
Total	**1,305.09**	**27.90**

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

ii) The Company has made impairment provisions towards the carrying value of investments carried at cost in respect of Investments in Gammon Power Limited and Gactel Turnkeys Projects Limited, the Companies through which the equity stake in Gammon Infrastructure Projects Limited is held. The total provision made is ₹ 777.40 Crore of which ₹ 529.96 Crore is against the Equity Value in these companies and balance ₹ 247.44 Crore is against the loans advanced to them. The impairment provision is made based on the market price of the said shares of Gammon Infrastructure Projects Limited. Similarly the Company has made provisions towards the exposures in the form of investments and loans in Finest Spa, Italy, Gammon and Billimoria Limited, exposure towards FTM and Campo Puma and other companies not in the same group after an evaluation of the possibility of recovery in the current business environment. Considering the magnitude of the impact the same is disclosed as exceptional items.

iii) The management has assessed value of SAE, the company's step down subsidiary, based on its present realisability. Considering the liquidity crunch in the said subsidiary, the Company is in active discussion with a potential investor who has shown interest in acquisition of the said subsidiary. The terms of the said acquisition involves repayment of outstanding payables due to GIL in the books of SAE upon realization of its net current asset. The Company following the concept of prudence and conservatism has made an aggregate provision of ₹ 221.63 Crore and has retained an amount of ₹ 27.65 Crore as realisable based on the assessment of reliability of the collections from SAE. The Company has also made full provision against its exposure of ₹ 218.90 Crore both funded and non funded to its wholly owned subsidiary M/s ATSL Holding BV based on its expectation of realization. The Company expects to complete the process of sale within the next six months and will in turn realise the outstanding receivables.

33 Tax Expense

Particulars	**April 2016 - March 2017**	**October 2014 - March 2016**
Income tax expense in the Statement of Profit and Loss consists of:		
Current Tax	-	39.36
Excess short provision for tax	2.93	20.54
Deferred Tax	(5.73)	57.37
Income tax recognised in statement of profit or loss	**(2.80)**	**117.27**

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 18 months	-	217.79
Accounting profit before income tax for 12 months	(1,662.72)	447.61
Enacted tax rates in India (%)	34.61%	34.61%
Computed expected tax expenses	-	-
Effect of non- deductible expenses	1,817.59	567.27
Effect of tax losses adjusted	31.44	868.27
Effects of deductible expenses/ exempt income	123.43	146.62
MAT u/s 115 JB		
Enacted tax rates in India (%)	21.34%	21.34%
Effect of non- deductible expenses	1,368.37	188.80
Effects of deductible expenses	32.62	451.99
Taxable	(326.97)	184.43
Tax thereon	-	39.36

B Deferred Tax

Particulars	**Opening**	**Recognised in profit and loss**	**Recognised in OCI**	**Closing as at March 31, 2017**
Property, Plant and Equipment	(198.00)			(198.00)
Non Current Investments	(129.55)			(129.55)
Trade Receivable- Provision for Doubtful Debts	43.69			43.69
Disallowances u/s 43B	85.10			85.10
Employee benefits	6.70			6.70
ICDS Adjustments	-			-
Remeasurement gain/(loss) on defined benefit plans	-		0.82	0.82
As at October 1, 2014	**(192.06)**	**-**	**0.82**	**(191.24)**
Property, Plant and Equipment	(198.00)	0.23	-	(197.77)
Non Current Investments	(129.55)	-	-	(129.55)
Trade Receivable- Provision for Doubtful Debts	43.69	(29.36)	-	14.34

Disallowances u/s 43B	85.10	(42.90)	-	42.20
Employee benefits	6.70	(0.07)	-	6.63
ICDS Adjustments	-	14.72	-	14.72
Remeasurement gain/(loss) on defined benefit plans	0.82	-	0.33	1.14
As at March 31, 2016	**(191.24)**	**(57.37)**	**0.33**	**(248.29)**
Property, Plant and Equipment	(197.77)	83.61	-	(114.16)
Non Current Investments	(129.55)	-	-	(129.55)
Trade Receivable- Provision for Doubtful Debts	14.34	(14.34)	-	-
Disallowances u/s 43B	42.20	(42.20)	-	-
Employee benefits	6.63	(6.63)	-	-
ICDS Adjustments	14.72	(14.72)	-	-
Remeasurement gain/(loss) on defined benefit plans	1.14	-	(1.14)	-
As at March 31, 2017	**(248.29)**	**5.73**	**(1.14)**	**(243.70)**

34 Earning Per Share

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

Particulars	**April 2016 - March 2017**	**October 2014 - March 2016**
Net Profit attributable to the Equity Share holders	(1,659.92)	100.52
O/s number of Equity Shares at the end of the year	368,847,305	364,722,809
Weighted Number of Shares during the period – Basic	368,045,006	164,777,040
Weighted Number of Shares during the period – Diluted	368,770,806	165,502,840
Earning Per Share – Basic (₹)	(45.10)	6.10
Earning Per Share – Diluted (₹)	(45.01)	6.07

Reconciliation of weighted number of shares outstanding during the year :

Particulars	**April 2016 - March 2017**	**October 2014 - March 2016**
Nominal Value of Equity Shares (Rupee Per Share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	364,722,809	135,774,668
Add : Issue of shares	4,124,496	228,948,141
Outstanding Equity shares at the year end	368,847,305	364,722,809
Weighted Average of Equity Shares at the end	368,045,006	164,777,040
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	368,045,006	164,777,040
Add : Shares kept in abeyance	725,800	725,800
Weighted Avg no. of shares in calculating Dilutive EPS	368,770,806	165,502,840

35 Disclosure under Indian Accounting Standard (Ind AS) 17 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.

The Company has taken certain equipment on an operating lease and the future minimum committed lease rentals are given as follows on the basis of current usage -

Particulars	March 31, 2017	March 31, 2016
Payable not later then one year	-	4.64
Payable between one to five years	-	-
Payable after five years	-	-

36 Contingent Liability

	Particulars	March 31, 2017	March 31, 2016
i	Liability on contracts remaining to be executed on Capital Account	1.68	22.47
ii	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.	1,250.66	3,718.65
	The above does not include the Corporate and Bank Guarantees which are in the process of being transferred in the name of GECPL under the Scheme (amounting to ₹ 2,394.65 Crore).		
iii	Disputed Sales Tax Liability for which the Company has gone into appeal	26.52	145.31
iv	Claims against the Company not acknowledged as debts	260.42	209.08
v	Disputed Excise Duty Liability	0.10	18.04
vi	Disputed Service Tax Liability	7.31	60.77
vii	Outstanding Letters of Credit Pending Acceptance	2.89	50.49
viii	In respect of Income Tax Matters of Company and its Joint Ventures	334.81	337.28
ix	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
x	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
xi	Other Matter	6.42	6.42
xii	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96

xiii There is a disputed demand of UCO Bank pending since 1986, of USD 436,251 i.e. ₹ 1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30,584 i.e. ₹ 0.12 Crore, which adjustment has not been accepted by the Company.

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

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

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

37 Segment Reporting as per Ind AS108 " Operating Segments"

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

Revenue of ₹ 180.77 Crore (PY: ₹ 1,482.05 Crore) arising from two major customer being Government / Government controlled entities contribute to more than 10% of the total revenue of the Company.

38 Effect of BTA and Slump Exchange Scheme

A <u>EPC Business:</u>

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

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

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

Based on the above approvals and consummation of the transactions under BTA and the Scheme, the Company has transferred as a going concern the Civil EPC business as identified in the BTA and the Scheme of Arrangement to GECPL with effect from the appointed date of July 1, 2016. Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said GECPL w.e.f July 1, 2016. Since the approvals were finally received only in the quarter ended March 31, 2017, the Company has given effect for the same in the last quarter of the year ended March 31, 2017.

The following assets and liabilities have been transferred to the said GECPL as on July 1, 2016 and profit on the sale of the said Civil EPC business of ₹ 26.75 Crore has been recognised in the statement of Profit and Loss account.

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

The equity shares to be received under the scheme has been shown as Consideration receivable under Investments pending issuance as at the end of the financial year ended March 31, 2017

B Transmission and Distribution Business:

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

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

The National Company Law Tribunal (NCLT) vide its Order dated 30th March, 2017 approved the Scheme. The Scheme came into operation on 19th April, 2017. On the Scheme becoming operational, the Transmission and Distribution Undertaking of the Company essentially comprising of the engineering, procurement and construction business of the Company in the power transmission and distribution sector, the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the T & D Undertaking is transferred to TLL with effect from 1st January, 2016. Since the accounts of the previous comparative 18-Month period March 2016 are being recast under Ind AS, the effect has been given in the last quarter of March 2016 as the appointed date of the scheme is 1st January 2016.

Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said TLL w.e.f January 01, 2016.

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

Particulars	**₹ in Crore**	**₹ in Crore**	**₹ in Crore**	**₹ in Crore**
	BTA		**Scheme**	
Assets:				
Fixed Assets	78.37		113.79	
Current Assets, Loans and Advances	390.50	468.87	633.77	747.56
Less: Liabilities:				
Secured and Unsecured Borrowings	301.27		285.54	
Current Liabilities and Provisions	169.36	470.64	450.50	736.04
Net Assets		*(1.76)*		*11.52*
Consideration Receivable		*4.37*		*11.52*
Profit on Sale of Business		6.14		-

The equity shares to be received under the scheme has been shown as Consideration receivable under Investments pending issuance as at the end of the financial year ended March 31, 2017

39 Foreign & Domestic Venture

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

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

(b) As stated in previous quarter the process of transferring the ownership of Sofinter in favour of the transferee company is completed 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. The financial statements of the said Sofinter group have not been finalized as the statutory auditors seek certain confirmation from the lenders for the credit lines. Based on the valuation carried out of the said Sofinter Group by an independent valuer in June 2015 and the valuation carried out internally by Sofinter S.p.A. and approved by its board while approving the Group Financial statements of 2015 in January 2017, the Management is of the view that no impairment is required in the exposure of the Company towards its combined exposure of ₹ 1,000.33 Crore in Sofinter Group.

(c) The Company's funded and non-funded exposure towards Franco Tosi Meccanica S.p.A (FTM) group is ₹ 919.56 Crore (net of provisions made) as at March 31, 2017 including Investments and guarantees towards the acquisition loan taken by the SPV.

The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. has already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet 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. Despite these factors the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM. However on a prudent basis Company has provided ₹ 100 Crore during the year.

(d) The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, during the year under review, 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 ₹ 291.97 Crore (net of provisions made). The Company had received a valuation report for USD 60 Million approximately from an independent merchant banker for its share more than 24 months ago, which the management believes is still valid. Furthermore, the Company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has made a provision of ₹ 130 Crore against its exposure based on internal estimates of the realisable value and the management is confident that there will be no further provision required towards impairment.

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

(f) The management has assessed value of SAE, company's step down subsidiary, based on its present reliability. Considering the liquidity crunch in the said subsidiary, the Company is in active discussion with a potential investor who has shown interest in acquisition of the said subsidiary. The terms of the said acquisition involves repayment of outstanding payables due to GIL in the books of SAE upon realization of its net current asset. The Company following the concept of prudence and conservatism has made an aggregate provision of ₹ 221.63 Crore and has retained an amount of ₹ 27.65 Crore as realisable based on the assessment of reliability of the collections from SAE. The Company has also made full provision against its exposure of ₹ 218.90 Crore both funded and non-funded to its wholly owned subsidiary M/s ATSL Holding BV the intermediate holding Company of SAE based on its expectation of realization. The Company expects to complete the process of sale within the next six months and will in turn realise the outstanding receivables.

(g) The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is ₹ 314.50 Crore. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management is of the opinion that the current situation is temporary and the value of the business arising out of the development is higher than the carrying value as aforesaid and therefore no provision for impairment is necessary presently.

40 The Company's operating result 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, approval of design etc. by client, scarcity in availability of labour & materials, operational issues etc. Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. This has also resulted in various winding up claims filed against the Company which the Company is pursuing.

As at March 31, 2017, the current liabilities exceed current assets by ₹ 2,397.79 Crore.

The facilities of the Company are presently marked as a Non Performing Asset by the lenders as at June 30, 2017.

As part of its plan of revival under the CDR/SDR mechanism, the demerger of certain businesses was carried out during the year.

The demerger of the transmission and distribution business and the Civil EPC business has resulted in the reduction of CDR lenders exposure by ₹ 10,362 Crore including funded and non-funded exposures.

After the aforementioned carve out of businesses the total exposure of the lenders in the Company is ₹ 4,263 Crore (Fund based- ₹ 3,872 Crore (excluding interest) and Non-Fund Based - ₹ 391 Crore).

The Company has filed a fresh proposal with the lenders to carve out certain other business in which it is proposed to invite strategic investors for taking over the business / assets along with the residual debt of the banks in order to be able to invite investors and ensure that the lenders debts are fully discharged.

Accordingly, the following are being carved out into separate entities along with the sustainable debts, which the new investors will be willing to take up. The Companies holding in each of these businesses is also mentioned.

Sr No	Particulars of Assets/business being carved out	Debts being carved out (₹ In Crore)	Proposed GIL interest in the carved out entity
1	Carve out of Residual Civil EPC Business together with all assets and liabilities including pre-qualifications in two phases that is through a slump sale by way of a Business Transfer Agreement and a slump exchange through a Scheme of arrangement to Gammon Transmission Limited, a wholly owned subsidiary. Wherein an Investor will invest and acquire a 90% controlling stake.	Fund Based - ₹, 70 Crore Non-Fund based - ₹ 52 Crore	10%

Sr No	Particulars of Assets/business being carved out	Debts being carved out (₹ In Crore)	Proposed GIL interest in the carved out entity
2	Sale of 90% of the Company's shareholding in its subsidiary Metropolitan Infrahousing Private Limited to Gammon Real Estate Developers (WOS) together with secured debt. The Company has invited strategic investor to invest in Gammon Real Estate Developers who will acquire 90% controlling stake and will develop the "Dombivali" land owned by MIPL and will discharge the secured debt	Fund Based ₹ 886 Crore	10%
3	Debt Asset Swap Arrangement Two lenders viz. Union Bank of India and United Bank of India hold a first charge on Gammon House. It is now proposed to enter into a Debt Asset Swap arrangement for the subject property, wherein two principal lenders i.e. Union Bank and United Bank who hold first charge on Gammon House would swap a part of their debt with the property. The swap value for the purpose is proposed at ₹ 435 Cr.	Fund Based Union Bank = 207.16 United Bank = 227.84 Total ₹ 435 Cr.	
4	GIPL Stake Sale The fund based debts of ICICI bank and IDBI bank are backed by pledge of shares of GIPL. Debt to the extent of INR 170 Cr has been considered for the current proposal. The OD/ STL facilities of IDBI and ICICI Bank are proposed to be resolved through sale of GIPL shares.	Fund Based IDBI – 85 Cr. ICICI – 85 Cr. Total 170 Cr.	

The Company has obtained shareholders approval for the EPC carve out through a slump sale and for sale of its holdings in MIPL, as well as for further sale /dilution of upto 90% of its holdings in its aforementioned wholly owned subsidiaries to / in favour of strategic investors vide a Postal Ballot results of which were declared on 15th May,2017.The said proposals are to be approved by the lenders for which the Company has filed the Information Memorandum.

After the proposed carve outs secured debt of ₹ 2,650 Crore (₹ 2,311 Crore Fund Based and ₹ 339 Crore Non Fund Based) Crore and interest for the year is remaining in the Company which is proposed to be serviced through existing claims, future stake sale of 25% of the company's shareholding in GECPL and TLL, 10% stake in MIPL, 10% stake in Gammon Transmission Limited, future stake sale of its investments in Campo Puma Oriente, and Miscellaneous real estate Assets owned by the Company.

The broad plan of servicing the debts is as follows:

Particulars	Expected Value (₹ In Crore)
Through existing claims	900.00
Future stake sale of 25% of the company's shareholding GECPL and TLL, 10% stake in MIPL, 10% stake in Gammon Transmission Limited.	1,600.00
Stake Sale of Campo Puma	330.00
Miscellaneous Real Estate Assets	300.00
Total	**3,130.00**

As part of its future growth strategy the Company also is exploring new business avenues to generate revenues and surplus.

The above action plan of the Company for repaying the debts and servicing the same is exposed to material uncertainties including the necessary value of the balance stake being available and realised, realization of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments. The management is however hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status. Therefore in the views of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis.

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

The Company has disclosed the information relating to discontinued operations of the sale of its EPC business and the Transmission & Distribution business for all the comparative periods in the profit and loss account. There are no Assets held for sale which satisfies the requirement of Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

As detailed in note No 40 the Company proposes to carry out further restructuring for which it has obtained shareholders approval since the Balance Sheet date and lenders approval is pending. The same does not qualify for disclosures as discontinued operations and non-current assets held for sale. The effects would be disclosed as and when the plans are formalised.

42 **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.**

43 **Financial Instruments**

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

Particulars		Carrying Value			Fair Value		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
A	**Financial Assets**						
(i)	Amortised Cost:						
	Loans	2,024.64	2,354.88	1,802.97	2,024.64	2,354.88	1,802.97
	Others	389.07	303.27	912.07	389.07	303.27	912.07
	Trade receivables	355.32	1,219.08	2,196.74	355.32	1,219.08	2,196.74
	Cash and cash equivalents	44.84	113.63	81.95	44.84	113.63	81.95
	Bank Balance	6.95	6.90	8.76	6.95	6.90	8.76
(ii)	FVTPL						
	Mutual Funds & Equity Instrument	5.74	4.59	11.26	5.74	4.59	11.26
	Total Financial Assets	**2,820.82**	**4,002.35**	**5,013.75**	**2,826.56**	**4,002.35**	**5,013.75**
B	**Financial Liabilities**						
(i)	Amortised Cost						
	Borrowings	3,141.31	4,715.00	4,646.10	3,141.31	4,715.00	4,646.10
	Trade payables	208.48	1,094.33	1,529.85	208.48	1,094.33	1,529.85
	Others	1,310.49	700.08	404.37	1,310.49	700.08	404.37
	Total Financial Liabilities	**4,660.28**	**6,509.41**	**6,580.32**	**4,660.28**	**6,509.41**	**6,580.32**

(ii) **Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized 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, 2017	3.65			Market Value of Shares
Mutual Funds	March 31, 2017	2.09			Market Value of Mutual Funds
Total Financial Assets		**5.74**	-	-	
Financial Liabilities measured at Fair Value					
Derivative Instruments	March 31, 2017	2.66			Valuation from Banks.
Total Financial Liabilities		**2.66**	-	-	
Financial Assets measured at Fair Value					
Investment in Current Investments					
Shares	March 31, 2016	2.71			Market Value of Shares
Mutual Funds	March 31, 2016	1.88			Market Value of Mutual Funds
Total Financial Assets		**4.59**	-	-	
Financial Liabilities measured at Fair Value					
Derivative Instruments	March 31, 2016	19.48			Valuation from Banks.
Total Financial Liabilities		**19.48**	-	-	
Financial Assets measured at Fair Value					
Investment in Current Investments					
Equity Shares	October 1, 2014	9.95			Market Value of Shares
Mutual Funds	October 1, 2014	1.64			Market Value of Mutual Funds
Total Financial Assets		**11.59**	-	-	
Financial Liabilities measured at Fair Value					
Derivative Instruments	October 1, 2014	38.67			Valuation from Banks.
Total Financial Liabilities		**38.67**	-	-	

(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, 2017		March 31, 2016		October 1, 2014	
Foreign currency	Receivable	Payable	Receivable	Payable	Receivable	Payable
USD - US Dollar	247,792,191	2,963	181,741,040	20,699,060	181,741,040	20,699,060
EUR - Euro	46,192,613	183,059	44,129,177	1,606,520	44,129,177	1,606,520
GBP - British Pound	-	-	-	933	-	933
AED - UAE Dirham	114,905	-	95,560	-	95,560	-
SEK - Swedish Krona	-	-	-	-	-	-
DZD - Algerian Dinar	-	-	187,886,172	253,733,037	187,886,172	253,733,037
NGN - Nigerian Naira	-	-	1,170,092	6,213,707	1,170,092	6,213,707
KES - Kenyan Shilling	-	-	29,874,430	177,217,577	29,874,430	177,217,577
BTN - Bhutan Ngultrum	-	-	330,548,044	171,649,709	330,548,044	171,649,709
CAD - Canadian Dollar	-	-	1,992,563	-	1,992,563	-
ETB - Ethiopian Birr	41,810,175	4,853,733	48,787,634	27,139,571	48,787,634	27,139,571
RWF - Rwandan Franc	-	-	12,172,416	132,634,746	12,172,416	132,634,746
YER - Yemeni Rial	-	-	214,890	583,378	214,890	583,378
AFS - Afgan Afghani	-	-	282,642	209,638,909	282,642	209,638,909

Receivable :- As at March 31, 2017- ₹ 1,937.82 Crore, March 31, 2016 - ₹ 1,608.50 Crore and October 1, 2014 - ₹ 1,363.54 Crore receivables

Payable : As at March 31, 2017- ₹ 2.65 Crore, March 31, 2016 - ₹ 221.82 Crore and October 1, 2014 - ₹ 224.04 Crore

Hedge	March 31, 2017		March 31, 2016		October 1, 2014	
Foreign currency	Receivable	Payable	Receivable	Payable	Receivable	Payable
USD - US Dollar	-	410,000	-	1,987,568	-	1,711,053
EUR - Euro	-	-	-	820,000	-	1,137,932
SEK - Swedish Krona	-	-	-	-	-	919,716

Receivable :- As at March 31, 2017, March 31, 2016 and October 1, 2014 is ₹ NIL

Payable : As at March 31, 2017- ₹ 2.66 Crore, March 31, 2016 - ₹ 19.34 Crore and October 1, 2014 - ₹ 20.22 Crore.

Foreign currency sensitivity

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

Increase/(Decrease) in Profit or Loss	March 31, 2017		March 31, 2016		October 1, 2014	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
USD - US Dollar	16.07	(16.07)	10.68	(10.68)	10.59	(10.59)
EUR - Euro	3.19	(3.19)	3.19	(3.19)	3.14	(3.14)
GBP - British Pound	-	-	(0.00)	0.00	(0.00)	0.00
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)	0.00	(0.00)
SEK - Swedish Krona	-	-	-	-	-	-
DZD - Algerian Dinar	-	-	(0.04)	0.04	(0.05)	0.05
NGN - Nigerian Naira	-	-	(0.00)	0.00	(0.00)	0.00

Increase/(Decrease) in Profit or Loss	March 31, 2017		March 31, 2016		October 1, 2014	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
KES - Kenyan Shilling	-	-	(0.09)	0.09	(0.10)	0.10
BTN - Bhutan Ngultrum	-	-	0.16	(0.16)	0.16	(0.16)
CAD - Canadian Dollar	-	-	0.10	(0.10)	0.11	(0.11)
ETB - Ethiopian Birr	0.10	(0.10)	0.07	(0.07)	0.07	(0.07)
RWF - Rwandan Franc	-	-	(0.01)	0.01	(0.01)	0.01
YER - Yemeni Rial	-	-	(0.00)	0.00	(0.00)	0.00
AFS - Afgan Afghani	-	-	(0.20)	0.20	(0.23)	0.23

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 ₹ 805.53 Crore and ₹ NIL Crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹ 669.83 Crore and ₹ NIL Crore as of March 31, 2017 and March31, 2016, 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 recognized 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, 2017	Plus 100 basis point	(38.69)
	Minus 100 basis points	38.69
March 31, 2016	Plus 100 basis point	(50.13)
	Minus 100 basis points	50.13
October 1, 2014	Plus 100 basis point	(46.37)
	Minus 100 basis points	-

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, 2017	March 31, 2016	October 1, 2016
Cash and Cash Equivalent	44.84	113.63	81.95
Bank Balance	6.95	6.90	8.76
Current Investments in mutual Funds and Shares	5.74	4.59	11.26
Inventory	146.27	1,031.82	1,616.88
Trade Receivable Current	60.46	680.59	1,349.94
Loans & Advances Current	15.63	291.55	153.44
Other Financial Assets Current	33.03	38.80	746.80
Total	**312.92**	**2,167.88**	**101.97**

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, 2017			
Long term Borrowing	730.82	2,192.17	2,922.99
Short term Borrowing	949.14		949.14
Trade Payables	199.71	8.77	208.48
Other Financial Liabilities	1,298.49	12.00	1,310.49
Total	**3,178.16**	**2,212.94**	**5,391.10**
As at March 31, 2016			
Long term Borrowing	380.39	2,735.57	3,115.96
Short term Borrowing	1,979.43		1,979.43
Trade Payables	1,034.49	59.84	1,094.33
Other Financial Liabilities	688.08	12.00	700.08
Total	**4,082.39**	**2,807.41**	**6,889.80**
As at October 1, 2014			
Long term Borrowing	107.23	3,468.97	3,576.20
Short term Borrowing	1,177.13	-	1,177.13
Trade Payables	1,436.25	93.60	1,529.85
Other Financial Liabilities	392.37	12.00	404.37
Total	**3,112.98**	**3,574.57**	**6,687.55**

(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.

44 Standards issued but not yet effective

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

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

45 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, 2017	March 31, 2016	October 1, 2014
Gross Debt	3,872.13	5,095.39	4,753.33
Less:			
Cash and Cash Equivalent	44.84	113.63	81.95
Bank Balance	6.95	6.90	8.76
Marketable Securities -Liquid Mutual Funds	5.74	4.59	11.26
Net Debt (A)	3,814.60	4,970.27	4,651.36
Total Equity (B)	643.58	2,305.71	1,921.12
Gearing ratio (A/B)	**5.93**	**2.16**	**2.42**

46 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 recognized in the separate financial statements.

Taxes

Deferred Tax assets are recognized 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 recognized, 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.

47 First time Adoption

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

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

- Balance Sheet reconciliation for the year ended October 1, 2014 and March 31, 2016,
- Profit reconciliation for the eighteen months period ended March 31, 2016,
- Equity Reconciliation as at October 1, 2014 and March 31, 2016,
- Notes explaning the changes from previous GAAP to Ind AS,
- Exemption availed by the Company on first time adoption of Ind AS.

Details of the same is given vide Statement A

48 Details of Rounded Off Amounts

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

Particulars	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Non Current Investment			
Airscrew (India) Limited	1,000	1,000	1,000
Alpine Environmental Engineers Limited	20,000	20,000	20,000
Bhagirathi Bridge Construction Company Limited	30,000	30,000	30,000
Modern Flats Limited (Unquoted)	22,100	22,100	22,100
Neptune Tower Properties Private Limited	-	1,000	1,000
Investment In Partnership-Capital Contribution-Gammon Shah	25,000	25,000	25,000
Current Investment			
HDFC Mutual Fund - Floating Rate Income Fund	23,578	23,578	21,673
Contingent Liability:			
Contingent Liability on Partly Paid Shares		19,000	19,000

49 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, 2017.

As per our report of even date

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

N Jayendran
Partner
M.No. 40441

Mumbai, Dated : September 20, 2017

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

ABHIJIT RAJAN
Chairman & Managing Director
DIN No. 00177173

AJIT B. DESAI
Executive Director & CEO
DIN No. 00105836

Mumbai, Dated : September 20, 2017

Statement A Reconciliations to First time adoption

A Balance sheet reconciliation

	Particulars	Note Ref	As at March 31, 2016	Scheme Effects	Ind AS Adjust-ment	As at March 31, 2016	As at October 1, 2014	Ind AS Adjust-ment	As at October 1, 2014
ASSETS			**Previous GAAP**			**Ind AS**	**Previous GAAP**		**Ind AS**
NON-CURRENT ASSETS									
(a)	Property, Plant and Equipment	D (i)	899.55	(110.51)	435.11	1,224.14	1,176.03	434.92	1,610.95
	Capital Work In Progress		18.80	(0.06)	-	18.74	22.25	-	22.25
(b)	Intangible Asset		0.16	(0.16)	0.06	0.06	-	0.33	0.33
(c)	Financial Assets				-	-	-	-	-
	(i) Investments	D (iii)	735.11	-	967.26	1,702.37	76.27	914.34	990.61
	(ii) Trade Receivable	D (xiii)	539.82		(1.33)	538.49	848.42	(1.62)	846.80
	(iii) Loans	D (iv)	2,110.94	(14.01)	(33.60)	2,063.33	1,829.72	(180.20)	1,649.53
	(iv) Others	D (iv)	462.44		(197.97)	264.47	295.24	(129.97)	165.27
(d)	Deferred Tax Assets (net)	D (i, iii, x)	134.75	(85.54)	(49.21)	-	82.69	(82.69)	-
(e)	Other Non-Current Assets	D (vii)	1,954.58	(153.04)	(2.95)	1,798.59	452.40	1.58	453.98
	TOTAL NON-CURRENT ASSETS		**6,856.15**	**(363.32)**	**1,117.36**	**7,610.19**	**4,783.02**	**956.69**	**5,739.71**
CURRENT ASSETS									
(a)	Inventories		1,119.00	(87.18)	-	1,031.82	1,616.88	-	1,616.88
(b)	Financial Assets				-	-	-	-	-
	(i) Investments	D (iii)	2.22	-	2.37	4.59	2.50	8.76	11.26
	(ii) Trade Receivables	D (xiii)	936.52	(254.42)	(1.50)	680.59	1,351.73	(1.79)	1,349.94
	(iii) Cash and Cash Equivalents		116.14	(2.51)	-	113.63	81.95	-	81.95
	(iv) Bank Balances		28.19	(21.29)	-	6.90	8.76	-	8.76
	(v) Loans	D (iv)	329.06	(55.65)	18.14	291.55	153.56	(0.12)	153.44
	(vi) Others	D (iv)	71.80	(31.43)	(1.57)	38.80	746.80	-	746.80
(c)	Current Tax Assets (net)		-	-	-	-	-	-	-
(d)	Other Current Assets	D (vii)	484.72	(64.71)	0.02	420.03	323.19	-	323.19
	TOTAL CURRENT ASSETS		**3,087.64**	**517.18)**	**17.45**	**2,587.91**	**4,285.37**	**6.85**	**4,292.22**
	TOTAL ASSETS		**9,943.79**	**(880.51)**	**1,134.82**	**10,198.10**	**9,068.39**	**963.54**	**10,031.93**
EQUITY AND LIABILITIES									
EQUITY									
(a)	Equity Share Capital		73.28	-	-	73.28	27.49	0.01	27.50
(b)	Other Equity	B	1,354.91	(82.51)	960.04	2,232.43	1,064.55	829.07	1,893.62
	TOTAL EQUITY		**1,428.19**	**(82.51)**	**960.04**	**2,305.71**	**1,092.04**	**829.08**	**1,921.12**
LIABILITIES									
NON-CURRENT LIABILITIES									
(a)	Financial Liabilities								

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Particulars		Note Ref	As at March 31, 2016	Scheme Effects	Ind AS Adjust-ment	As at March 31, 2016	As at October 1, 2014	Ind AS Adjust-ment	As at October 1, 2014
ASSETS			Previous GAAP			Ind AS	Previous GAAP		Ind AS
	(i) Borrowings	D (ii)	2,928.79	(93.21)	(100.01)	2,735.57	3,568.97	(100.00)	3,468.97
	(ii) Trade Payables		101.91	(42.07)	-	59.84	93.60	-	93.60
	(iii) Other Financial Liabilities		119.46	(107.46)	-	12.00	12.00	-	12.00
(b)	Provisions		9.54	(1.18)	-	8.36	13.22	-	13.22
(c)	Deferred Tax Liabilities (net)	D (i, iii, x)	-	-	248.29	248.29	-	191.24	191.24
(d)	Other Non-Current Liabilities	D (viii)	283.91	-	18.40	302.31	275.60	33.19	308.79
	TOTAL NON-CURRENT LIABILITIES		**3,443.60**	**(243.92)**	**166.69**	**3,366.37**	**3,963.39**	**124.43**	**4,087.82**
CURRENT LIABILITIES									
(a)	Financial Liabilities								
	(i) Borrowings		2,162.82	(183.39)	-	1,979.43	1,177.13	-	1,177.13
	(ii) Trade Payables	D (xv)	1,157.19	(120.46)	(2.24)	1,034.49	1,438.49	(2.24)	1,436.25
	(iii) Other Financial Liabilities	D (vi)	689.60	-	(1.52)	688.08	391.91	0.46	392.37
(b)	Other Current Liabilities	D (viii)	813.76	(249.54)	11.86	576.08	753.34	11.81	765.15
(c)	Provisions		246.31	(0.69)	-	245.62	249.02	-	249.02
(d)	Current Tax Liabilities (net)		2.32		-	2.32	3.07	-	3.07
	TOTAL CURRENT LIABILITIES		**5,072.00**	**(554.08)**	**8.10**	**4,526.02**	**4,012.96**	**10.03**	**4,022.99**
	TOTAL EQUITY AND LIABILITIES		**9,943.79**	**(880.51)**	**1,134.82**	**10,198.10**	**9,068.39**	**963.54**	**10,031.93**

B Equity Reconciliation

Particulars	**As at March 31, 2016**	**As at October 1, 2014**
Total equity / shareholders' funds under previous GAAP	**1,428.04**	**1,092.04**
Less: On account of Transfer of Business w.e.f Jan 1, 2016 (Refer note 38)	**(82.51)**	**-**
Adjusted Equity / Shareholders funds under previous GAAP	**1,345.53**	**1,092.04**
Adjustments on account of Ind AS:		
Promoters Contribution	100.00	100.00
Net Fair Value Adjustments arising on Deemed Cost of Certain PPE	336.55	336.55
Fair Valuation of Long term Investments	571.69	571.69
Deferred Tax on Fair Valuation of Long term investment	(129.55)	(129.55)
Reversal of Deferred Tax on FETR	(70.39)	(46.49)
Remeasurement of net defined benefit plans	4.20	2.64
Other Comprehensive Income net of Deferred Tax	(3.59)	(2.64)
Deferred Tax on Actuarial	1.14	0.82
Guarantee Commission	28.41	9.82
Forward Contracts Mark to Mark	0.01	0.01
Fair Valuation of Current Investment	2.41	8.68
Provision for Expected Credit Loss	(2.82)	(3.41)

Particulars	As at March 31, 2016	As at October 1, 2014
Fair Valuation of Loans & Advances and Interest	(19.60)	(19.60)
Treasury shares	(1.69)	(1.69)
Interest Income and Remeasurment gain on Loans	141.33	-
Exchange Gain	5.76	-
Others	(3.67)	2.25
Total Ind AS Adjustments	960.18	829.08
Total Equity under Ind AS	**2,305.71**	**1,921.12**

C **Profit and Loss Reconciliation**

	Particulars	Note Ref	As at March 31, 2016	Scheme Effects	Ind AS Adjustment	As at March 31, 2016
			Previous GAAP			Ind AS
I	Revenue from Operations		6,197.34	(154.84)	38.80	6,081.30
II	Other Income		448.64	(4.18)	171.74	616.20
III	**Total Income (I +II)**		**6,645.98**	**(159.02)**	**210.54**	**6,697.50**
IV	Expenses:					
	Cost of Material Consumed		1,861.45	(35.97)	(2.80)	1,822.68
	Excise Duty		50.34	-	-	50.34
	Purchases of Stock-In-Trade		147.19	(33.75)	-	113.44
	Changes in inventories of Finished Goods, Work In Progress and Stock-In-Trade		407.87	14.53	0.01	422.41
	Employee Benefits Expenses		553.46	(16.16)	(1.57)	535.73
	Subcontracting Expenses		1,282.67	(27.61)	0.01	1,255.07
	Finance Costs		1,038.29	(10.14)	0.02	1,028.17
	Depreciation & Amortization		254.16	(3.58)	10.89	261.47
	Other Expenses		1,000.15	(37.94)	0.28	962.50
	Total Expenses		**6,595.58**	**(150.62)**	**6.85**	**6,451.81**
V	Profit / (Loss) before Exceptional Items and Tax		**50.40**	**(8.40)**	**203.69**	**245.69**
VI	Exceptional Items Income / (Expense)		27.90	-	-	27.90
VII	Profit / (Loss) Before Tax		**22.50**	**(8.40)**	**203.69**	**217.79**
	Taxes					
	Current Tax		26.70	(0.04)	12.70	39.36
	Excess / Short Provision of Earlier years		33.23	-	(12.69)	20.54
	Deferred Tax Liability / (Asset)		(52.06)	85.54	23.89	57.37
	Total Tax Expenses		7.87	85.50	23.90	117.27
	Profit After Tax for the period		**14.64**	**(93.90)**	**179.78**	**100.52**
	Other Comprehensive Income		-	-	(0.62)	(0.62)
	Total Comprehensive Income		**14.64**	**(93.90)**	**179.16**	**99.90**

D **Notes to the reconciliation of equity as at 1st October, 2014 and 31st March, 2016 and total comprehensive income for the year ended 31st March, 2017**

(i) Property, Plant and Equipment

Fair Value as deemed cost - Property Plant and Equipment

The Company has elected the option of fair value as deemed cost for Land and Building as on the date of transition to Ind AS. This has resulted in increase of ₹ 326.13 Crore in the value of land and buildings, Deferred Tax on the revaluation of ₹ 98.42 Crore with corresponding increase in retained earnings of Crore ₹ 227.71 Crore. Further, the Company has also recognized the revision in useful life as on date of transition to Ind AS to retained earnings and deferred tax liability.

The Company during the quarter ended March 31, 2017 has decided to account further assets at fair value as at transition date in accordance with para D5 Ind AS 101 – First time Adoption. These assets are over and above the assets, which were accounted at deemed cost at fair value in accordance with para D5 of Ind AS 101 in the earlier quarters. The Company has applied this deemed cost exemption in respect of certain land and building and the resultant adjustments arising out of fair value changes is ₹ 109.12 Crore, deferred tax thereon ₹ 0.29 Crore with corresponding increase in retained earnings of ₹ 108.83 Crore.

These were not considered as deemed cost when the Company prepared the financial statements for the six-month period ended September 30, 2016 and on account of this change the retained earning considered in the unaudited financial statement ended September 30, 2016 will be higher by ₹ 109.12 as compared to what has been disclosed in the said financials. The depreciation charge on the revised deemed cost for the year ended march 2016 and for the 9 month period ended December 31, 2016 is higher by ₹ 0.15 Crore and ₹ 0.02 Crore. Consequently the Profit / Loss is affected by a similar amount.

(ii) Promoter's Contribution as Equity Contribution

As per the terms of Master Restructuring Agreement (MRA) with the CDR lenders, the Promoter had contributed ₹ 100 Crore in lieu of bank sacrifice, in the form of Promoters Contribution which can be converted to equity. The amount received from promoter is treated as Capital in nature and therefore it is shown under Other Equity.

(iii) Investment

(a) Under Ind AS, investments in equity shares (other than subsidiaries, associates and joint ventures) and mutual funds are carried at fair value through Statement of Profit and Loss as compared to being carried at cost under previous GAAP. Increase in retained earnings as at October 1, 2014 is ₹ 8.68 Crore and for the eighteen months period ended March 31, 2016 is ₹ 1.27 Crore.

(b) The Company has measured its Investment in Subsidiaries, associates and joint ventures at deemed cost as per para D15(b) of Ind AS 101 " First time adoption".

- at previous GAAP carrying value for all the investment – para D15(b)(ii) except for Metropolitan Infrastructure Private Limited (MIPL)

- Investment of MIPL is carried at fair Value on transition date as per para D15(b)(i) of Ind AS 101

The Company has elected for exemption available in para D15 of Ind AS 101 relating to accounting for its Investment in equity shares of Metropolitan Infrahousing Private Limited at its fair value. The fair value has been determined by an Independent Chartered Accountant resulting in increase in fair value of ₹ 571.69 Crore with consequent increase in reserves net of deferred tax liability of ₹ 129.55 Crore thereon.

(iv) Loans and Advances (including Non Current Interest)

Under Ind AS, loans given are valued at present value as compared to being carried at cost in the previous GAAP. The difference between the book value and the present value of loan below market rate given to a subsidiary is treated as investment in subsidiary. The interest on the present value of this loan is recognised over the tenure of the loan using the Effective Interest rate (EIR) of the Company. Amount transferred to investment as at transition date is ₹ 289.05 Crore and ₹ 49.41 Crore for the year ended March 31, 2016. The difference of amount of carrying value of loan and the fair value of loans given to other group companies are taken to retained earnings which amounts to reduction in Retained earnings by ₹ 15.63 Crore.

(v) Foreign Currency Translation Reserve

On Application of Ind AS 21 " The Effects of Changes in Foreign Exchange Rates" the Company has transferred balance in Foreign Exchange Transition Reserve to Retained earnings as on transition date i.e, 1st October 2014, and deferred tax assets on the portion of balance in FETR is also reversed. Total amount reversed in Retained earning as at October 1, 2014 is ₹ 150.45 Crore and deferred tax asset of ₹ 46.49 Crore. Amount transferred to FETR during the eighteen months ended 31st March 2016 is credited to Statement of Profit and Loss amounting to ₹ 54.94 Crore.

(vi) Forward Contracts

All forward contracts are measured at Mark to Mark as per Ind AS 21 The Effects of Changes in Foreign Exchange Rates as at balance Sheet date.

(vii) Security Deposits

Under Ind AS, interest free lease deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits which has been recognized as deferred rent expense as non financial asset. This lease amount is subsequently charged to the Statement of Profit and Loss on a straight line basis. Further, interest income computed on the present value of the security deposit is recognized over the tenure of the security deposit using the EIR of the Company.

(viii) Other Financial Liabilities - Financial guarantees

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognized as a liability at fair value which is subsequently amortised as an guarantee income to the Statement of Profit and Loss. Accordingly the Company has accrued liability of ₹ 45.47 Crore as at October 1, 2014, and accrued income of ₹ 18.59 Crore for the eighteen months period ended March 31, 2016. For the guarantees given to bankers for group companies in which the Company is not holding any investment, the amount of Guarantee is taken to Retained earnings - ₹ 9.82 Crore.

(ix) Defined Benefit Obligation

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

(x) Taxes

(i) **Current Tax:**

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

(ii) **Deferred Income Tax (including MAT)**

Under previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the Balance Sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences.

(xi) Other Comprehensive Income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

(xii) Statement of Cash Flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

(xiii) Expected Credit Loss

The Company has provided for Expected credit Loss of ₹ 3.41 Crore as at October 1, 2014, ₹ 2.82 Crore as at March 16 and ₹ 0.76 Crore as at March 17.

(xiv) Treasury Shares

Pursuant to the Scheme of Amalgamation with ATSL in 2008, the Company owns 5,804,620 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. These shares were shown as Investments as per previous GAAP and the same is reclassified and shown under other Equity.

(xv) Prior Period Income

The Company has accounted for penalty income of a prior period arising out of omission in accrual before the transition date of ₹ 2.25 Crore which has been adjusted in the opening retained earning as it relates to the period before the date of transition.

E Exemption under Ind AS 101 "First time adoption of Indian Accounting Standards"

The Company has elected for the following exemptions available under Ind AS 101 "First time adoption of Indian Accounting Standards"

(i) The fair value adjustment of all financial assets being Loans given has been accounted for as on the date of transition over the balance period of the loan.

(ii) Ind AS 103 Business Combinations has not been applied to acquisitions, which are considered as business combination under Ind AS that occurred before 1 April 2015. The carrying amounts of assets and liabilities in accordance with previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurements is in accordance with Ind AS.

(iii) The estimates as at October 1, 2014 and at March 31, 2016 are consistent with those made for the same dates in accordance with previous GAAP.

(iv) The Company has availed deemed cost exemption in respect of Property, Plant and Equipment and Investments in Subsidiaries as detailed in note above

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ANNEXURE - 2 - Statement B

A Related Party Disclosure (AS - 18)

SUBSIDIARIES	
1	Ansaldocaldai Boilers India Private Limited
2	ATSL B.V., Netherland
3	ATSL Infrastructure Projects Limited
4	Associated Transrail Structures Limited, Nigeria
5	Campo Puma Oriente S.A.
6	Deepmala Infrastructure Private Limited
7	Franco Tosi Hydro Private Limited
8	Franco Tosi Turbines Private Limited
9	Gactel Turnkey Projects Limited
10	Gammon & Billimoria Limited
11	Gammon Holdings (Mauritius) Limited
12	Gammon Holdings B.V.
13	Gammon Infrastructure Projects Limited
14	Gammon International B.V.
15	Gammon International FZE
16	Gammon Power Limited
17	Gammon Realty Limited
18	Gammon Retail Infrastructure Private Limited
19	Metropolitan Infrahousing Private Limited
20	P.Van Eerd Beheersmaatschappaji B.V.
21	Patna Water Supply Distribution Network Private Limited
22	SAE Transmission India Limited
STEPDOWN SUBSIDIARIES	
23	Andhra Expressway Limited
24	Aparna Infraenergy India Private Limited
25	Birmitrapur Barkote Highway Private Limited
26	Chitoor Infra Company Private Limited
27	Dohan Renewable Energy Private Limited
28	Earthlink Infrastructure Projects Private Limited
29	Franco Tosi Meccanica S.p.A
30	Gammon & Billimoria LLC
31	Gammon Italy S.r.l
32	Gammon Logistics Limited
33	Gammon Projects Developers Limited
34	Gammon Renewable Energy Infrastructure Limited
35	Gammon Renewable Energy Private Limited
36	Gammon Road Infrastructure Limited
37	Gammon Seaport Infrastructure Limited
38	Ghaggar Renewable Energy Private Limited
39	Haryana Biomass Power Limited
40	Indori Renewable Energy Private Limited
41	Jaguar Projects Developers Limited
42	Kasavati Renewable Energy Private Limited
43	Lilac Infrastructure Developers Limited
44	Marine Projects Services Limited
45	Markanda Renewable Energy Private Limited
46	Mormugao Terminal Limited
47	Pataliputra Highway Limited
48	Patna Buxar Highways Limited
49	Pravara Renewable Energy Limited
50	Preeti Township Private Limited
51	Rajahmundry Expressway Limited
52	Ras Cities And Townships Private Limited
53	SAE Powerlines S.r.l
54	Satluj Renewable Energy Private Limited
55	Sidhi Singrauli Road Project Limited
56	Segue Infrastructure Projects Private Limited
57	Sirsa Renewable Energy Private Limited
58	Tada Infra Development Company Limited
59	Tangri Renewable Energy Private Limited
60	Tidong Hydro Power Limited
61	Vijaywada Gundugolanu Road Projects Private Limited
62	Vizag Seaport Private Limited
63	Yamuna Minor Minerals Private Limited
64	Yamunanagar Panchkula Highway Private Limited
65	Youngthang Power Ventures Limited
66	Cochin Bridge Infrastructure Company Limited
67	Gorakhpur Infrastructure Company Limited
68	Kosi Bridge Infrastructure Company Limited
69	Mumbai Nasik Expressway Limited
70	Patna Highway Projects Limited
71	Rajahmundry Godavari Bridge Limited
72	Sikkim Hydro Power Ventures Limited
JOINT VENTURE	
1	Gammon Encee Consortium
2	Gammon OJSC Mosmetrostroy
3	Gammon OSE
4	Gammon SEW
5	Gammon Srinivasa
6	Haryana Bio Mass Power Limited
7	Hyundai Gammon
8	OSE Gammon
9	Sofinter S.p.A
10	Gammon FECP JV, Nigeria
11	Consortium of Jyoti Structure & GIL
12	GIPL GIL
ASSOCIATES	
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A Italy
4	Transrail Lighting Limited (TLL) (*)
5	Gammon Engineers and Contractors Private Limited
KEY MANAGERIAL PERSONNEL	
1	Mr Abhijit Rajan
2	Mr Rajul A Bhansali
3	Mr D C Bagde
4	Mr Ajit B. Desai
INDEPENDENT DIRECTOR	
1	CC Dayal
2	Naval Choudhary
3	Urvashi Saxena
4	Atul Kumar Shukla
RELATIVES OF KEY MANAGERIAL PERSONNEL	
1	Mr Harshit Rajan

* for the previous year Transaction disclosure of TLL is made under subsidiaries

` In Crore

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their Relative	Total
	Subcontracting Income	**10.29**	**25.21**	**-**	**-**	**36.67**
		(-)	**(900.55)**	**(-)**	**(-)**	**(1,224.51)**
	Gammon OJSC Mosmetrostroy		-	-	-	**-**
		(-)	(792.17)	(-)	(-)	**(792.17)**
	Patna Water Supply Distribution Network Private Limited	10.29	-	-	-	**10.29**
		(-)	-	(-)	(-)	**-**
	Gammon Construtora Cidade Tensaccia	-	21.26	-	-	**21.26**
		(-)	(73.91)	(-)	(-)	**(73.91)**
	Gammon Singla	-	3.95	-	-	**3.95**
		(-)	(34.46)	(-)	(-)	**(34.46)**
	Operating & Maintenance Income	**-**	**-**	**-**	**-**	**-**
		(50.63)	**(-)**	**(-)**	**(-)**	**(50.63)**
	Andhra Expressway Limited	-	-	-	-	**-**
		(22.83)	(-)	(-)	(-)	**(22.83)**
	Rajahmundry Expressway Limited	-	-	-	-	**-**
		(27.80)	(-)	(-)	(-)	**(27.80)**
	Guarantee Income	**7.54**	**-**	**-**	**-**	**12.01**
		(11.65)	**(-)**	**(-)**	**(-)**	**(18.59)**
	Gammon Holdings BV	2.02	-	-	-	**2.02**
		(3.03)	(-)	(-)	(-)	**(3.03)**
	Gammon International BV	1.97	-	-	-	**1.97**
		(2.95)	(-)	(-)	(-)	**(2.95)**
	Campo Puma Oriente S.A.	1.27	-	-	-	**1.27**
		(2.26)	(-)	(-)	(-)	**(2.26)**
	Franco Tosi Meccanica SpA	1.09		-	-	**1.09**
		(1.64)	(-)	(-)	(-)	**(1.64)**
	SAE Power Lines s.r.l	1.18	-	-	-	**1.18**
		(1.77)	(-)	(-)	(-)	**(1.77)**
	Remeasurment Gain and Loss	**0.87**	**-**	**-**	**-**	**0.87**
		(61.14)	**(-)**	**(-)**	**(-)**	**(61.14)**
	Gactel Turnkey Projects Limited	0.61	-	-	-	**0.61**
		-	(-)	(-)	(-)	**-**
	Gammon Realty Limited	0.26	-	-	-	**0.26**
		(4.47)	(-)	(-)	(-)	**(4.47)**
	Gammon power Limited	-	-	-	-	**-**
		(56.67)	(-)	(-)	(-)	**(56.67)**
	Operating & Maintenance Expenses	**-**	**-**	**-**		**-**
		(50.63)	**(-)**	**(-)**	**(-)**	**(50.63)**
	Gammon Infrastructure Projects Limited	-	-	-	-	**-**
		(50.63)	(-)	(-)	(-)	**(50.63)**
	Purchase of Goods	**-**	**-**	**-**		**-**
		(1.67)	**(-)**	**(-)**	**(-)**	**(1.67)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		(1.67)	(-)	(-)	(-)	**(1.67)**
	Sale of Goods	**-**	**-**	**-**	-	**-**
		(33.88)	**(10.52)**	**-**	-	**(48.92)**
	For the previous year Transaction discloser of TLL is made under subsidiaries	-	-	-	-	**-**
		(33.88)	(-)	(-)	(-)	**(33.88)**

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B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their Relative	Total
	Consortium of Jyoti Structure & GIL	-	-	-	-	**-**
		(-)	(10.52)	(-)	(-)	**(10.52)**
	Purchase of Investments / Advances towards Equity / Allotment of Shares	**-**	**-**	**-**	**-**	**-**
		(4.37)	**(-)**	**(-)**	**(-)**	**(4.41)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		(4.37)	**(-)**	**(-)**	**(-)**	**(4.37)**
	Rendering / Receiving of Services	**-**	**0.04**	**-**	-	**0.04**
		(9.29)	**(-)**	**(-)**	**(-)**	**(9.31)**
	SAE Powerlines S.r.l	-	-	-	-	**-**
		(9.29)	**(-)**	**(-)**	**(-)**	**(9.29)**
	Gammon CMC	-	0.04	-	-	**0.04**
		(-)	(-)	**(-)**	**(-)**	**-**
	Finance provided for Loans, Expenses & on Account Payments	**349.81**	**2.97**	**-**	**-**	**459.95**
		(875.92)	**(149.07)**	**(-)**	**(-)**	**(1,024.99)**
	Gammon Power Limited	-	-	-	-	**-**
		(713.16)	**(-)**	**(-)**	**(-)**	**(713.16)**
	Patna Water Supply Distribution Network Private Limited	0.44	-	-	-	**0.44**
		(135.62)	**(-)**	**(-)**	**(-)**	**(135.62)**
	Campo Puma Oriente S.A.	349.38	-	-	-	**349.38**
		(27.15)	**(-)**	**(-)**	**(-)**	**(27.15)**
	Gammon Construtora Cidade Tensaccia	-	2.97	-	-	**2.97**
		(-)	(149.07)	**(-)**	**(-)**	**(149.07)**
	Amount Liquidated towards the Finance Provided	**13.10**	**10.74**	**-**	**-**	**31.99**
		(677.74)	**(140.89)**	**(-)**	**(-)**	**(933.74)**
	Gammon Power Limited	-	-	-	-	**-**
		(675.00)	**(-)**	**(-)**	**(-)**	**(675.00)**
	Gammon Construtora Cidade Tensaccia	-	10.74	-	-	**10.74**
		(-)	(140.89)	**(-)**	**(-)**	**(140.89)**
	ATSL B.V., Netherland	7.94	-	-	-	**7.94**
		(-)	**(-)**	**(-)**	**(-)**	**-**
	SAE Powerlines S.r.l	5.16	-	-	-	**5.16**
		(2.74)	**(-)**	**(-)**	**(-)**	**(2.74)**
	Interest Income during the year	**176.21**	**-**	**-**	**-**	**254.15**
		(313.41)	**(-)**	**(-)**	**(-)**	**(408.18)**
	Deepmala Infrastructure Private Limited	27.85	-	-	-	**27.85**
		(35.89)	**(-)**	**(-)**	**(-)**	**(35.89)**
	Gammon Power Limited	17.12	-	-	-	**17.12**
		(105.04)	**(-)**	**(-)**	**(-)**	**(105.04)**
	Gammon Holding BV	38.71	-	-	-	**38.71**
		(49.37)	**(-)**	**(-)**	**(-)**	**(49.37)**
	Gammon International BV	27.09	-	-	-	**27.09**
		(36.83)	**(-)**	**(-)**	**(-)**	**(36.83)**
	Metropolitan Infrahousing Private Limited	65.43	-	-	-	**65.43**
		(86.28)	**(-)**	**(-)**	**(-)**	**(86.28)**
	Finance received for Expenses & on Account Payments	**0.02**	**-**	**107.16**	**-**	**0.02**
		(1.55)	**(7.87)**	**(-)**	**(-)**	**(9.96)**
	Gammon & Billimoria Limited	-	-	-	-	**-**
		(1.53)	**(-)**	**(-)**	**(-)**	**(1.53)**

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their Relative	Total
	Gammon CMC	-	-	-	-	**-**
		(-)	(1.39)	(-)	(-)	**(1.39)**
	Gammon International FZE	0.02	-	-	-	**0.02**
		(0.02)	(-)	(-)	(-)	**(0.02)**
	Gammon Singla	-	-	-	-	**-**
		(-)	(-)	(-)	(-)	**-**
	Gammon Engineer and Contractors Private Limited	-	-	107.16	-	**107.16**
		(-)	(6.48)	(-)	(-)	**(6.48)**
	Amount Liquidated towards the above Finance	**2.57**	**-**	**-**	**-**	**2.57**
		(6.85)	**(6.48)**	**(-)**	**(-)**	**(13.40)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		(4.12)	(-)	(-)	(-)	**(4.12)**
	SAE Powerlines S.r.l	2.57	-	-	-	**2.57**
		(2.74)	(-)	(-)	(-)	**(2.74)**
	Gammon Singla	-	-	-	-	**-**
		(-)	(6.48)	(-)	(-)	**(6.48)**
	Interest Expenses during the year	**0.74**	**-**	**-**	**-**	**0.75**
		(1.48)	(-)	(-)	(-)	**(1.50)**
	Franco Tosi Turbines Private Limited	0.74	-	-	-	**0.74**
		(1.16)	(-)	(-)	(-)	**(1.16)**
	Patna Water Supply Distribution Network Private Limited	-	-	-	-	**-**
		(0.32)	(-)	(-)	(-)	**(0.32)**
	Contract Advance Received	**0.07**	**-**	**-**	**-**	**0.07**
		(0.94)	**(27.79)**	**(-)**	**(-)**	**(30.80)**
	Gammon Construtora Cidade Tensaccia	-	-	-	-	**-**
		-	(24.25)	-	-	**(24.25)**
	SAE Powerlines S.r.l	0.07	-	-	-	**0.07**
		(0.94)	(-)	(-)	(-)	**(0.94)**
	Gammon OJSC Mosmetrostroy	-	-	-	-	**-**
		(-)	(3.54)	(-)	(-)	**(3.54)**
	Contract Advance Given / Refund of Advance	**0.43**	**-**	**-**	**-**	**0.42**
		(29.24)	**(29.98)**	**(-)**	**(-)**	**(84.44)**
	Gorakhpur Infrastructure Company Limited	-	-	-	-	**-**
		(27.26)	(-)	(-)	(-)	**(27.26)**
	SAE Powerlines S.r.l	0.43	-	-	-	**0.43**
		(1.97)	(-)	(-)	(-)	**(1.97)**
	Gammon OJSC Mosmetrostroy	0	-	-	-	**-**
		(-)	(29.98)	(-)	(-)	**(29.98)**
	Guarantees and Collaterals Outstanding	**1,198.47**	**-**	**-**	**-**	**2,574.39**
		(1,363.15)	**(-)**	**(-)**	**(-)**	**(2,899.77)**
	Gammon Holdings B.V.	702.03	-	-	-	**702.03**
		(505.68)	(-)	(-)	(-)	**(505.68)**
	Gammon International B.V.	496.45	-	-	-	**496.45**
		(519.18)	(-)	(-)	(-)	**(519.18)**
	Campo Puma Oriente S.A.	-	-	-	-	**-**
		(338.30)	(-)	(-)	(-)	**(338.30)**
	Pledge of Shares (Number of Shares)	**2.48**	**-**	**-**	**-**	**2.48**
		(4.80)	(-)	(-)	(-)	**(4.81)**
	Gactel Turnkey Projects Limited	0.50	-	-	-	**0.50**
		(0.50)	(-)	(-)	(-)	**(0.50)**

GAMMON
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B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their Relative	Total
	Ansaldocaldai Boilers India Private Limited	1.20	-	-	-	**1.20**
		(1.20)	(-)	(-)	(-)	**(1.20)**
	Transrail Lighting Limited (TLL)	0.77	-	-	-	**0.77**
		(3.10)	(-)	(-)	(-)	**(3.10)**
	Key Managerial Personnel	**-**	**-**	**-**	**5.26**	**5.26**
	Managerial Paid	**-**	**-**	**-**	**(13.22)**	**(13.22)**
		(-)	(-)	(-)	(-)	(-)
	Mr. Abhijit Rajan	-	-	-	4.00	**4.00**
		(-)	(-)	(-)	(9.10)	**(9.10)**
	Mr. Digamber C. Bagde	-	-	-	-	**-**
		(-)	(-)	(-)	(1.74)	**(1.74)**
	Mr. Rajul A. Bhansali	-	-	-	0.81	**0.81**
		(-)	(-)	(-)	(1.21)	**(1.21)**
	Mr. Ajit B. Desai	-	-	-	0.45	**0.45**
		(-)	(-)	(-)	(1.17)	**(1.17)**
	Director Sitting Fees and Commission	**-**	**-**	**-**	**0.15**	**0.15**
		(-)	(-)	(-)	**(0.22)**	**(0.22)**
	Chandrahas C. Dayal	-	-	-	0.04	**0.04**
		(-)	(-)	(-)	(0.06)	**(0.06)**
	Naval Choudhary	-	-	-	0.05	**0.05**
		(-)	(-)	(-)	(0.05)	**(0.05)**
	Urvashi Saxena	-	-	-	0.02	**0.02**
		(-)	(-)	(-)	(0.06)	**(0.06)**
	Atul Kumar Shukla	-	-	-	0.04	**0.04**
		(-)	(-)	(-)	(0.06)	**(0.06)**
	Jagdish Sheth	-	-	-	-	**-**
		(-)	(-)	(-)	(0.02)	**(0.02)**
	Short-Term / Long-Term Benefits to KMP	**-**	**-**	**-**	**0.83**	**0.83**
		(-)	(-)	(-)	**(1.39)**	**(1.39)**
	Mr. Abhijit Rajan	-	-	-	0.76	**0.76**
		(-)	(-)	(-)	(1.15)	**(1.15)**
	Mr. Rajul A. Bhansali	-	-	-	0.03	**0.03**
		(-)	(-)	(-)	(0.15)	**(0.15)**
	Mr. Ajit B. Desai	-	-	-	0.04	**0.04**
		(-)	(-)	(-)	(0.09)	**(0.09)**
	Relatives of Key Managerial Personnel	**-**	**-**	**-**	**-**	**-**
	Remuneration Paid	**-**	**-**	**-**	**(1.79)**	**(1.79)**
	Mr Harshit Rajan	-	-	-	-	**-**
		(-)	(-)	(-)	(1.79)	**(1.79)**
	Movement in Quasi Investment (Net)	**1.65**	**-**	**-**	**-**	**2.12**
		(623.56)	(-)	(-)	(-)	**(624.63)**
	Gactel Turnkey Projects Limited	1.62	-	-	-	**1.62**
		(1.19)	(-)	(-)	(-)	**(1.19)**
	Metropolitan Infrahousing Private Limited	0.03	-	-	-	**0.03**
		(571.74)	(-)	(-)	(-)	**(571.74)**
	Campo Puma Oriente S.A.	-	-	-	-	**-**
		(3.53)	(-)	(-)	(-)	**(3.53)**
	Gammon Power Limited	-	-	-	-	**-**
		(47.11)	(-)	(-)	(-)	**(47.11)**
	Outstanding Balances Receivables					

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their Relative	Total
	Loans & Advances	**1,736.25**	**-**	**-**	**-**	**2,756.51**
		(1,365.74)	(-)	(-)	(-)	**(2,418.91)**
	Metropolitan Infrahousing Private Limited	531.81	-	-	-	**531.81**
		(471.34)	(-)	(-)	(-)	**(471.34)**
	Gammon Holdings B.V.	446.24	-	-	-	**446.24**
		(459.56)	(-)	(-)	(-)	**(459.56)**
	Gammon International B.V.	314.86	-	-	-	**314.86**
		(325.83)	(-)	(-)	(-)	**(325.83)**
	Campo Puma Oriente S.A.	394.38	-	-	-	**394.38**
		(57.46)	(-)	(-)	(-)	**(57.46)**
	SAE Powerlines S.r.l	48.96	-	-	-	**48.96**
		(51.55)	(-)	(-)	(-)	**(51.55)**
	Loans and Guarantee o/s in the Nature of Equity	**154.11**	**-**	**-**	**-**	**234.61**
		(154.11)	(-)	(-)	(-)	**232.52**
	Gammon Realty Limited	44.80	-	-	-	**44.80**
		(44.80)	(-)	(-)	(-)	**(44.80)**
	Deepmala Infrastructure Private Limited	62.09	-	-	-	**62.09**
		(62.08)	(-)	(-)	(-)	**(62.08)**
	Gammon Power Limited	47.23	-	-	-	**47.23**
		(47.23)	(-)	(-)	(-)	**(47.23)**
	Guarantee Obligation Outstanding	**15.14**	**-**	**-**	**-**	**18.40**
		(23.03)	(-)	(-)	(-)	**(30.41)**
	Gammon Holdings BV	3.04	-	-	-	**3.04**
		(5.06)	(-)	(-)	(-)	**(5.06)**
	Gammon International BV	2.96	-	-	-	**2.96**
		(4.94)	(-)	(-)	(-)	**(4.94)**
	SAE S.r.l	2.36	-	-	-	**2.36**
		(3.55)	(-)	(-)	(-)	**(3.55)**
	Ansaldo Caldaie Boilers Private Limited	2.59	-	-	-	**2.59**
		(3.62)	(-)	(-)	(-)	**(3.62)**
	Metropolitan Infrahousing Private Limited	2.19	-	-	-	**2.19**
		(3.06)	(-)	(-)	(-)	**(3.06)**
	GACTEL Turnkey Project Limited	2.00	-	-	-	**2.00**
		(2.80)	(-)	(-)	(-)	**(2.80)**
	Provision made for Doubtful Debts	**407.95**	**-**	**-**	**-**	**439.83**
		(205.80)	(-)	(-)	(-)	**(236.35)**
	Gammon Holdings B.V.	71.77	-	-	-	**71.77**
		(77.83)	(-)	(-)	(-)	**(77.83)**
	ATSL B.V., Netherland	114.55	-	-	-	**114.55**
		(24.63)	(-)	(-)	(-)	**(24.63)**
	SAE Powerlines S.r.l	221.64	-	-	-	**221.64**
		(103.35)	(-)	(-)	(-)	**(103.35)**
	Interest Receivable	**284.84**	**-**	**-**	**-**	**372.18**
		(204.72)	(-)	(-)	(-)	**(270.67)**
	Gammon Realty Limited	31.12	-	-	-	**31.12**
		(28.35)	(-)	(-)	(-)	**(28.35)**
	Deepmala Infrastructure Private Limited	38.34	-	-	-	**38.34**
		(34.01)	(-)	(-)	(-)	**(34.01)**
	Metropolitan Infrahousing Private Limited	63.15	-	-	-	**63.15**
		(55.93)	(-)	(-)	(-)	**(55.93)**

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their Relative	Total
	Gammon Holdings B.V.	88.13	-	-	-	**88.13**
		(49.42)	(-)	(-)	(-)	**(49.42)**
	Gammon International B.V.	64.10	-	-	-	**64.10**
		(37.01)	(-)	(-)	(-)	**(37.01)**
		(-)	(-)	(-)	(-)	(-)
	Trade & Other Receivable	**-**	**778.84**	**-**	**-**	**903.32**
		(-)	**(787.80)**	(-)	(-)	**(1,439.06)**
	Gammon OJSC Mosmetrostroy	-	778.84	-	-	**778.84**
		(-)	(787.80)	(-)	(-)	**(787.80)**
	Outstanding Balances Payable					
	Trade & Others Payable	**12.68**	**19.86**	**107.16**	**-**	**139.69**
		(27.36)	**(35.43)**	(-)	(-)	**(62.78)**
	Gorakhpur Infrastructure Company Limited	-	-	-	-	**-**
		(27.26)	(-)	(-)	(-)	**(27.26)**
	Transrail Lighting Limited (TLL)	12.68	-	-	-	**12.68**
		(0.09)	(-)	(-)	(-)	**(0.09)**
	Gammon OJSC Mosmetrostroy	-	19.86	-	-	**19.86**
		(-)	(35.43)	(-)	(-)	**(35.43)**
	Gammon Engineer and Contractors Private Limited	-		107.16	-	**107.16**
		(-)	(-)	(-)	(-)	(-)
	Assets Transfer Under BTA & Scheme	**-**	**-**	**3,218.07**	**-**	**3,218.07**
		(1,216.44)	(-)	(-)	(-)	**(1,216.44)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		(1,216.44)	(-)	(-)	(-)	**(1,216.44)**
	Gammon Engineers and Contractors Private Limited	-	-	3,218.07		**3,218.07**
		(-)	(-)	(-)	(-)	(-)
	Liabilities Transfer Under BTA & Scheme	**-**	**-**	**3,195.18**	**-**	**3,195.18**
		(1,206.67)	**-**	**-**	**-**	**1,206.67)**
	Transrail Lighting Limited (TLL)	(-)	(-)	(-)	(-)	(-)
		(1,206.67)	-	-	-	**(1,206.67)**
	Gammon Engineers and Contractors Private Limited	-	-	3,195.18	-	**3,195.18**
		(-)	(-)	(-)	(-)	(-)
	Aggregate Consideration for Transfer of Business	**-**	**-**	**49.65**	**-**	**49.65**
		(15.90)	(-)	(-)	(-)	**(15.90)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		(15.90)	(-)	(-)	(-)	**(15.90)**
	Gammon Engineers and Contractors Private Limited	-	-	49.65	-	**49.65**
		(-)	(-)	(-)	(-)	(-)
	(Previous Period Figures are in Brackets)					
	Transactions pertaining to contract revenue and contract expenses with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.					

INDEPENDENT AUDITOR'S REPORT

To the Members

Gammon India Limited.

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS 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 Joint ventures (as defined in the Companies (Indian Accounting Standards) Rules, 2015, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

2. Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon. The respective Governing Bodies of the entities included in the Group and its Associates and Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our Qualified Audit Opinion on the Consolidated Ind AS Financial Statements.

4. Basis of Qualified Opinion

a. The accounts of one of the entities M/s Franco Tosi Meccanica S.p.A, Italy (FTM) in which the Holding Company owns 83.94% stake have not been audited since December 2011 for reasons mentioned in note 6.B.(ii) under Investments note which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court, partial completion of the composition agreement where the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. In the light of what is stated in the aforesaid note, the Holding Company does not have any control over the financial and operating decisions of the said FTM. Therefore the said FTM has not been consolidated in accordance with INDAS 110 – Consolidated Financial Statements. Further the management contends that considering the status as detailed in the above-referred note the entity operates under severe restrictions, which significantly impairs its access to variable returns. The said Subsidiary has therefore been accounted as Financial Instrument accounted on Fair Value through Other Comprehensive Income. However since the financial information and other records are not available the fair value could not be determined. The funded and non-funded exposure of the group to FTM net of eliminations is ₹ 309 Crores as at 31st March 2017 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure however in the absence of any indication of the value of the non-core assets or the surplus and we are unable to quantify the possible further provision towards the exposure of the Group and determine whether the said entity carrying value is appropriate as FVTOCI and whether the effect on the consolidated loss of the Group for the year ended March 31, 2017 is appropriate.

b. We invite attention to note no 11(i), detailing the recognition of claims during the previous period ended March 31, 2016 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2017 is ₹ 871.01 crores after the transfer of claims under slump exchange scheme and BTA as detailed in aforesaid note. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the Consolidated INDAS Financial Statements for the year ended March 31, 2017.

c. We invite attention to Note 32(a) of the Statement wherein the total excess remuneration to the Chairman and Managing Director for past years up to March 31, 2017 is ₹ 30.54 crores. The MCA has not approved the excess remuneration. The Company's Application for waiver of recovery of managerial remuneration aggregating to ₹ 17.19 crores for the Chairman and Managing Director has been rejected by the shareholders in their meeting held on June 29, 2017. The Board of Directors considering the efforts made by Chairman and Managing Director in steering the Company through the challenging times and the contribution made by him in the CDR package, on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders approval afresh for waiver of remuneration paid to Chairman and Managing Director Therefore no adjustments have been made for the amount of ₹ 30.54 crores. Similarly for one of the erstwhile executive director the MCA has rejected the excess remuneration of ₹ 0.59 crores for which the Company is making a fresh representation. In the absence of the fresh approval of the shareholders, as aforesaid we are unable to ascertain the impact on profits on this account for the quarter and year ended March 31, 2017.

d. Similarly attention is invited to note 32(b) relating to the excess managerial remuneration, in respect of M/s Gammon Infrastructure Projects Limited (GIPL) , paid of ₹ 3.88 crores for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. GIPL had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, GIPL has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 3.88 crores. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of ₹ 3.88 crores. Pending the same no adjustments have been made to the Consolidated Ind AS Financial Statements. Subject to the outcome of the application made to the MCA, we are unable to ascertain the impact on profits on this account for the year ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 1.09 crores for which GIPL is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the Consolidated Ind AS Financial Statements for the remuneration of the current period. This matter has been qualified in the consolidated financial statements of GIPL.

e. Trade receivables and loans and advances includes an amount of ₹ 376.92 crores in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 7.A.(iii)

f. We invite attention to note no 12(d) relating to the exposure of the Company to a real estate project of one of its subsidiary engaged in real estate development in Bhopal. In the absence of any indicators of value arising out of the project we are unable to state whether any provision is required towards the carrying value of the property development in progress (Real Estate WIP) of ₹ 998.38 crores.

g. Attention is invited to Note no 9(i) relating to the recoverability of the Insurance claim in respect of one of the subsidiaries of the Company. The financial statements of the subsidiary has been qualified by the statutory auditors that in the absence of any intimation of acceptance of the claim or receipt of any survey report findings they are unable to comment upon the recoverability of the amount of Insurance claim aggregating to ₹ 5.20 crores. The Management is however confident that its claim will be approved and the insurance claim will be realised.

h. Attention is invited to Note no 48, where GIPL has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). GIPL was required to pay the entire outstanding by September 30, 2017. Based on the update since the balance sheet date GIPL has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI we are unable to state whether the group has to account for the reversal of benefits of ₹ 18.05 crores in its financial statements for the period upto March 31, 2017.

i. Attention is invited to Note no 46 in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The GIPL has since the balance sheet date as updated to us has not fulfilled the condition of revocation of termination notice by NHAI i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group. GIPL is still negotiating with NHAI for a mutual and amicable settlement. The exposure of the company in the SPV is ₹ 160.62 crores (including Bank guarantee of ₹ 84.20 crores). We are unable to comment upon the fructification of the amicable settlement with NHAI or continuance of the project

j. 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 Subsidiary of the Company whose financial statements reflect Total Assets of ₹ 297.34 Crores, Revenue of ₹ 36.86 Crores for the period ended 31st December 2016. These financials are signed by one of the Director representing GIL on account of differences between the Group Company and the other Shareholder. There are no audited financial statements after 31st December 2011.

ii. M/s Deepmala Infrastructure Private Limited , a subsidiary of the Company whose financial statements reflects total assets of ₹ 1154.80 crores and total revenues of ₹ 39.29 crores.

iii. M/s SAE Powerlines S.r.L, a wholly owned subsidiary of the Company whose financial statements reflect total assets of ₹ 206.16 crores and total revenue of ₹ 157.33 crores.

iv. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 161.18 Crores, Revenue of ₹ NIL Crores for the year ended March 31, 2017, the groups share in the Revenue being ₹ NIL Crores. The JV is accounted on equity method.

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.

k. The auditors of three subsidiaries of the Company have qualified their auditors' report as follows:

i. Ansaldo Caldaie Boilers India Limited:

- "In respect of trade receivable of ₹ 35.84 crores due from M/s Nagai Power. Based on the development as detailed in the contract, the management is of the view that the debts are good and receivable. No adjustments are therefore made for the same in the books except for provision for expected credit loss.
- 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 receive a refund of the advance share application money vide its letter dated 18th May 2015. The appropriate effects of the said amount will be given on receiving final approval from Reserve Bank of India."

ii. In the case of G&B Contracting LLC:

"Included in accounts and other receivables is an amount of AED 2.7 million (₹ 4.76 crores) (31st march 2016: AED 2.7 million (₹ 4.86 crores)), Which due to the Company as a sub- contractor. Since the company has back to back terms with its customer i.e. the main contractor, the recoverability of the amount is dependent on the successful outcome of the customers dispute with the main client , a matter which could potentially be referred to arbitration .In view of the foregoing, we were unable to satisfy ourselves as to the extent of the recoverability of the receivables of AED 2.7 million (₹ 4.76 crores) (31st march 2016: AED 2.7 million(₹ 4.86 crores)) and are of the view that a substantial portion thereof could be impaired."

iii. In the case of Gammon & Billimoria Limited:

- "On account of sticky advances, interest on advances given is not provided in books of accounts. Interest provision not made is of ₹ 9.72 crores
- Interest is not paid provided on Loans outstanding in the name of Bebanco Developers Limited in view of financial loss. Company appreciates and acknowledges the right of Bebanco Developers Limited for the interest of ₹ 4.74 crores not provided in the books as and when the financial position of the company improves."

Consequent effects of two qualifications are as under:

1. On account of non- provision of interest profits would go up by ₹ 9.71 crores
2. On account of non- provision of interest on amount advance profit would go down by ₹ 4.73 crores

Net effects profit would go up by ₹ 4.98 crores

The above would impact the Consolidated financial statement by non-provision of ₹ 4.74 crores towards the loan of Bebanco Developers Limited and to that extent consolidated profit is higher by ₹ 4.74 crores.

5. Qualified Opinion

Except for the possible effects arising out of the matters mentioned in our basis for qualified opinion mentioned hereinabove, In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

6. **Emphasis of Matter**

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

a. We invite attention to the Note 51 of the Financial Statement. There are continuing losses being incurred by the Company including at the group level primarily on account of finance cost and the liability-asset mismatch of the group where the group's current liabilities including interest and principal defaults exceed the current assets by ₹ 1134.54 crores. The Parent Company has been marked as a NPA from June 2017 onwards by the lenders. Further In view of the transfer of two of its businesses and the plans of the Company to transfer further businesses to subsidiaries to invite investors to run the business the cash flows of the Company to meet its obligations is dependent upon these business declaring dividends or other cash flow to the Company or the Company being able to monetise various assets and its stake in the businesses transferred and to be transferred as detailed in the aforesaid note 9(a) of the Statement. These conditions as detailed in note no 9(a) 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.

b. We also invite attention to Note 51(b) of the Financial Statement in respect of the going concern assumption and the management estimates and assertions relating to GIPL a subsidiary of the group. The conditions mentioned therein indicate significant uncertainties relating to the timing and amount of cash flows that may cast significant doubt over the ability of the said GIPL to continue as a going concern.

c. We draw attention to Note no 7.A.(a)(i) & 7.A.(a)(ii) of the financial results relating to recoverability of an amount of ₹ 60.99 crores as at March 31, 2017 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.

d. We draw attention to Note 7(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 62.47 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

e. We invite attention to Note Nos 47 (a) to 47 (e) relating to the various BOT projects of the group and the problems faced by the said projects/SPVs. The management is confident that the matters would get resolved in their favour and no adjustments are required in the financial statements. The total exposure of the group (funded and non-funded) in respect of these BOT projects is ₹ 2166.74 crores.

Other Matters

1. (a) We did not audit the financial statements and other financial information, in respect of 38 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 4185.01 crores as at March 31, 2017, total revenues of ₹ 319.34 crores and net cash flow amounting to ₹ 10.96 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 profit after tax of ₹ 1.55 crores in respect of 4 Jointly controlled entities and ₹ 12.73 crores in respect of 1 associate for the year ended March 31, 2017, 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, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates in India, is based solely on the reports of the other auditors. One subsidiary located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Company's management has converted the financial statements of the subsidiary from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.

(b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 12.43 crores as at March 31, 2017, total revenues of ₹ 0.02 crores and net cash flow amounting to ₹ (0.25) crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. We also did not audit the financial statements of 3 joint ventures whose financial statements reflect total assets of ₹ 16.17 crores and total revenue of ₹ 0.01 crores, the Company's share of profit/loss in such joint ventures accounted under equity method being ₹ 0.01 crores. 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. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section143 of the Act, we report, to the extent applicable, that:

(a) We / the other auditors whose reports have relied upon 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 of the aforesaid consolidated Ind AS 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 Ind AS 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 with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act except for the following:

   (i) Mr. Rajul Arun Bhansali, Mr. Atul Kumar Shukla in case of the holding company

   (ii) Ms. Gita Bade in case of Gammon Retail Infrastructure Pvt. Ltd.,

   (iii) Mr. Atul Kumar Shukla, Mr. Rajul Bhansali and Ms. Gita Bade in case of Gammon Power Ltd.,

   (iv) Mr. Atul Kumar Shukla in case of Gammon Realty Ltd.,

   (v) Mr. Ramesh Patel and Mr. Babu Patel in case of Metropolitan Infrahousing Pvt. Ltd.,

   (vi) Ms. Gita Bade and Mr. Ajay Mehrotra in case of Gammon Real Estate Developers Pvt. Ltd.,

   (vii) Mr. Dinesh Patel and Babu Patel in case of Preeti Townships Pvt. Ltd.

   (viii) Mr. Atul Kumar Shukla in case of Patna water Supply Distribution Network Pvt. Ltd.

   (ix) In case of Ansaldo Caldie Boilers India Pvt. Ltd. - The subsidiary did not receive any representation letter from its directors as on March 31, 2017 relating to eligibility of directorship under section 164(2) of the Act. However based on the list published on portal by Ministry of Corporate Affairs in September 2017 Mr. Rajul Arun Bhansali, Mr Ramesh Patel and Mr Ajay Singh Mehrotra are disqualified from being appointed as a director in terms of section 164(2) w.e.f .November 2016.

   (x) Mr. Atul Kumar Shukla, in case of Gactel turnkey project Ltd.

   (xi) Mr. Rajul Arun Bhansali in case of Gammon and Billimoria Ltd.

   (xii) Mr. Atul Kuamar Shukla in case of Associated Transrail Structure Ltd.

(f) The matters described in paragraphs under the Basis for Qualified Opinion and Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Group;

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

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

   i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 36 to the Consolidated Ind AS financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

   iv. The Company has provided requisite disclosures in its Consolidated Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company and its Indian subsidiaries. Refer Note 13(b) to the Consolidated Ind AS Financial Statements.

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

N Jayendran
Partner
Membership No. 40441

Place: Mumbai
Dated: February 6, 2018

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of consolidated Ind AS financial statements of Gammon India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India as of March 31, 2017 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis of Qualified Opinion

The Holding Company has laid down internal financial controls over financial reporting, however, its implementation and effectiveness in certain areas are affected due to manpower attrition and which has affected timely preparation of financial statements including the preparation of the Consolidated Financial Statements.

Qualified Opinion

Except for the matter specified in basis of qualified opinion, in our opinion, the Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to --- subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditors' of such company.

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

N Jayendran
Partner
Membership No. 40441

Place: Mumbai
Dated: February 6, 2018

GAMMON
Builders to the Nation

CONSOLIDATED BALANCE SHEET AS AT 31, MARCH 2017

(₹ in Crore)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	2A	707.58	1,499.04	1,764.46
(b) Capital work-in-progress	3	105.45	102.80	316.68
(c) Investment Property		-	-	-
(d) Intangible Asset	2B	1,918.15	1,952.24	1,713.06
(e) Goodwill on Consolidation	4	622.55	680.55	717.39
(f) Intangible Assets under development	5	723.42	508.37	1,120.95
Financial assets				
(i) Investments	6	968.07	442.16	358.47
(ii) Trade receivable	7	1,356.43	1,735.93	3,097.55
(iii) Loans	8	350.79	430.89	433.97
(iv) Others financial assets	9	153.90	69.49	18.46
(e) Deferred tax assets (net)	10	74.02	52.67	74.56
(f) Other non-current assets	11	1,351.06	1,874.35	613.53
TOTAL NON-CURRENT ASSETS		**8,331.42**	**9,348.49**	**10,229.08**
CURRENT ASSETS				
(a) Inventories	12	2,423.77	3,182.18	3,551.19
(b) Financial assets				
(i) Investments	6	153.13	27.97	45.19
(ii) Trade receivables	7	500.97	736.13	1,352.89
(iii) Cash and cash equivalents	13	105.93	250.54	246.94
(iv) Bank balances	13	10.03	335.06	26.05
(v) Loans	8	132.66	277.63	243.33
(vi) Others financial assets	9	37.20	60.27	67.37
(c) Current tax assets (net)		-	-	-
(d) Other current assets	11	112.80	461.36	398.22
TOTAL CURRENT ASSETS		**3,476.49**	**5,331.14**	**5,931.18**
TOTAL ASSETS		**11,807.91**	**14,679.63**	**16,160.26**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	14	74.11	73.28	27.50
(b) Other equity	15	(473.64)	147.39	571.08
Equity attributable to owners of the parent		**(399.53)**	**220.67**	**598.58**
(c) Non-controlling interests	16	243.81	308.64	477.82
TOTAL EQUITY		**(155.72)**	**529.31**	**1,076.40**
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	17	5,587.38	5,849.64	7,861.38
(ii) Trade payables	18	30.40	121.57	105.13
(iii) Other financial liabilities	19	730.17	652.79	646.62
(b) Provisions	20	33.76	35.12	68.53
(c) Deferred tax liabilities (net)	10	300.81	280.59	201.78
(d) Other non-current liabilities	21	670.06	771.67	509.38
TOTAL NON-CURRENT LIABILITIES		**7,352.58**	**7,711.38**	**9,392.82**
CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	22	1,378.70	2,507.27	1,646.59
(ii) Trade payables	18	389.98	1,221.34	1,625.13
(iii) Other financial liabilities	23	2,379.00	1,814.63	1,252.28
(b) Other current liabilities	24	251.35	785.84	935.25
(c) Provisions	20	181.89	84.60	207.92
(d) Current tax liabilities (net)	25	30.13	25.26	23.87
TOTAL CURRENT LIABILITIES		**4,611.05**	**6,438.94**	**5,691.04**
TOTAL EQUITY AND LIABILITIES		**11,807.91**	**14,679.63**	**16,160.26**
Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements				

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

N Jayendran
Partner
M.No. 40441

Mumbai, Dated : February 6, 2018

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

Abhijit Rajan
Chairman & Managing Director
DIN No. 00177173

R.A Bhansali
Executive Director
DIN No. 00178558

AJIT B. DESAI
Chief Executive Officer

Mumbai, Dated : February 6, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31, MARCH 2017

(₹ in Crore)

Sr No	Particulars	Note No.	April 2016 - March 2017	October 2014 - March 2016
I	Revenue from Operations	26	1,667.62	7,981.92
II	Other Income	27	121.20	90.65
III	**Total Income (I +II)**		**1,788.82**	**8,072.57**
IV	**Expenses**			
	Cost of material consumed	28	370.55	1,926.13
	Purchases of stock-in-trade	29	8.18	165.78
	Changes in inventories of finished goods, work-in progress and stock-in-trade	30	71.06	463.75
	Subcontracting Expenses	31	442.55	1,906.92
	Employee benefits expense	32	155.31	660.52
	Finance Costs	33	874.97	1,757.02
	Depreciation & amortization expenses	34	90.44	377.67
	Other expenses	35	594.27	1,487.89
	Total Expenses		**2,607.33**	**8,745.68**
V	**Profit/(Loss) before exceptional items and tax(III- IV)**		**(818.51)**	**(673.11)**
VI	Exceptional items Expense / (Income)	36	291.98	30.80
VII	**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax**		**(1,110.49)**	**(703.91)**
	Share of profit / (loss) of associates and joint ventures		(26.41)	(19.53)
VIII	**Profit/(loss) before tax**		**(1,136.90)**	**(723.44)**
IX	**Profit/(Loss) from continuing operations**		**(1,089.00)**	**(443.96)**
X	**Tax expenses**			
	Current Tax		22.30	65.64
	Excess / Short Provision of Earlier years		2.93	20.65
	Deferred Tax Liability / (asset)		(8.36)	46.06
	Total tax expenses		**16.87**	**132.35**
XI	**Profit/(Loss) for the period from continuing operations (IX-X)**		**(1,105.87)**	**(576.31)**
XII	**Profit/(Loss) from discontinued Operations**		(47.90)	(279.48)
XIII	**Tax expenses**			
	Current Tax		-	1.66
	Excess / Short Provision of Earlier years		-	-
	Deferred Tax Liability / (asset)		-	26.49
	Total tax expenses		**-**	**28.15**
XIV	**Profit/(Loss) from Discontinued Operations after Tax (XII-XIII)**		**(47.90)**	**(307.63)**
XV	**PROFIT FOR THE YEAR (X) + (XII)**		**(1,153.77)**	**(883.94)**
XVI	**Other Comprehensive Income:**			
A	**Items that will not be reclassified to profit or loss:**		-	-
	- Remeasurements of the defined benefit plans [net of tax]		(3.02)	(0.67)
B	**Items that will be reclassified to profit or loss**			
	- Exchange differences through OCI		66.48	(42.34)
	- Net gain/ (loss) on fair value of equity instruments through OCI		401.18	84.88
	Other Comprehensive Income for the year (A+B)		**464.64**	**41.87**
XVII	**Total Comprehensive Income / (Loss) For The Period (XIV +XV)**		**(689.13)**	**(842.07)**
	Profit for the year attributable to:			
	- Owners of the Company		**(1,086.45)**	**(779.28)**
	- Non- Controlling interest		**(67.32)**	**(104.66)**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		**464.63**	**41.96**
	- Non- Controlling interest		**0.01**	**(0.09)**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		**(621.82)**	**(737.32)**
	- Non- Controlling interest		**(67.31)**	**(104.75)**
XVIII	**Earnings per equity share (FV: ₹ 2 each)**	38		
	Basic		(29.52)	(47.29)
	Diluted		(29.46)	(47.09)

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W
N Jayendran
Partner
M.No. 40441

Mumbai, Dated : February 6, 2018

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

Abhijit Rajan
Chairman & Managing Director
DIN No. 00177173

R.A Bhansali
Executive Director
DIN No. 00178558

AJIT B. DESAI
Chief Executive Officer

Mumbai, Dated : February 6, 2018

GAMMON
Builders to the Nation

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

(₹ in Crore)

	Particulars	Apr 2016 - Mar 2017		Oct 2014 - Mar 2016	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax		(1,110.49)		(703.91)
	Adjustments for :				
	Depreciation	90.44		377.67	
	Interest on deferred liability payment	37.08		130.00	
	Interest Expenses and Other Finance Cost	837.89		1,627.02	
	(Profit) / Loss on Sale of Assets	(10.98)		(5.88)	
	(Profit) / Loss on Sale of Investments	(6.39)		(4.75)	
	(Profit) / Loss on Sale of Business	(16.31)		(6.14)	
	Income recognised towards corporate guarantee	(1.76)		(3.22)	
	Dividend Income	(0.00)		(0.05)	
	Provision for Doubtful Debts and Advances	16.61		45.10	
	Provision for Risks & Contingency	12.08		2.98	
	Foreign Exchange Loss / (Gain)	152.71		10.55	
	Bad Debts	20.94		28.58	
	Interest Income	(68.03)		(25.14)	
	Exceptional Items	291.98		30.80	
	Sundry Balances Written off	40.50		20.88	
	Asset written off	12.44		0.00	
	Sundry Balances Written Back	(10.37)		(4.80)	
	Amortisation of grant	(3.42)	1,395.43	(4.26)	2,219.33
	Operating Profit Before Working Capital Changes		**284.93**		**1,515.42**
	Trade Receivables	(868.37)		1,548.87	
	Inventories	(98.36)		232.27	
	Other financial and non financial Asset	835.15		(2,235.77)	
	Trade Payables and Provision	(72.24)		636.84	
	Other financial and non financial liabilities	126.16		477.72	
			(77.66)		659.93
	CASH GENERATED FROM THE OPERATIONS		**207.28**		**2,175.35**
	Direct Taxes Paid		(38.14)		(95.76)
	Net Cash from Operating Activities		**169.14**		**2,079.59**
	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of Fixed Assets	(237.63)		(373.28)	
	Sale of Fixed Assets	34.89		90.93	
	Purchase of Current Investments	(445.01)		(588.20)	
	Advance for Purchase of Shares	(37.50)		(11.56)	
	Sale of Subsidiary, Joint Ventures & Associates	0.00		10.52	
	Sale of Current Investments	319.03		559.38	

Particulars	Apr 2016 - Mar 2017		Oct 2014 - Mar 2016	
Dividend received	(0.00)		0.05	
Other bank balance	325.03		(309.01)	
Loans Given to Subsidiaries, Associates and Others	(31.49)		(3.96)	
Refund Received from Subsidiaries, Associates and Others	25.72		246.60	
Proceeds from Sale of divestment of Subsidiaries	0.00		138.16	
Interest Received	53.09		3.90	
Net Cash from Investment Activities		6.13		(236.47)
CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	4.91		0.00	
Repayment of deferred payment liabilities	(27.26)		(115.45)	
Interest paid	(384.55)		(1,422.23)	
(Repayment)/ Proceeds from Long term Borrowings	184.61		0.00	
(Repayment)/ Proceeds from Short term Borrowings	(60.33)		(292.32)	
Net Cash from Financing Activities		(282.62)		(1,830)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(107.35)**		**13.12**
Opening Balance		250.54		246.94
Less: Cash and Cash Equivalent transferred on demerger of Business		37.25		9.53
Closing Balance		105.93		250.54
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(107.35)**		**13.12**
Components of Cash and Cash Equivalents				
Cash on Hand		0.94		1.89
Balances with Bank		104.99		248.65
Total Balance		**105.93**		**250.54**
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 Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 40441

Mumbai, Dated : February 6, 2018

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

Abhijit Rajan
Chairman & Managing Director
DIN No. 00177173

R.A Bhansali
Executive Director
DIN No. 00178558

AJIT B. DESAI
Chief Executive Officer

Mumbai, Dated : February 6, 2018

GAMMON INDIA LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2017.

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 Managing Director Abhijit Rajan in the year 1991.

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

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

B. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (`Act') (to the extent notified).

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first set of financial statements that the Company has prepared in accordance with Ind AS.

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 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.

b) Principles of Consolidation

(i) The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2017. 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 March 31, 2017 except for the financial statements of SAE and Campo Puma Oriente 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.

C. **The following entities are considered in the Consolidated Financial Statements listed below:**

Sr no.	Name of Entity	Nature of Relationship	March 2017		March 2016		October 2014	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
1.	Gammon India Limited	Parent	-	-	-	-	-	-
2.	Gammon Infrastructure Projects Limited	Subsidiary	58.44%	58.44%	58.44%	58.44%	58.67%	58.67%
3.	Andhra Expressway Limited ('AEL')	Subsidiary	-	-	-	-	100.00%	58.44%
4.	Aparna Infraenergy India Private Limited ('AIIPL')	Subsidiary	-	-	-	-	100.00%	58.44%
5.	Cochin Bridge Infrastructure Company Limited ('CBICL')	Subsidiary	97.66%	57.07%	97.66%	57.07%	97.66%	57.07%
6.	Chitoor Infra Company Private Limited ('CICPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
7.	Earthlink Infrastructure Projects Private Limited ('EIPPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
8.	Gammon Logistics Limited ('GLL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
9.	Gammon Projects Developers Limited ('GPDL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
10.	Gammon Renewable Energy Infrastructure Projects Limited ('GREIL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
11.	Gammon Road Infrastructure Limited ('GRIL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
12.	Gammon Seaport Infrastructure Limited ('GSIL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
13.	Ghaggar Renewable Energy Private Limited ('GREPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
14.	Gorakhpur Infrastructure Company Limited ('GICL')	Subsidiary	-	-	-	-	100.00%	60.10%
15.	Haryana Biomass Power Limited ('HBPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
16.	Jaguar Projects Developers Limited ('JPDL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
17.	Kosi Bridge Infrastructure Company Limited ('KBICL')	Subsidiary	-	-	-	-	100.00%	58.44%
18.	Lilac Infraprojects Developers Limited ('LIDL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
19.	Marine Project Services Limited ('MPSL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
20.	Mumbai Nasik Expressway Limited ('MNEL')	Subsidiary	-	-	-	-	79.99%	46.75%
21.	Patna Buxar Highways Limited ('PBHL')	Subsidiary	-	-	-	-	100.00%	58.44%
22.	Pataliputra Highways Limited ('PHL')	Subsidiary	-	-	-	-	100.00%	58.44%
23.	Patna Highway Projects Limited ('PHPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
24.	Pravara Renewable Energy Limited ('PREL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
25.	Ras Cities and Townships Private Limited ('RCTPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
26.	Rajahmundry Expressway Limited ('REL')	Subsidiary	-	-	-	-	100.00%	58.44%

Sr no.	Name of Entity	Nature of Relationship	March 2017		March 2016		October 2014	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
27.	Rajahmundry Godavari Bridge Limited ('RGBL')	Subsidiary	71.43%	41.74%	71.43%	41.74%	63.00%	36.82%
28.	Satluj Renewable Energy Private Limited ('SREPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
29.	Sikkim Hydro Power Ventures Limited ('SHPVL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
30.	Segue Infrastructure Projects Private Limited ('SIPPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
31.	Tada Infra Development Company Limited ('TIDCL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
32.	Tangri Renewable Energy Private Limited ('TREPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
33.	Tidong Hydro Power Limited ('THPL')	Subsidiary	51.00%	29.80%	51.00%	29.80%	51.00%	29.80%
34.	Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
35.	Vizag Seaport Private Limited ('VSPL')	Subsidiary	73.76%	43.11%	73.76%	43.11%	73.76%	43.11%
36.	Yamuna Minor Minerals Private Limited ('YMMPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
37.	Youngthang Power Ventures Limited ('YPVL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
38.	Birmitrapur Barkote Highway Private Limited ('BBHPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
39.	Mormugao Terminal Limited ('MTL')**	Subsidiary	-	-	-	-	100.00%	58.44%
40.	Sidhi Singrauli Road Project Limited ('SSRPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
41.	Yamunanagar Panchkula Highway Private Limited ('YPHPL')	Subsidiary	100.00%	58.44%	100.00%	58.44%	100.00%	58.44%
42.	ATSL Infrastructure Projects Limited	Subsidiary	100.00%	79.64%	100.00%	79.64%	100.00%	79.75%
43.	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
44.	Gammon & Billimoria Limited. ('GB')	Subsidiary	50.94%	50.94%	50.94%	50.94%	50.94%	50.94%
45.	G & B Contracting LLC ('GBLLC')	Subsidiary	49.00%	24.96%	49.00%	24.96%	49.00%	24.96%
46.	Gammon International FZE ('GIFZE')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
47.	P.Van Eerd Beheersmaatschappaji B.V. Netherlands ('PVAN')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
48.	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary	51.00%	70.52%	51.00%	70.52%	51.00%	70.52%
49.	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%
50.	Gammon Power Limited. ('GPL')	Subsidiary	90.00%	100.00%	90.00%	100.00%	90.00%	100.00%
51.	ATSL Holding B.V. Netherlands	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
52.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr no.	Name of Entity	Nature of Relationship	March 2017		March 2016		October 2014	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
53.	Associated Transrail Structures Limited., Nigeria	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
54.	Gammon Realty Limited. ('GRL')	Subsidiary	75.06%	75.06%	75.06%	75.06%	75.06%	75.06%
55.	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
56.	Franco Tosi Meccanica S.p.A (Refer Note 1(a)(ii))	Subsidiary	-	-	-	-	-	-
57.	Gammon Italy S.r.L	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
58.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
59.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary	84.16%	84.16%	84.16%	84.16%	84.16%	84.16%
60.	Gammon Transmission Limited ('GTL')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
61.	Franco Tosi Hydro Private Limited ('FTH')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
62.	Preeti Townships Private Limited	Subsidiary	60.00%	45.04%	60.00%	45.04%	60.00%	45.04%
63.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary	73.40%	85.37%	73.40%	85.37%	73.40%	85.37%
64.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
65.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary	73.99%	73.99%	73.99%	73.99%	73.99%	73.99%
66.	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	Joint Venture	10.12%	5.91%	10.12%	5.91%	10.12%	5.94%
67.	Indira Container Terminal Private Limited ('ICTPL')	Joint Venture	50.00%	29.22%	50.00%	29.22%	50.00%	29.34%
68.	SEZ Adityapur Limited ('SEZAL')	Joint Venture	38.00%	22.21%	38.00%	22.21%	38.00%	22.29%
69.	GIPL - GIL JV	Joint Venture	100.00%	60.52%	100.00%	60.52%	100.00%	60.74%
70.	Gammon Encee Rail (Consortium) (GEC)	Joint Venture	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%
71.	Gammon - Cons - Tensaccia – JV('GCT')	Joint Venture	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
72.	Gammon – Ojsc Mosmetrostroy – JV('GOM')	Joint Venture	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%
73.	Ansaldocaldaie-GB Engineering Private Limited.('ACGB')	Joint Venture	50.00%	36.70%	50.00%	36.70%	50.00%	36.70%
74.	Gammon SEW('GSEW')	Joint Venture	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
75.	Gammon CMC JV('CMC')	Joint Venture	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
76.	GAMMON-SPSCPL JOINT VENTURE	Joint Venture	55.00%	55.00%	55.00%	55.00%	-	-
77.	Campo Puma Oriente S.A.	Joint Venture	73.76%	66.39%	73.76%	66.39%	73.76%	66.39%
78.	ESMSPL	Associates	30.9%	18.13%	30.9%	18.13%	30.9%	18.13%
79.	MTL	Associates	49%	28.75%	49%	28.75%	49%	28.75%
80.	Fin est Spa	Associates	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
81.	Sofinter SPA	Subsidiary	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%
82.	Transrail Lighting Limited (TLL)	Associates	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

In the absence of financial statements of ACGB, BWIOTPL and SEZAL no effects are taken in these financial statements for the current period. The profit / loss for the period ended September 30, 2014 and/ or March 31, 2016 as available are incorporated. However, these joint ventures are not carrying out any significant operations and therefore their impact is not expected to be significant.

E. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated financial statements.

F. 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from Construction Contracts:

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

Turnover

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

Operation and Maintenance income:

Revenue on Operation and Maintenance contracts are recognized over the period of the contract as per the terms of the contract.

Service Concession Arrangements

In accordance with the principal laid down in Appendix A to the Ind AS 11, revenue from Construction service are recognized in exchange for grant of tolling rights, accounted at the fair value of service rendered on Cost plus margin.

Tolling Income

Tolling Income is recognised on usage of recovery of the usage charge thereon based on the notified toll rates by the Grantor.

Developer fees & other advisory services

Revenue on Developer Fees is recognized on an accrual basis.

Revenue from power projects

Revenue from sale of electricity and steam are recognised when the generated units are wheeled to the user and the metered units are billed at the contracted rates.

Revenue from Port Operations

"Revenue from integrated terminal services, berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharfage, barge freight and other miscellaneous charges is recognized on an accrual basis as per the terms of the contract with the customers as the related services are performed and is measured at fair value of the consideration received or receivable.

Earnings in excess of billing are classified as unbilled revenue while billings in excess of cost and earnings are classified as deferred revenue."

Government Grants

Grants from the Government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant / subsidy will be received.

Capital Grant

As per IND AS 20 " Accounting for Government grants and disclosure of Government Assistance " and IND AS 109" Financial Instruments ", the Grant received from grantor satisfies the Income approach criteria and therefore the Group has amortised the Grant received based on traffic count to Profit and Loss account every year."

Interest income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive 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 amortised 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 finance income in the statement of profit and loss.

Dividend Income:

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

Financial guarantee income

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

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.

Income from insurance claim

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

Annuity Income

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

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- 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) Leased assets

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

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

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

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

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

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 Excise duty and Value Added 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.

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:

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

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

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

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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 & Trade Receivables

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.

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2017

Statement of Changes in Equity for the period ended March 31, 2017

A Equity Share Capital

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Subscribed and Fully Paid up Capital						
Equity shares of INR 10 each						
Opening Balance	364,722,809	72.94	135,774,668	27.16	135,774,668	27.16
Changes in equity share capital during the year	4,124,496	0.83	228,948,141	45.78	-	-
Closing Balance	**368,847,305**	**73.77**	**364,722,809**	**72.94**	**135,774,668**	**27.16**
Share Forfeiture Account						
Money received in respect of Right Shares of ₹ 10/- each forfeited	170,948	0.34	170,948.00	0.34	170,948.00	0.34
Total	**369,018,253**	**74.11**	**364,893,757**	**73.28**	**135,945,616**	**27.50**

B Other Equity

Particulars	Reserves & Surplus													Other Comprehensive Income			
	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	General Reserve	Promoters Contribution	Treasury Shares	Share Options Outstanding Account	Special Contingency Reserve	Share Forfeiture of Subsidiary	Capital Reserves of Joint Venture & Associates	Net gain/ (loss) on fair value of equity instruments	Gain/ (loss) on exchange fluctuations	Net gain/ (loss) on fair value of defined benefits plan	Total
As at October 1, 2014																	
Balance as per previous GAAP	**(2,591.26)**	**105.00**	**104.28**	**1,361.39**	**81.00**	**108.66**	**381.44**	**-**	**-**	**2.00**	**0.46**	**0.81**			**94.58**	**-**	**(351.65)**
Total IND AS Adjustments	**1,121.03**	**-**	**(85.49)**	**-**	**-**	**(108.66)**	**-**	**100.00**	**(1.69)**	**(0.82)**	**(0.14)**	**-**	**2.42**	**(70.79)**	**(31.26)**	**(1.87)**	**922.73**
Balance as at October 1, 2014	**(1,470.23)**	**105.00**	**18.79**	**1,361.39**	**81.00**	**-**	**381.44**	**100.00**	**(1.69)**	**1.17**	**0.31**	**0.81**	**2.42**	**(70.79)**	**63.33**	**(1.87)**	**571.08**
Profit for the year	(883.94)																**(883.94)**
Capital Reserve on account of Business Transfer			11.53														**11.53**
Premium on share allotted during the year				226.43													**226.43**
Premium on issue of ESOPs				1.74						(1.74)							**-**
On Divestment of Subsidiaries	90.24		(18.79)				(31.09)										**40.37**
Fair Valuation of Investment carried at FVTOCI														84.88			**84.88**
Exchange difference through OCI															(42.34)		**(42.34)**
Employee stock options forfeited										(0.60)							**(0.60)**
Deferred Employee Stock : Charge for the period										0.43							**0.43**
Re-measurement of net defined benefit plans																(0.67)	**(0.67)**
Share of Capital Reserves of JV and Associates													18.09				**18.09**

Particulars	Reserves & Surplus													Other Comprehensive Income			
	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	General Reserve	Promoters Contribution	Treasury Shares	Share Options Outstanding Account	Special Contingency Reserve	Share Forfeiture of Subsidary	Capital Reserves of Joint Venture & Associates	Net gain/ (loss) on fair value of equity instruments	Gain/ (loss) on exchange fluctualtions	Net gain/ (loss) on fair value of defined benefits plan	Total
Share of Non Controlling Interest	104.66			(2.02)			12.85			0.79						0.07	**116.35**
Other Adjustments	5.93	-	-	-	-	-	-	-	-	-	(0.14)	-	-	-	-	-	**5.78**
Depreciation impact on Revalued portion of GBLLC	(0.15)																**(0.15)**
Others- from GIPL	5.17																**5.17**
IND As adjustment T & D 2	1.04																**1.04**
IND As adjustment debited to Retained Earning	(0.08)																**(0.08)**
Prior period adjustment	(0.06)										(0.14)						**(0.20)**
Balance as at March 31, 2016	**(2,153.34)**	**105.00**	**11.53**	**1,587.54**	**81.00**	**-**	**363.20**	**100.00**	**(1.69)**	**0.05**	**0.17**	**0.81**	**20.50**	**14.10**	**20.98**	**(2.46)**	**147.39**
Profit for the year	(1,153.77)																**(1,153.77)**
Share allotted during the year				4.08													**4.08**
Fair Valuation of Investment carried at FVTOCI														401.18			**401.18**
Exchange difference through OCI															66.48		**66.48**
Re-measurement of net defined benefit plans																(3.02)	**(3.02)**
Share of Capital Reserves of JV and Associates													(0.21)				**(0.21)**
Other Adjustments																	**-**
Share of Non Controlling Interest	67.32															(0.01)	**67.30**
Other Adjustments	(3.28)	-	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-	**(3.08)**
Balance as at March 31 , 2017	**(3,243.07)**	**105.00**	**11.73**	**1,591.62**	**81.00**	**-**	**363.20**	**100.00**	**(1.69)**	**0.05**	**0.17**	**0.81**	**20.29**	**415.28**	**87.46**	**(5.50)**	**(473.64)**

(a) **General Reserve**

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 ₹ 5.44 crore (P.Y March 2016 : ₹ 5.35 Crore, October 2014: ₹ 0.82 Crore) being 15% of the amount of Debenture due for redemption before March 31, 2017 as required by the aforesaid Circular in view of the financial crunch faced by the Company.

(d) **Capital Reserve**

Pursuant to a Scheme of Arrangement between the company,TLL and their respective shareholders and creditors pursuant to Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 for transfer of the retained Transmission and Distribution Undertaking (as defined in the scheme) of GIL, comprising of engineering, procurement and construction business of the Company in the power transmission and distribution sector which includes the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the retired T&D Undertaking, to TLL,which was filed with the Hon'ble High Court of Bombay which was later transferred to the National Company Law Tribunal ("NCLT"), the competent judicial authority under the Companies Act 2013. The appointed date for the scheme was January 1, 2016. The Scheme was approved by the NCLT vide their order dated March 30, 2017. The said order was received by the company on April 18, 2017 and was filed with the Registrar of Companies on April 19, 2017. Pursuant to the scheme and in accordance with the directions of the NCLT the company has recorded the fair value of the consideration receivable from TLL by way of 725,000 Equity Shares to be issued by TLL to the company as Non-Current Non Financial Asset, pending allotment of said shares and the company has derecognised book values of the assets and liabilities of retained T&D Undertaking transferred to TLL. and 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, issued Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD's") of upto ₹ 100 Crore to the promoters against their contribution made to the Company's Corporate Debt Restructuring ("CDR") package. However no allotment was made, since the in-principle approval for allotment was awaited from BSE Limited. On 26th April,2016 , BSE has directed the Company to modify the "relevant date" adopted by the Company for the pricing of the CCD's and seek shareholders approval afresh . The amount contributed by the Promoters continues to remain as debt in the Company.

(f) **Treasury Shares**

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

As per our report of even date

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

N Jayendran
Partner
M.No. 40441

Mumbai, Dated : February 6, 2018

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

Abhijit Rajan	**R.A Bhansali**	**AJIT B. DESAI**
Chairman & Managing Director	Executive Director	Chief Executive Officer
DIN No. 00177173	DIN No. 00178558	

Mumbai, Dated : February 6, 2018

Note 2A

Property Plant and Equipment

Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture And Fixtures	Wind Mill	Electric Installation	Total
Cost									
As on 1st October 2014 after IND AS Adjustment	**526.26**	**256.65**	**1,594.83**	**122.20**	**45.42**	**43.30**	**26.95**	**5.88**	**2,621.49**
Additions	-	42.20	339.34	1.33	2.74	0.57	-	-	**386.18**
Disposals/Adjustments	-	(71.49)	(158.40)	(19.80)	(10.16)	(3.08)	-	(0.98)	**(263.91)**
Foreign Translation Adjustments	-	(0.14)	0.21	(2.09)	(0.66)	0.18	-	-	**(2.50)**
Transfer under Scheme and BTA (Refer Note 44)	(4.36)	(72.99)	(194.15)	(5.26)	(9.96)	(5.41)	(26.95)	(4.90)	**(323.98)**
As at 31st March 2016	**521.90**	**154.23**	**1,581.83**	**96.39**	**27.38**	**35.56**	**-**	**-**	**2,417.28**
Additions	-	-	20.85	1.10	0.54	0.05	-	-	**22.54**
Disposals/Adjustments	-	-	(58.77)	(15.38)	(1.33)	(0.20)	-	-	**(75.68)**
Foreign Translation Adjustments	-	(0.03)	(0.46)	(0.04)	(0.12)	(0.05)	-	-	**(0.70)**
Transfer under Scheme and BTA (Refer Note 44)	(108.97)	(63.42)	(1,197.72)	(57.12)	(7.04)	(29.47)	-	-	**(1,463.74)**
As at 31st March 2017	**412.93**	**90.78**	**345.73**	**24.95**	**19.43**	**5.89**	**-**	**-**	**899.70**
Depreciation									
As at 1st October 2014	0.80	52.10	639.61	88.07	33.75	20.18	20.97	1.55	**857.03**
Adjustment in opening block		0.15	7.19	0.69	0.41	0.15			**8.59**
Charge for the Year	0.50	8.07	239.13	15.22	8.00	14.83	0.37	1.21	**287.33**
Disposals/Adjustments	-	(3.79)	(66.55)	(18.38)	(8.83)	(2.90)	-	(0.35)	**(100.80)**
Foreign Translation Adjustments	-	(0.07)	0.05	(1.50)	(0.63)	0.16	-	-	**(1.99)**
Transfer under Scheme and BTA (Refer Note 44)	(0.43)	(15.33)	(78.00)	(3.35)	(8.41)	(2.65)	(21.34)	(2.41)	**(131.92)**
As at 31st March 2016	**0.87**	**41.13**	**741.43**	**80.75**	**24.29**	**29.77**	**-**	**-**	**918.24**
Charge for the Year	-	3.32	46.48	3.07	2.03	0.46	-	-	**55.36**
Disposals/Adjustments	-	(0.00)	(20.34)	(14.43)	(1.36)	(0.20)	-	-	**(36.33)**
Foreign Translation Adjustments	-	(0.03)	(0.44)	(0.07)	(0.12)	(0.05)	-	-	**(0.71)**
Transfer under Scheme and BTA (Refer Note 44)	-	(11.16)	(655.42)	(46.23)	(6.55)	(25.08)	-	-	**(744.43)**
As at 31st March 2017	**0.87**	**33.26**	**111.71**	**23.09**	**18.29**	**4.90**	**-**	**-**	**192.12**
Net Block									
As at 1st October 2014	525.46	204.55	955.22	34.13	11.67	23.12	5.98	4.33	**1,764.46**
As at 31st March 2016	521.04	113.10	840.40	15.64	3.09	5.79	-	-	**1,499.04**
As at 31st March 2017	412.06	57.52	234.02	1.86	1.14	0.99	-	-	**707.58**

Notes:

Depreciation capitalised to Property development account during the year is ₹ 0.07 crores (March 16 : ₹ 0.07 crores)

GAMMON
Builders to the Nation

Note 2B

Intangible Assets

PARTICULARS	Tower Design	Computer Software	BOT Concession Rights	Technical Know-how	Total
Cost					
As on 1st October 2014 after IND AS Adjustment	**4.74**	**9.22**	**1,825.14**	**3.20**	**1,842.30**
Additions	-	0.10	1,092.71	-	**1,092.81**
Disposals/Adjustments	(1.15)	(0.63)	(927.18)	-	**(928.96)**
Foreign Translation Adjustments	(0.09)	(0.03)	-	-	**(0.12)**
Transfer under Scheme and BTA (Refer Note 44)	(3.47)	(2.98)	-	-	**(6.45)**
As at 31st March 2016	**0.03**	**5.68**	**1,990.67**	**3.20**	**1,999.59**
Additions	-	-	4.33	-	**4.33**
Disposals/Adjustments	-	-	(3.10)	-	**(3.10)**
Foreign Translation Adjustments	(0.00)	(0.02)	-	-	**(0.02)**
Transfer under Scheme and BTA (Refer Note 44)	-	(1.14)	-	-	**(1.14)**
As at 31st March 2017	**0.03**	**4.52**	**1,991.90**	**3.20**	**1,999.66**
Depreciation					
As at 1st October 2014	4.59	8.41	113.43	2.81	**129.24**
Charge for the Year	-	0.63	89.39	0.39	**90.41**
Disposals/Adjustments	(1.09)	(0.61)	(164.16)	-	**(165.86)**
Foreign Translation Adjustments	(0.09)	(0.05)	-	-	**(0.14)**
Transfer under Scheme and BTA (Refer Note 44)	(3.41)	(2.89)	-	-	**(6.30)**
As at 31st March 2016	**-**	**5.49**	**38.66**	**3.20**	**47.35**
Charge for the Year	-	0.10	35.39	-	**35.49**
Disposals/Adjustments	-	-	(0.22)	-	**(0.22)**
Foreign Translation Adjustments	-	(0.02)	-	-	**(0.02)**
Transfer under Scheme and BTA (Refer Note 44)	-	(1.09)	-	-	**(1.09)**
As at 31st March 2017	**-**	**4.48**	**73.83**	**3.20**	**81.51**
Net Block					
As at 1st October 2014	0.15	0.81	1,711.71	0.39	**1,713.06**
As at 31st March 2016	0.03	0.19	1,952.01	0.00	**1,952.24**
As at 31st March 2017	0.03	0.04	1,918.07	0.00	**1,918.15**

Notes: Depreciation capitalised to Property development account during the year is ₹ 0.33 crores (March 16 : NIL)

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

		As at					
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Financial Assets		**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	60.47	28.31	1.11	-	-	-
2	In Associate Outside India	1.08	20.60	20.60	-	-	-
3	In Joint Venture in India	51.05	76.60	66.23	-	-	-
4	In Joint Venture Outside India	(230.50)	(187.48)	(144.48)	-	-	-
5	In Others in India	0.02	0.02	0.02	-	-	-
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))	1,027.91	487.66	414.44	-	-	-
C	**Investment in Government Securities**	0.55	0.55	0.55	-	-	-
D	**Investment in Partnership**	0.00	0.00	0.00	-	-	-
E	**Consideration Receivable pursuant to Scheme**	53.13	11.53	-	-	-	-
F	**Optionally fully Convertible Debenture (OFCD)**	4.37	4.37	-	-	-	-
G	**Other Investments (At Fair value through P&L)**						
1	Equity Shares	-	-	-	3.65	2.71	9.61
2	Liquid Mutual Funds	-	-	-	149.48	25.26	30.68
3	Trade investment in Joint Venture Entity	-	-	-			4.90
	Total	**968.07**	**442.16**	**358.47**	**153.13**	**27.97**	**45.19**
	Disclosure:						
1	Investment carried at Cost	(59.84)	(45.50)	(55.97)			
3	Investment carried at FVTOCI	1,027.91	487.66	414.44			
4	Investment carried at FVTPL	-			153.13	27.97	45.19
		968.07	**442.16**	**358.47**	**153.13**	**27.97**	**45.19**

I Details of Investments

Non Current Investments

Particulars			As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
			Nos	Amount	Nos	Amount	Nos	Amount
A	**Investment in Equity shares as per equity method**							
	(Fully paid-up unless otherwise stated)							
1	**In Associate in India**							
	Transrail Lighting Limited		7,750,000	38.74	7,750,000	27.20	-	-
	Gammon Engineers & Contractors Private Limmited		2,400,000	20.62	-	-	-	-
	Eversun Sparkle Maritime Services Private Limited		2,143,950	1.65	2,143,950	1.65	2,143,950	1.65
	Modern Tollroads Limited		24,470	0.02	24,470	0.02	24,470	0.02
				61.02		**28.86**		**1.66**
	Less: Provision							
	Eversun Sparkle Maritime Services Private Limited			(0.56)		(0.56)		(0.56)
	Total			**60.47**		**28.31**		**1.11**

Particulars			As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
			Nos	Amount	Nos	Amount	Nos	Amount
2	**In Associate Outside India**							
	Finest S.p.A, Italy	EUR 1	780,000	20.60	780,000	20.60	780,000	20.60
	Less: Provision							
	Finest S.p.A, Italy			(19.52)		-		-
	Total			**1.08**		**20.60**		**20.60**
3	**In Joint Venture in India**							
	Ansaldo GB-Engineering Pvt Ltd		20,000,000	15.40	20,000,000	15.40	20,000,000	18.22
	Blue Water Iron Ore Terminal Private Limited		3,051,808	3.05	3,051,808	3.05	3,051,808	3.05
	Indira Container Terminal Private Limited		24,375,840	(1.90)	24,375,840	23.66	24,375,840	18.09
	Sez Adityapur Limited		19,000	0.02	19,000	0.02	19,000	0.02
	Quasi Equity at Cost							
	Indira Container Terminal Private Limited			37.54		37.54		29.93
				54.12		**79.67**		**69.30**
	Less: Provision							
	Blue Water Iron Ore Terminal Private Limited			(3.05)		(3.05)		(3.05)
	Sez Adityapur Limited			(0.02)		(0.02)		(0.02)
				51.05		**76.60**		**66.23**
(a)	In the absence of financial statements of ACGB, BWIOTPL and SEZAL no effects are taken in these financial statements for the current period. The profit / loss for the period ended September 30, 2014 and/ or March 31, 2016 as available are incorporated. However, these joint ventures are not carrying out any significant operations and therefore their impact is not expected to be significant.							
4	**In Joint Venture Outside India**							
	Campo Puma Oriente S.A.	USD 1	6,441	(230.50)	6,441	(187.48)	6,441	(144.48)
	Total			**(230.50)**		**(187.48)**		**(144.48)**

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

The accounts of a subsidiary M/s Campo Puma Oriente S.A. (CPO) have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, during the year under review 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 ₹ 60.35 Crore (net of provisions made). The Company has joint management in the said CPO with its partner.

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. 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 company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 24 months ago, Nevertheless in order to validate this assessment as well as upsides if any in the valuation, the management recently commissioned an independent expert's service to examine the current condition on the field with emphasis on the production potential,the interventions therefore and capex required to enhance the oil flow from each individual well.The Report is now received which confirms potential enhancement of 2400 barrels per day from the current level of 250 barrels at an estimated capex of $5m.The Company is exploring funding options for the same which is critical to its success.The Report notwithstanding,the Company has prudentially made a provision of ₹ 130 chores towards its exposure based on internal estimates of realizable value.

The management is confident that there will be no further provision required towards impairment. The provision made of ₹ 130 crores is being retained against the equity value and loan exposure of the said CPO in these financial statements.

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.

5 Investment in equity instruments -Others- Indian

Particulars	Face Value	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
Unquoted Equity Instrument							
(Fully paid-up unless otherwise stated)							
Airscrew (India) Limited (₹ 5 paid up) #	100	200	0.00	200	0.00	200	0.00
Alpine Environmental Engineers Limited #	100	204	0.00	204	0.00	204	0.00
Bhagirathi Bridge Construction Company Limited #	100	300	0.00	300	0.00	300	0.00
Modern Flats Limited (Unquoted) #	10	2,040	0.00	2,040	0.00	2,040	0.00
Neptune Tower Properties Private Limited #	10		-	100	0.00	100	0.00
Plamach Turnkeys Limited #	100	600	0.01	600	0.01	600	0.01
Shah Gammon Limited #	100	835	0.01	835	0.01	835	0.01
STFA Piling (India) Limited (Fully Provided) #	10	217,321	0.22	217,321	0.22	217,321	0.22
Indian Highways Management Company Limited			0.01		0.01		0.01
			0.24		**0.24**		**0.24**
Less: Provision							
Air Screw India Ltd.			(0.00)		(0.00)		(0.00)
Bhagirathi Bcc Ltd.			(0.00)		(0.00)		(0.00)
Shah Gammon Limited			(0.01)		(0.01)		(0.01)
STFA Piling India Ltd.			(0.22)		(0.22)		(0.22)
			0.02		**0.02**		**0.02**

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

6 Investment in equity instruments -Others- Foreign

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
	Nos	Amount	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	1,142	0.18
		0.18		**0.18**		**0.18**
Less: Provision						
Gammon Midest Ltd.		(0.18)		(0.18)		(0.18)
Total		-		-		-

B Investment in Equity Shares Valued carried at FVTOCI

Particulars	FV	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
In Associate Outside India							
Sofinter S.p.A.	Euro 0.76		1,003.97	78,682,127	427.50	78,682,127	359.76
Franco Tosi Meccanica S.p.A.			353.26		383.09		398.98
			1,357.23		**810.59**		**758.74**
Less: Provision							
Franco Tosi Meccania S.p.A.			(329.32)		(322.93)		(344.30)
Total			**1,027.91**		**487.66**		**414.44**

(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 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. 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. The said Sofinter hitherto was accounted as Associate on Equity Method under the previous GAAP principles for the period ended March 31, 2017.

(ii) Francotosi Mecanica S.p.A (FTM)

The Board of Francotosi Mecanica S.p.A (FTM) filed on May 30th 2013 with the court of Milan (and with the Companies Registry) a "preliminary" request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts ("concordato preventivo"), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 No 267 – further amended in September 2012 in light of acute financial stress being faced by the Company due to several extraneous reasons. The said application was admitted by the Court on 7 June 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations. Thereafter the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. has already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. However the liabilities to be discharged against the surplus on disposal (net of tax) has not been made available by the commissioner. However in light of the ongoing procedure the Commissioner has not released any financial statements of the Company to date and it is expected that this will not be released until the entire process is complete.

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 parent 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 groups funded and non funded exposure towards FTM is ₹ 309 Crore net of provisions towards impairment made and the losses already accounted in the past. Since no information is available from the commissioner, the fair value changes cannot be identified and the investment is carried without further fair value changes.

Despite the factors stated above the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM and no further provision for diminution in the value is required.

C Government Securities

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
		₹		₹		₹
Unquoted						
Government Securities Lodged with Contractees as Deposit :						
Sardar Sarovar Narmada Nigam Ltd - Bonds		0.30		0.30		0.30
Others		0.12		0.12		0.12
Government Securities Others :		0.12		0.12		0.12
(Indira Vikas Patras and National Savings Certificates)						
Total		**0.55**		**0.55**		**0.55**

D Investment in Partnership Firm

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
		₹		₹		₹
Unquoted						
Gammon Shah (fully provided for)		0.00		0.00		0.00
Less: Provision						
Gammon Shah		(0.00)		(0.00)		(0.00)
Total		**0.00**		**0.00**		**0.00**

E Consideration Receivable pursuant to Scheme

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
		₹		₹		₹
Equity Shares receivable from Gammon Engineers and Contractors Private Limited (Refer note 44A)		41.60		-		
Equity Shares receivable from Transrail Lighting limited (Refer note 44B)		11.53		11.53		
Total		**53.13**		**11.53**		**-**

F Investment in Optionally Fully Convertible Debenture

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
		₹		₹		₹
In Associate in India						
Transrail Lighting Limited		4.37		4.37		
Total		**4.37**		**4.37**		**-**

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

G Current Investments:-

Investment in Shares and Mutual Funds

	Particulars	FV	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
		In ₹	Nos/ Units	Amount	Nos/ Units	Amount	Nos/ Units	Amount
	Quoted							
	Investments carried at fair value through Profit and Loss							
1	**Equity Shares**							
	Bank of Baroda	10	4,200	0.07	4,200	0.04	4,200	0.04
	Cords Cable Industries Ltd.	10	33,502	0.26	33,502	0.45	33,502	0.45
	Gujarat State Financial Corporation	10	4,600	0.00	4,600	0.01	4,600	0.01
	HDFC Bank Ltd	2	-	-	-	-	5,345	0.47
	HDFC	2	-	-	-	-	40,000	4.22
	ICICI Bank Ltd	2	-	-	-	-	2,500	0.07
	Infosys Ltd	5	-	-	-	-	400	0.15
	Larsen & Toubro Ltd	2	-	-	-	-	12,000	1.75
	Sadbhav Engineering Ltd.	1	-	-	-	-	11,240	0.25
	Technofeb	10	175,000	3.32	175,000	2.52	175,000	2.12
	Ultra Tech Cement Limited	10	-	-	-	-	1,600	0.42

GAMMON
Builders to the Nation

Particulars		FV	As at March 31, 2017		As at March 31, 2016		As at October 1 , 2014	
		In ₹	Nos/ Units	Amount	Nos/ Units	Amount	Nos/ Units	Amount
				3.65		**3.02**		**9.94**
	Provision for Impairment of Investment							
	Cords Cable Industries Limited			-		(0.31)		(0.33)
	Total			**3.65**		**2.71**		**9.61**
2	**Mutual funds**							
	SBI Dynamic Bond Fund		667,967	1.38	667,967	1.21	667,967	1.05
	HDFC Balanced Fund		20,553	0.27	-	-	-	-
	ICICI Liquid Plan		18,478	0.44	18,478	0.41	18,478	0.37
	ICICI Prudential FMP		-	-	200,000	0.26	200,000	0.23
	HDFC Floating Rate Income Fund		2,048	0.00	2,048	0.00	2,048	0.00
	ICICI Prudential Liquid Regular Plan - Growth		-	-	147,340	3.30	732,585	14.53
	Birla Mutual Fund Growth Scheme		-	-	-	-	654,571	14.09
	HDFC Liquid Fund Growth Scheme		-	-	-	-	158,917	0.42
	Reliance Liquid Fund - Treasury Plan - Growth		64,932	25.76	54,494.00	20.08	-	-
	Canera Robeco Saving Fund - Regular Growth		17,675,762	45.06	-	-	-	-
	Principal Low Duration Fund - Regular Plan Growth		296,589	76.57	-	-	-	-
	Total			**149.48**		**25.26**		**30.68**
3	**<u>Trade Investment in Joint Ventures</u>**							
	(Equity Instruments at Cost)							
	Maa Durga Expressways Private Limited							4.90
				-		**-**		**4.90**
	Total current investments			**153.13**		**27.97**		**45.19**
	Total Non - Current and Current Investments			**1,121.20**		**470.13**		**403.66**
	Aggregate amount of quoted investments			**153.13**		**27.97**		**40.29**
	Market Value of Quoted Investment			**153.13**		**27.97**		**40.29**
	Aggregate amount of unquoted investments			**968.07**		**442.16**		**363.37**

II Movement in Investment on account of IND AS Adjustments

i) Non - Current Investments: As at March 31, 2017

Particulars	Investment as at March 31, 2017 as per previous GAAP	Fair value of Investments /Fair Value of Interest free loans	Fair Value of financial guarantee	Investment as at March 31, 2017
Transrail Lighting Limited	36.31	-	2.43	38.74
Campo Puma Oriente S.A.	(235.13)	1.10	3.53	(230.50)
Total	**(198.82)**	**1.10**	**5.95**	**(191.77)**

ii) Current Investments: As at March 31, 2017

Particulars	Investment as at March 31, 2017 as per previous GAAP	Fair value of Investments /Fair Value of Interest free loans	Fair Value through Profit and Loss Account	Investment as at March 31, 2017
Bank of Baroda	0.04	-	0.04	0.07
Cords Cable Industries Ltd.	0.45	-	(0.20)	0.26
Gujarat State Financial Corporation	0.01	-	(0.01)	0.00
Technofab Engineering	0.47	-	2.85	3.32

SBI Dynamic Bond Fund	1.00	-	0.38	1.38
HDFC Balanced Fund	0.26	-	0.01	0.27
ICICI Liquid Plan	0.36	-	0.08	0.44
HDFC Floating Rate Income Fund	0.00	-	0.00	0.00
Reliance Liquid Fund - Treasury Plan - Growth	25.44	-	0.32	25.76
Canara Robeco savings plus fund - regular Growth	43.48	-	1.58	45.06
Principal Low Duration Fund - Regular Plan Growth	75.73	-	0.84	76.57
Total	**147.24**	**-**	**5.89**	**153.13**

iii) Non - Current Investments: As at March 31, 2016

Particulars	Investment as at March 31, 2016 as per previous GAAP	Fair value of Investments /Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at March 31, 2016
Transrail Lighting Limited	24.77		2.43	27.20
Campo Puma Oriente S.A.	(192.11)	1.10	3.53	(187.48)
Total	**(167.34)**	**1.10**	**5.95**	**(160.29)**

iv) Current Investments: As at March 31, 2016

Particulars	Investment as at March 31, 2016 as per previous GAAP	Fair value of Investments /Fair Value of Interest free loans	Fair Value through Profit and Loss Account	Investment as at March 31, 2016
Bank of Baroda	0.04	-	-	0.04
Cords Cable Industries Ltd.	0.45	-	-	0.45
Gujarat State Financial Corporation	0.01	-	-	0.01
Technofeb	0.47	-	2.05	2.52
SBI Dynamic Bond Fund	1.00	-	0.21	1.21
ICICI Liquid Plan	0.36	-	0.05	0.41
ICICI Prudential FMP	0.20	-	0.05	0.25
HDFC Floating Rate Income Fund	0.00	-	0.00	0.00
Reliance Liquid Fund - Treasury Plan - Growth	20.02	-	0.06	20.08
ICICI Prudential Liquid - Regular Plan - Growth	3.21	-	0.09	3.30
Total	**25.76**	**-**	**2.51**	**28.28**

v) Non - Current Investments: As at October 1, 2014

Particulars	Investment value including deemed cost as at Oct 1, 2014	Fair value of Investments /Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at October 1, 2014
Campo Puma Oriente S.A.	(145.54)	1.10	-	(144.44)
Total	**(145.54)**	**1.10**	**-**	**(144.44)**

vi) Current Investments: As at October 1, 2014

Particulars	Investment as at October 1, 2014 as per previous GAAP	Fair value of Investments /Fair Value of Interest free loans	Fair Value through Profit and Loss Account	Investment as at October 1, 2014
Bank of Baroda	0.04	-	-	0.04
Cords Cable Industries Ltd.	0.45	-	-	0.45
Gujarat State Financial Corporation	0.01	-	-	0.01
HDFC Bank Ltd	0.02	-	0.44	0.47

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Particulars	Investment as at October 1, 2014 as per previous GAAP	Fair value of Investments /Fair Value of Interest free loans	Fair Value through Profit and Loss Account	Investment as at October 1, 2014
HDFC	0.18	-	4.04	4.22
ICICI Bank Ltd	0.04	-	0.03	0.07
Infosys Ltd	0.03	-	0.12	0.15
Larsen & Toubro Ltd	0.05	-	1.70	1.75
Sadbhav Engineering Ltd.	0.02	-	0.24	0.25
Technofeb	0.47	-	1.65	2.12
Ultra Tech Cement Limited	0.04	-	0.38	0.42
SBI Dynamic Bond Fund	1.00	-	0.05	1.05
HDFC Balanced Fund	-	-	-	-
ICICI Liquid Plan	0.36	-	0.01	0.37
ICICI Prudential FMP	0.20	-	0.02	0.22
HDFC Floating Rate Income Fund	0.00	-	-	0.00
ICICI Prudential Liquid - Regular Plan - Growth	1.30	-	0.00	1.30
IDFC Mutual Fund	13.03	-	0.19	13.22
Birla Mutual Fund - Growth schemes	13.58	-	0.51	14.09
HDFC Liquid Fund - Growth scheme	0.41	-	-	0.41
Total	**31.23**	**-**	**9.38**	**40.61**

E Other Notes

(a) The Group has pledged the Equity Shares of the following Companies -

Transrail Lighting Limited- 3,09,99,940 Equity shares Indira Container Terminal Private Limited ('ICTPL') - 1,65,00,000 Equity shares

(b) In the opinion of the Management, diminution in the value of Investment in share of Associated Transrail Structure Ltd. Nigeria is considered to be temporary and , therefore , no provision has been made for the same.

3 Capital Work in Progress

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
Residential Flats under construction	20.05		18.74		22.25	
Engineering , Procurement and contruction Cost	41.96		202.29		202.24	
Project Expenses	0.49		36.24		5.67	
Developers Fees	0.17		12.56		12.56	
Finance Cost	18.41		72.72		47.18	
Other Expenses	28.09	109.17	30.38	372.93	26.90	316.80
Less: Capital Work in Progress capitalised		(3.72)		(270.13)		(0.12)
Total		**105.45**		**102.80**		**316.68**

4 Goodwill/ Capital Reserves on Consolidation

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
Goodwill on Consolidation	699.33		736.17		736.17	
Less: Goodwill / Capital Reserve of divested subsidiaries	-	699.33	(36.84)	699.33	-	736.17
Less Provision for Impairment of Goodwill		(76.78)		(18.78)		(18.78)
Total		**622.55**		**680.55**		**717.39**
Provision for Impairment of Goodwill Consists of:-						
Goodwill of acquision of-						

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
SAE Powerlines S.r.L		18.78		18.78		18.78
Gammon Infrastructure Limited		58.00		-		-
Total		**76.78**		**18.78**		**18.78**

5 **Intangible Assets under development**

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
Contract expenditure - Engineering, Procurement & Construction	576.77		1,110.10		782.47	
Concession fees	-		2.95		2.47	
Developer's fees	39.81		64.93		118.60	
Borrowing Cost	97.70		376.10		287.04	
Depreciation	0.12		0.24		0.17	
Others Expenses	17.09	731.49	32.64	1,586.96	44.13	1,234.87
Less: Miscellaneous Income	4.09		0.96		0.40	
Less: Capitalised During the year	3.99		1,077.62		-	
Less: Written off as exceptional Item	-		-		37.97	
Less: Transferred to Project expenses pending Settlement	-		-		75.56	
	-	8.07	-	1,078.59	-	113.93
Total		**723.42**		**508.37**		**1,120.94**

The amount of borrowing costs capitalised during the period is Nil (2016: ₹ 88.03 crores,, 2014: ₹ 52.93 crores).

7 **Financial Assets - Trade Receivables**

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Trade Receivables : (At amortised cost)						
(Unsecured, considered good unless otherwise stated)						
Considered good	1,357.36	501.32	1,737.53	737.98	3,099.44	1,355.08
Considered Doubtful	0.28	2.57	-	41.44	-	86.90
Provision for Doubtful debts	(0.28)	(2.57)	-	(41.44)	-	(86.90)
	1,357.36	501.32	1,737.53	737.98	3,099.44	1,355.08
Less: Expected credit loss	0.93	0.35	1.60	1.85	1.89	2.19
	1,356.43	500.97	1,735.93	736.13	3,097.55	1,352.89
Total	**1,356.43**	**500.97**	**1,735.93**	**736.13**	**3,097.55**	**1,352.89**

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 ₹ 60.99 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.

(iii) There are disputes in seven projects of the Company. The total exposure against these projects is ₹ 376.92 Crore. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

(iv) The Company has receivable including retention and work in progress (unbilled revenue) aggregating to ₹ 62.47 Crore in various jobs relating to the real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts

(b) Expected Credit Loss

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

Expected credit Loss Rate:-

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Default rate	0.25%	0.25%	0.25%

B Subsidiary, Associates and Joint Venture:

1 GIPL:

(i) **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. Based on the past experience of receivables the Company has not provided for expected credit loss since the amounts are receivable from its SPV and there are no experience of losses on receivable in the past . The only case of provision is due to termination of contract with NHAI which has a separate receivable and not in normal course of business.

(ii) **Financial Asset as per Service Concession Agreement**

One of the subsidiaries of the Group entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. The project has obtained pre-COD on September 1, 2016 and accordingly first annuity of ₹ 94.60 crores is accrued during the year ended March 31, 2017. In respect of the project on annuity basis of the Company, GIPL has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, GIPL has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. GIPL will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. GIPL expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. GIPL has also applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the GIPL in the SPV is ₹ 1182.70 crores.

(iii) Trade Receivables includes ₹ 155.03 Crore in respect of two of its project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

2 G&B Contracting L.L.C, Dubai

In case of one of the Subsidiary G & B Contracting LLC ('GBLLC') in Dubai amount is due from a Debtor of GBLLC which includes retention money aggregating to AED 27,38,700 (₹ 4.82 Crore) previous year AED 27,38,700 (₹ 4.93 crores) due to GBLLC acting as a sub-contractor. The management of the said Subsidiary is of the opinion that the amount is contractually recoverable and the Subsidiary Company is in negotiations with the principal client and in the Company's opinion no provision is required to be made towards the same.

3 **ACBI**

ACBI had entered in to revised contract with Nagai Power Private Limited (NPPL) dated 29/7/2016. As per the Revised contract ACBI will only supply the Boilers and spare parts to NPPL for a total Contract Value of ₹ 73.04 crores and recoverability of total amount of ₹ 35.89 crores from NPPL which is based on stages of work done by the Company. The said contract also confirms the amounts due as aforesaid.

C Movement in the expected credit loss allowance

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Balance at the beginning of the period	2.16	1.85	1.89	2.19	-	-
Reversal on account of Transfer of Business	(0.16)	(1.86)	-	-	-	-
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.51)	0.36	(0.29)	(0.34)	1.89	2.19
Net movement in expected credit loss allowance on Other receivables calculated at lifetime expected credit losses			0.56			
Provision at the end of the period	**1.49**	**0.35**	**2.16**	**1.85**	**1.89**	**2.19**

8 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2017		March 31, 2016		October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :						
Considered Good	244.88	1.74	291.39	75.22	232.16	57.77
Considered Doubtful	223.60	-	99.47	14.75	78.10	13.62
Provision for Doubtful Loans	(223.60)	-	(99.47)	(14.75)	(78.10)	(13.62)
Deposits	-	-	-	-	-	-
Considered Good	7.97	8.52	8.90	45.69	41.79	26.57
Considered Doubtful	-	3.60	-	3.60	-	3.60
Provision for Doubtful deposits	-	(3.60)	-	(3.60)	-	(3.60)
Other Loans and Advances	-	-	-	-	-	-
Considered Good	97.94	122.40	130.60	156.72	160.02	158.99
Considered Doubtful	54.48	4.94	28.71	4.94	3.77	4.94
Provision for Doubtful Loans	(54.48)	(4.94)	(28.71)	(4.94)	(3.77)	(4.94)
Total	**350.79**	**132.66**	**430.89**	**277.63**	**433.97**	**243.33**

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

	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Details of Related parties : Non Current	**Outstanding Amount**			**Maximum Outstanding Amount**		
Considered good:						
Campo Puma Oriente S.A.	244.73	38.42	23.31	263.89	56.96	26.76
OSE Gammon Joint Venture	0.15	0.14	0.14	0.14	0.14	0.14
Finest S.p.A	-	0.56	0.59	0.56	0.56	0.59
Sofinter	-	212.27	197.15	-	212.27	197.15
Gammon Progressive JV	-	0.61	0.61	0.61	0.61	0.61
Gammon Rizzani JV	-	0.44	0.44	0.44	0.44	0.44
Jaeger Gammon Joint Venture	-	1.58	2.09	1.58	1.58	2.09
Gammon Archirodon Joint Venture	-	0.03	0.03	0.03	0.03	0.03
Gammon Encee JV	-	4.85	4.85	4.85	4.85	4.85
BBJ Gammon JV	-	1.35	1.35	1.35	1.35	1.35

	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Details of Related parties : Non Current	**Outstanding Amount**			**Maximum Outstanding Amount**		
Atlanta India Limited Gammon JV	-	0.06	0.59	0.06	0.06	0.06
ACBI- Nagai	-	31.08	-	31.08	31.08	-
Sikkim	-	0.00	0.00	0.00	0.00	0.00
ESMPL	-		1.01	-	1.01	1.01
Total	**244.88**	**291.39**	**232.16**	**304.59**	**310.94**	**235.09**
Considered doubtful:						
Franco Tosi Meccanica SPA	93.08	99.47	78.10	93.08	99.47	78.10
Campo Puma Oriente S.A.	130.00	-	0	130.00	-	-
Finest S.p.A	0.52	-	0	0.52	-	-
Total	**223.60**	**99.47**	**78.10**	**223.60**	**99.47**	**78.10**

	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Details of Related parties : Current	**Outstanding Amount**			**Maximum Outstanding Amount**		
Considered good:						
Gammon Engineers Contracts Pvt Ltd	0.87	-	-	0.87	-	-
Campo Puma Oriente S.A.	0.49	-	-	0.49	-	-
Transrail Ligting Limited	0.21	0.32	-	0.21	0.32	47.80
Franco Tosi Turbines Private Limited	0.11	0.11	0.40	0.11	0.11	0.42
GAMMON SEW JV'	0.07	0.08	-	0.08	0.08	-
GGJV	(0.00)	(0.00)	5.81	(0.00)	(0.00)	5.81
Campo Puma Oriente S.A.		0.50	-	0.50	0.50	-
Gammon Cidade Tensacciai Joint Venture		66.10	51.55	66.10	66.10	51.92
Kosi Bridge Infrastructure Company		0.61	-	0.61	0.61	0.61
Mumbai Nasik Expressway Limited		0.01	-	0.01	0.01	0.01
GammON JMC JV		0.05	-	0.05	0.05	-
GAMMON CMC JV		7.45	-	7.50	7.50	-
GAMMON GEC JV		(0.00)	-		(0.00)	
Total	**1.74**	**75.22**	**57.77**	**76.51**	**75.26**	**106.57**
Considered doubtful:						
JV Gammon-FECP, Nigeria		14.75	13.62	14.75	14.75	13.62
Total	**-**	**14.75**	**13.62**	**14.75**	**14.75**	**13.62**

(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

An amount of ₹ 38.33 crores (As at March 31, 2016 ₹ 39.33 crores and as at September 30, 2014 ₹ 47.92 crores) is receivable by some subsidiaris of the Company for cancellation of purchase of land agreements.

9 Other Financial Assets (at amortised cost)

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Interest Accrued Receivable:						
Considered Good	40.91	10.92	12.44	33.34	9.61	33.12
Considered Doubtful	-	2.63	-	0.95	-	0.28
Less : Provision for Doubtful Interest	-	(2.63)	-	(0.95)	-	(0.28)
Insurance claim receivable	-	5.20	1.65	5.20	1.65	5.16
Other Receivable	18.82	21.08	18.82	21.73	-	23.07

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Less: Expected credit Loss	(0.56)		(0.56)	-	-	-
Operations grant receivable from NHAI	-	-	-	-	-	6.01
Advance for Purchase of Equity Shares	49.06	-	11.56	-	(0.00)	-
Other Bank Balances not due within 12 months	44.37		24.28		5.89	
Share Application Money paid	1.30	-	1.30	-	1.30	-
Total	**153.90**	**37.20**	**69.49**	**60.27**	**18.46**	**67.37**

(i) Insurance Claim includes amounting to ₹ 5.20 crores (March 2016 ₹ 5.20 crores) made by one of the subsidiaries, although subject to confirmation from the Insurance Company is good and receivable.The Management is of the firm view that the claim will eventually be received. The Management contends that whole amount is receivable.

10 Deferred Tax (Liabilities) / Assets (Net)

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
Deferred Tax Liability:						
Property, Plant and Equipment	173.01		231.81		213.85	
Non Current Investments- Fair Value changes	129.55	302.55	129.55	361.35	129.55	343.40
Deferred Tax Asset:						
Property, Plant and Equipment	-		-		5.20	
Tax Disallowances	1.74		79.62		135.60	
Other Comprehensive Income	-	1.74	1.14	80.76	0.82	141.62
Net Deferred tax Liability		**300.81**		**280.59**		**201.78**
Deferred Tax Asset:						
Property, Plant and Equipment	47.82		28.66		60.77	
Tax Disallowances	47.31		29.39		32.06	
Provision for replacement cost	5.11		4.15		2.80	
Mat Credit Entitlement	32.06	132.30	25.43	87.63	10.40	106.03
Deferred Tax Liability:						
Property, Plant and Equipment	58.09		34.80		31.47	
Non Current Investments	0.18	58.28	0.16	34.96	-	31.47
Net Deferred tax Assets		**74.02**		**52.67**		**74.56**

11 Other Assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	0.25	-	4.96	-	3.44	-
Unbilled Revenue (Refer note below)	871.01	-	1,377.96	226.34	-	100.66
Prepaid Expenses	0.77	5.26	1.65	5.98	4.61	9.64
Prepaid Upfront fees	12.19	1.28	13.66	0.88	15.37	0.78
Project expenditure pending settlement (Refer note below)	-	-	-	-	75.56	-
Advance to Creditors/Subcontractors	-	-	-	-	-	-
Unsecured Considered goods	14.76	72.73	20.41	193.84	44.39	202.45
Unsecured Considered doubtful	-	-	-	15.83	-	7.18
Less: provision for doubtful	-	-	-	(15.83)	-	(7.18)
Staff Advances	-	1.03	-	2.46	-	4.86
Accrued income	-	-	-	2.00	-	20.25
Balance with Tax Authority	15.19	14.00	35.25	20.12	62.53	44.18
Advance Tax Net of Provision	426.96	-	409.22	-	396.40	-
Others	9.92	18.50	11.24	9.74	11.24	15.41
Total	**1,351.06**	**112.80**	**1,874.35**	**461.36**	**613.53**	**398.22**

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i) **Unbilled Revenue:**

The Company, as part of its restructuring scheme through which it carved out the EPC and T & D business into separate entities with residual non-core assets and some claims remaining in the main Company, had during the eighteen month period ended march 31, 2016 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 to assess the likely amount of claims being settled in favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to ₹ 1657.22 will be reasonably certain to be settled in favour of the Company. Accordingly the Company had during the previous year recognised an aggregate amount of ₹ 1343.97 net of amounts recognised based on management estimates. Out of the total claim amount the Company has, as part of the transfer of business through BTA and slump exchange, transferred certain claims recognised as part of the jobs transferred to GECPL. The balance claims of ₹ 871.01 Crore are being carried in the books as due and receivable. The management contends that the same are due to them and they have a very good chance of realisation.

ii) **Project expenditure pending settlement**

During the previous period ended October 01, 2014, one of the wholly owned subsidiary of the GIPL namely Patna Buxar Highways Limited (PBHL) has initiated correspondence with NHAI towards closure of its project on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Forest clearances. Subsequently vide its letter dated 29th August 2014, the NHAI unilaterally terminated the concession agreement and also invoked the bank guarantee of ₹ 11.29 crores. The subsidiary has since, on October 22, 2014 referred the dispute to a conciliation procedure, contemplated in the terms of the concession arrangement by which it has sought to claim compensation towards the project related expenses and also the repayment against the invocation of the guarantee. GIPL total exposure to this project including guarantees invoked and project expenses as at October 1, 2014 ₹ 75.56 crores, which is shown as project expenditure pending settlement. Pending conclusion of the conciliation procedure and reliefs under the terms of the concession agreement, no adjustments have been made to the consolidated financial statement. The management believes that it has a strong case in this matter. PBHL has been disposed off during the previous period and is not a subsidiary as at the Balance Sheet date.

12 Inventories

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Raw Material	19.60	7.55	40.25
Material at Construction Site	54.95	290.56	351.36
Stores and Spares	4.18	2.85	13.02
Work In Progress:			
Construction-Work In Progress	153.38	824.24	1,328.77
Real Estate- Work In Progress	2,027.04	2,038.79	1,752.74
Manufacturing -Work In Progress	13.35	7.99	13.32
Finished goods	0.20	10.20	51.73
Completed Flats	151.07	-	-
Total	**2,423.77**	**3,182.18**	**3,551.19**

a) Inventory Valuation Policy

i)	Raw Material	Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average Method.
ii)	Material at Construction Site and Stores & Spares	Material at Construction Site are valued at lower of cost and net realisable value. Costs are determined on Weighted Average Method.The Weighted Average Method of inventory valuation is used to determine the cost.
iii)	Work In Progress	Work In Progress on construction contracts are carried at lower of assessed value of work done less bill certified and net realisable value.
iv)	Work In Progress - Real Estate	Work In Progress on construction contracts reflects value of land, material inputs and project expenses.
v)	Bought Out and Stock in Transit	At lower of cost and Net realisable value
vi)	Other -Scrap Material	At realisable value

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
Balance at the beginning of the year		2,038.79		1,752.74		1,613.70
Add : expenses incurred during the year and directly charged to the project						
Cost of freehold land	-		5.34		8.61	
Residential flat under construction	0.04		0.42		21.53	
Cost of Material Consumed	35.50		86.88		16.81	
Finance Costs	142.56		195.95		88.54	
Other Expenses	7.35	185.45	5.12	293.70	3.55	139.04
Less : Cost of Shops Sold	(46.13)		(7.65)			
Less : Cost of Unsold Completed Units Inventory - Shops	(151.07)	(197.20)	-	(7.65)		-
Closing Balance		**2,027.04**		**2,038.79**		**1,752.74**

c) **Project Development (Real estate WIP) includes expenses incurred under the following broad heads**

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Cost of Leasehold Land	343.56	343.56	343.56
Cost of Freehold land	777.78	777.78	772.44
Land Development Expenses	236.82	201.28	113.99
Finance Cost	833.62	691.06	495.11
Other Expenses	40.11	32.76	27.64
Less : Cost of Shops Sold	(53.78)	(7.65)	-
Less : Cost of Unsold Completed Units Inventory - Shops	(151.07)	-	-
Total	**2,027.04**	**2,038.79**	**1,752.74**

d) The Group's exposure to a real estate project being carried out in one of the subsidiary company in Bhopal is ₹ 998.38 Crore as at March 31, 2017. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management is of the opinion that the current situation is temporary and the value of the business arising out of the development is higher than the carrying value as aforesaid and therefore no provision for impairment is necessary presently.

13 Cash and Bank Balance

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Cash and cash equivalents			
Cash on Hand	0.94	1.89	7.79
Balances with Bank	104.99	248.65	239.15
Total	**105.93**	**250.54**	**246.94**
Other Bank Balances			
Unpaid dividend	0.64	0.71	0.71
Other Bank Balance	2.00	2.00	5.28
Bank deposits (on margin account)	7.39	332.35	20.06
Total	**10.03**	**335.06**	**26.06**

(a) Other Bank Balances

Other bank balances include ₹ 2.00 Crore (P.Y March 2016 : ₹ 3.93 Crore, October 2014: ₹ 5.28 Crore) with bank branches in foreign countries relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries.

Balances in Foreign Bank Accounts are as per ledger and in case of some of the banks are subject to reconciliation.

(b) Disclosure on specified bank notes (SBNs)

During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated

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March 31, 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs(*)	Other notes	Total
Closing cash on hand as at 8 November 2016	0.20	0.18	0.38
(+) Permitted receipts	-	0.38	0.38
(-) Permitted payments	-	(0.39)	(0.39)
(-) Amount deposited in banks	(0.20)	-	(0.20)
Closing cash on hand as at 30 December 2016	**-**	**0.17**	**0.17**

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

The information relating to the subsidiaries and Joint Venture considered above are as per their respective audited/unaudited financial statement provided.

14 Equity Share Capital

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Authorised Capital :						
Equity Shares of ₹ 2/- each	74,710,000,000	14,942.00	74,710,000,000	14,942.00	74,710,000,000	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	3,000,000	105.00	3,000,000	105.00	3,000,000	105.00
Issued, Subscribed and Fully Paid up Capital :						
Issued Capital						
Equity Shares of ₹ 2/- each, fully paid	370,427,845	74.09	366,303,349	73.26	137,355,208	27.47
Subscribed and Fully Paid up Capital						
Equity Shares of ₹ 2/- each, fully paid	368,847,305	73.77	364,722,809	72.94	135,774,668	27.16
Share Forfeiture Account						
Money received in respect of Right Shares of ₹ 10/- each forfeited	170,948	0.34	170,948	0.34	170,948	0.34
Total		**74.11**		**73.28**		**27.50**

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	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	364,722,809	72.94	135,774,668	27.16	135,774,668	27.16
Add: Issued during the year	4,124,496	0.83	228,948,141	45.78	-	-
As at the end of the year	**368,847,305**	**73.77**	**364,722,809**	**72.94**	**135,774,668**	**27.16**

Pursuant to the invocation to SDR scheme, the bankers have converted an amount of ₹ 4.90 Crore (P.Y: ₹ 272.22 Crore) being principal and interest outstanding in to Equity and have been allotted 41,24,496 Equity Shares (P.Y: 22,89,48,141 Equity Shares) of ₹ 2 each at a premium of ₹ 9.89 per equity share during the period representing 1.12% (P.Y: 62.77%) of the Equity Capital.

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	No of Shares	%	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	18,013,015	4.87%	18,013,015	4.93%	18,013,015	13.20%
Devyani Estate and Properties Private Limited	9,892,805	2.68%	12,182,805	3.33%	12,182,805	8.93%
HDFC Trustee Company Limited-HDFC Infrastructure Fund	5,553,931	1.50%	12,114,310	3.31%	12,114,310	8.87%
Abhijit Rajan	8,172,459	2.34%	8,172,459	2.24%	8,172,459	5.99%
Canara Bank	52,816,269	14.29%	52,814,769	14.45%	-	0.00%
ICICI Bank	39,774,612	10.76%	39,696,547	10.86%	-	0.00%
Punjab National Bank	24,209,101	6.55%	24,209,101	6.62%	-	0.00%
Syndicate Bank	22,696,508	6.14%	22,696,508	6.21%	-	0.00%
Bank Of Baroda	22,104,507	5.99%	22,104,507	6.05%	-	0.00%
Allahabad Bank	19,582,216	5.30%	19,582,216	5.36%	-	0.00%

(d) Terms / rights attached to equity shares

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

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

(e) Shares reserved under options to be given Nil (previous years NIL) Equity Shares have been reserved for issue as ESOP.

15 Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Capital Redemption Reserve	105.00	105.00	105.00
Capital Reserve	11.73	11.53	18.79
Securities Premium Account	1,591.62	1,587.54	1,361.39
Debenture Redemption Reserves	81.00	81.00	81.00
Employee Stock Options Outstanding	0.05	0.05	1.17
General Reserve	363.20	363.20	381.44
Special Contingency/ Statutory reserve	0.17	0.17	0.31
Retained earnings	(3,243.07)	(2,153.34)	(1,470.23)
Perpetual Promoter Contribution	100.00	100.00	100.00
Treasury Shares	(1.69)	(1.69)	(1.69)
Share Forfeiture of Subsidary	0.81	0.81	0.81
Capital Reserve of JV and Associates	20.29	20.50	2.42
Other Comprehensive Income			
Not Reclassifiable to Profit and Loss:			
Net gain/ (loss) on fair value of defined benefits plan	(5.50)	(2.46)	(1.87)
Reclassifiable to Profit and Loss:			
Foreign Currency Translation Reserve	87.46	20.98	63.33
Net gain/ (loss) on fair value of equity instruments	415.28	14.10	(70.79)
TOTAL	**(473.64)**	**147.39**	**571.08**

16 Non-controlling interests

Particulars	As at March 31, 2017		As at March 31, 2016	
Balance, beginning of the period		308.64		477.82
Share of NCI in profits/(losses) for the current period	(67.30)		(104.74)	
Share of NCI in profits/(losses) in Other Equity for the current period	2.48		29.19	
(Decrease) in minority's share on account of subsidiaries divested	-		(91.96)	
Capital grant transferred to / (from) NCI on divestment of subsidiaries	-	(64.83)	(1.67)	(169.18)
TOTAL		**243.81**		**308.64**

17 Non Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities
Non Convertible Debentures	228.45	36.28	246.83	35.68	318.52	5.48
Placed with Banks and Financial Institutions						
Term Loans						
Priority Loan	346.43	157.67	505.87	116.36	682.74	51.39
Rupee Term Loan RTL	1,186.33	186.46	1,387.11	126.23	1,579.67	32.24
Funded Interest Term Loan (FITL)	48.80	8.93	98.52	9.47	254.60	5.19
Working Capital Term Loan (WCTL)	382.16	60.64	497.24	27.31	633.44	12.93
Loan taken for Public Private Partnership						
Term Loan from Banks	2,428.74	53.01	2,290.35	40.85	2,434.94	167.16
Term Loan from Financial Institutions	121.14	-	64.90	-	853.23	123.56
Term Loan from Other	-	1.17	-	9.35	12.78	4.93
10.3% Intercorporate loans from a minority shareholders	-	-	-	-	-	13.72
Loan taken for Foreign Companies						
Term Loan from Banks	262.98	498.59	411.01	376.60	628.36	117.88
Loan taken - Other Companies						
From Banks	529.72	4.84	295.17	135.47	414.93	12.66
From Financial Institutions						
From Others	52.63	-	52.63	-	48.17	-
Non Convertible Debentures(secured by mortgage of immovable property)		175.00		175.00		175.00
Borrowings - Related Parties - Group Companies	-	-	-	-	-	2.10
TOTAL	**5,587.38**	**1,182.60**	**5,849.64**	**1,052.32**	**7,861.38**	**724.23**
The above amount includes						
Secured Borrowings	**5,401.88**	**743.54**	**5,537.40**	**718.35**	**7,350.94**	**604.49**
Unsecured Borrowings	**185.50**	**439.06**	**312.24**	**333.97**	**510.44**	**119.74**

(i) Loan taken by Holding Company

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

Key features of the CDR 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.

(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 March 31, 2014 are converted to FITL.

(c) Interest on Term Loans -

Facility	ROI Basis	ROI
Cash Credit	MI Base Rate (9.35%) + Spread (2.25%)	11.60%
Term Loans (RTL1, RTL2, RTL3, FITL, Priority Loan, WCTL)	MI Base Rate (9.35%) + Spread (1.75%)	11.10%

Facility	Principal as on March 31, 2017	Rate	Principal as on March 31, 2016	Rate	Principal as on October 1, 2014
10.50%	66.39	10.50%	68.28	10.50%	74.00
11.05%	89.08	11.05%	91.68	11.05%	100.00
9.50%	89.34	9.50%	97.42	9.50%	100.00
9.95%	44.53	9.95%	49.21	9.95%	50.00
Grand Total	**289.34**		**306.59**		**324.00**

(d) Repayment Term

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

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

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

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

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

d) Undertaking to create pledge over shares of Nikhita Estate Developers Private Limited (Promoter group Company), as and when they are released in the future.

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

f) Pledge over the following shares -

23% of Deepmala Infrastructure Private Limited

100% of SEZ Adityapur Limited

24% of Ansaldocaldaie Boilers India Private Limited

100% of Gactel Turnkey Projects Limited

100% of Transrail Lighting Limited (out of which currently only 25% pledged with the CDR Lenders)

25% of Gammon Engineers and Contractors Private Limited.

(f) The Company had pursuant to the Shareholders approval in May, 2015, issued Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD's") of upto ₹ 100 crores 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 . The amount contributed by the Promoters continues to remain as debt in the Company.

(g) Transmission & Distribution (T&D) business:

The Joint Lender's Forum ("JLF") meeting convened on November 17, 2015 and December 16, 2015 and CDR EG meeting held on November 23, 2015 and January 22, 2016 approved the adoption of the Strategic Debt Restructuring scheme of the Company which interalia entailed a carve out of Transmission & Distribution (T&D) business with the entry of strategic investors. Pursuant to the same the company, with effect from 1st January 2016, through a business transfer agreement, as detailed in financial Statements , transferred borrowings aggregating to ₹ 200.13 crores to Transrail Lighting Limited ("TLL"). The company is proposing to file with the Hon High court of Bombay a scheme of arrangement for transfer of the retained T&D facility whereunder borrowings aggregating to ₹ 93.21 crores would be transferred to TLL. Pending approval of the scheme of arrangement the borrowings are continued in the books of the company.

(ii) Project loans - Public Private Partnership Projects

The term loans from banks and financial institutions are primarily taken by various project executing entities of the GIPL Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets, future receivables and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing Company in the Group. Further in few of the SPVs a corporate guarantee of GIPL is given guaranteeing the repayment of the secured obligations in the event of termination of the Concession Agreement pursuant to occurrence of any Concessionaire Default during the construction period, which shall stand discharged upon occurrence of the CoD.

Loans from others are secured by a pledge of equity shares of a subsidiary and hypothecation of developer fees receivable from some of its SPVs. As the event of certain covenants related to underlying security has been breached the entire outstanding amount has been recalled by the lender and accordingly the outstanding sum due has been classified as current.

During the current period, a subsidiary of the Company enagaged in the design, construction, development, operation and maintenance of a road bridge on a Design, Build Finance, Operate and Transfer basis, in the state of Andhra Pradesh started commercial operations from November 1, 2015. However, the commercial operations of the project were delayed on account of reasons not attributable to the subsidiary. These delays led to cost and time overruns for which the subsidiary was required to restructure the project loan availed from a consortium of lenders. As the subsidiary is not able to service its debt obligations the lenders have classifed the loan as a non performing asset. However, as the lenders have not recalled the loan, the subsidiary continues to disclose the same under non current liability.

As per the License Agreement signed by a joint venture company (JV) of the Group with its client Mumbai Port Trust (MbPT), certain obligations were required to be completed by MbPT at various sites of the project and hand over these partially developed sites to the JV for carrying out further development work. These included capital dredging at the berth pockets, approach channel and turning circle, filling of Princess and Victoria docks, etc. MbPT till date has not completed these activities. Due to this, there has been a long delay in commencing container operations by over 5 years. The continuing delays has resulted in the lenders classifying the asset as a non performing asset. These delays has resulted in defaults in payment of loan instalments by the JV. However, both the JV and MbPT have initiated discussions in reviving the project by restructuring the same. The entire process is likely to be completed by the end of the next financial year. In the interim, MbPT has granted permission to the JV to use its completed berths for commencing RORO operations for one year on trial basis. A part of the revenue earned from these operations is being used to meet the lenders obligations. Considering the steps initiated by the JV and MbPT and as the loans have not yet been recalled by the lenders the JV continues to disclose the loans under long term borrowings as a non current liability.

The above mentioned long-term loans carry an interest rate which is at a spread above/below the bank's base rate or bank prime lending rate or G-sec rate or at a negotiated rate. The spread ranges from 50 to 300 basis points. In case of a consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof.

Loans from others, carries interest rates in the range of 11% p.a. to 15% p.a.

(iii) 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 previous year Term Loan from ICICI Bank has been resheduled by which the same are to be repaid by 1 April 2015 by sale of Investments . In case sale doesnot occur or the proceds are insufficient ,the same is repayable by the parent Company in quaterly 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 Quaterly 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 previous year Term Loan from ICICI Bank, UK PLC has been resheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale doesnot occur or the proceds are insufficient ,the same is repayable by the parent Company in quaterly 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 Quaterly 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 the year 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.

(iv) Others

(1) ACBI

(a) The Company has entered into Corporate Debt Restructuring package with IDBI Bank with effect from 01st April , 2014.

Key features of the CDR proposal are as follows :

- Reschedulement of existing Term Loans (RTL) of ₹ 6.75 Crore payable over a period of ten years.
- Funding of interest on WCTL and existing rupee term loan (RTL) by way of a fresh rupee term loan (RTL 2) of ₹ 3.75 Crore. This loan is further split into two loans

a) ₹ 2.81 Crore and b) ₹ 0.94 Crore.

- Conversion of various irregular in working capital limits into Working Capital Term Loan (WCTL).
- IDBI shall have the right to recompense the relief/sacrifices/waivers extended.

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

Rupee Term Loan (RTL)

1) 1st charge by way of hypothecation over all the stocks and book debts and other current assets present and future except for the specifically charged assets , if any.
2) 1st charge over all the fixed assets of the Company both present and future.
3) Corporate Guarantee of Gammon India Limited.

Working Capital Term Loan (WCTL) -

1) 1st charge by way of hypothecation over all the stocks and book debts and other current assets present and future except for the specifically charged assets , if any.
2) 1st charge over all the fixed assets of the Company both present and future.
3) Corporate Guarantee of Gammon India Limited.

(c) **Interest on Term Loans -**

The above mention term loans carry an interest rate which is @MCLR Rate + 310 bps payable on 1st day of each month. Currently IDBI bank's Base Bank Rate is at 12.40% p.a.

(d) **Repayment Term**

Type of Loan	**Repayment Schedule**
RTL - 1	Repayable in 32 quarterly installments commencing from May 1, 2016 after monotorium period of 2 years as mentioned below : a) 31 installments of ₹ 0.21 Crore each ; b) 32nd installment of ₹ 0.24 Crore
RTL - 2 (a)	Repayable in 12 quarterly installments commencing from May 1, 2016 after monotorium period of 1 year as mentioned below : a) 11 installments of ₹ 0.23 Crore each ; b) 12th installment of ₹ 0.28 Crore
RTL - 2 (b)	Repayable in 12 quarterly installments commencing from May 1, 2016 after monotorium period of 1 year as mentioned below : a) 11 installments of ₹ 0.08 Crore each ; b) 12th installment of ₹ 0.06 Crore
WCTL	Repayable in 32 quarterly installments commencing from May 1, 2016 after monotorium period of 2 years as mentioned below : a) 31 installments of ₹ 0.69 Crore each ; b) 32nd installment of ₹ 0.61 Crore

(2) GTPL

(a) 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.

(b) **Interest on Term Loans -**

Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards

(3) DIPL

The term Loan for DIPL is secured by first charge on 75% of total Plot of Land admeasuring 14.88 acres sittuated at South TT nagar in Bhopal (Madhya Pradesh) and are repayable in 12 equal quarterly installment after a morotorium of 24 months commencing from March, 2017. (Extention of exclusive first charge on the entire current assets and all bank accounts.)

(4) **METRO**

Non Convertible Debenture

The Debentures of the aggregate nominal value of ₹ 100 Crores will be redeemed at the end of 38 months from the deemed date of allotment viz., 13-09-2011, by way of Bullet payment, with yield on Redemption @ 14.52% p.a.

The Debentures of the aggregate nominal value of ₹ 75 Crores will be redeemed at the end of 38 months from the deemed date of allotment viz., 30-01-2012, by way of Bullet payment, with yield on Redemption @ 14.52% p.a.

Debentures are to be secured by:

The first legal Registered Mortgage and Charge on the Maharashtra Immovable Property and if required Separately by creating first pari passu mortgage and/or charge on the Company's Underlying Assets 8 of the nature of the land admeasuring about 180 acres situate lying and being at Dombivili, subject to maintaining minimum security/assets cover of 1.25 times as acceptable to the Trustees. (ii) Unconditional and irrevocable guarantee from Gammon India Limited for all amounts due under this facility.

Any other security as may be acceptable by the Debenture Trustee with the prior consent of the majority debenture holders to maintain security cover.

(v) 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 2017	As At 31st Mar 2016	As At 30th Sep 2014
Andhra Expressway Limited ('AEL')	₹ 10/-	-	-	13,175,970
Birmitrapur Barkote Highway Private Limited ('BBHPL')	₹ 10/-	2,600	2,600	2,600
Cochin Bridge Infrastructure Company Limited ('CBICL')	₹ 10/-	1,664,019	1,664,019	1,664,019
Gorakhpur Infrastructure Company Limited ('GICL')	₹ 10/-	-	-	27,686,396
Kosi Bridge Infrastructure Company Limited ('KBICL')	₹ 10/-	-	-	20,767,040
Mumbai Nasik Expressway Limited ('MNEL')	₹ 10/-	-	-	38,942,800
Patna Buxar Highways Limited ('PBHL')	₹ 10/-	-	-	14,589,823
Pataliputra Highways Limited ('PHL')	₹ 100/-	-	-	7,350
Patna Highway Projects Limited ('PHPL')	₹ 10/-	5,940,000	5,940,000	750,000
Rajahmundry Expressway Limited ('REL')	₹ 10/-	-	-	14,744,579
Rajahmundry Godavari Bridge Limited ('RGBL')	₹ 10/-	140,519,039	140,519,039	118,967,215
Sidhi Singrauli Road Project Limited ('SSRPL')	₹ 10/-	163,613,200	163,613,200	98,820,560
Sikkim Hydro Power Ventures Limited ('SHPVL')	₹ 10/-	31,995,331	31,995,331	31,995,331
Vizag Seaport Private Limited ('VSPL')	₹ 10/-	63,770,015	63,770,015	63,770,015
Indira Container Terminal Private Limited ('ICTPL')	₹ 10/-	16,500,000	16,500,000	16,500,000
Punjab Biomass Power Limited (PBPL)	₹ 1/-	-	-	22,500,000
Gammon Holdings B.V., Netherlands ('GHBV')	€ 100	180	180	180
Gammon International B.V., Netherlands ('GIBV')	€ 100	180	180	180
P.Van Eerd Beheersmaatschappaji B.V., Netherlands ('PVAN')	€ 454	35	35	35
ATSL Holding B.V., Netherlands	€ 100	180	180	180
GACTEL Turnkey Projects Limited. ('GACTEL')	₹ 10/-	5,049,940	5,049,940	5,049,940
Deepmala Infrastructure Private Limited ('DIPL')	₹ 10/-	2,300	2,300	2,300
Transrail Lighting Limited. ('TLL')	₹ 10/-	30,999,940	30,999,940	30,999,940
Ansaldocaldaie Boilers India Private Limited ('ACB')	₹ 10/-	12,000,000	12,000,000	12,000,000
SEZ Adityapur Limited ('SEZAL')	₹ 10/-	50,000	50,000	50,000
Gammon Infrastructure Projects Limited	₹ 2/-	430,286,305	430,286,305	430,286,305
Gammon Holdings (Mauritius) Limited	$ 1	15,000	15,000	-
TOTAL		**902,408,264**	**902,408,264**	**963,272,758**

(vi) Maturity profile of Term Loans and NCD

Period	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Principal Overdue	280.84	65.34	-
With in 1 years	1,704.79	1,308.73	1,072.60
1 to 5 years	2,528.71	2,611.78	3,727.70
beyond 5 years	2,483.85	2,928.83	3,735.04
TOTAL	**6,998.19**	**6,914.68**	**8,535.35**

(vii) The Bankers have given effect to the Novation Agreement since the balance sheet date in the second fortnight of May 2017.

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

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

As at March 31, 2017	1 - 90 days	91 to 180 days	181 to 365 days	> 365 days	Total Amount
GIL	106.02	52.84	90.48	31.50	**280.84**
GIPL Group	2.37	-	-	-	**2.37**
ATSL Holding BV	-	-	39.86	84.06	**123.93**
PVAN	4.47	-	13.40	23.80	**41.67**
GHBV	-	-	39.86	84.06	**123.93**
GIBV	19.21	-	56.07	97.07	**172.35**
Total	**132.07**	**52.84**	**239.68**	**320.50**	**745.09**

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

As at March 31, 2016	1 - 90 days	91 to 180 days	181 to 365 days	> 365 days	Total Amount
GIL	52.69	4.10	8.55	-	**65.34**
GIPL Group	13.70	0.17	-	-	**13.87**
ATSL Holding BV	27.19	-	58.81	-	**86.00**
PVAN	4.47	-	-	19.33	**23.80**
GHBV	27.19	-	58.81	-	**86.00**
GIBV	20.54	-	31.98	52.75	**105.27**
Total	**145.77**	**4.27**	**158.16**	**72.08**	**380.28**

18 Financial Liabilities - Trade Payable

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Trade Payables						
- MSME	-	0.65	-	0.73	-	-
- Others	30.40	389.33	121.57	1,220.61	105.13	1,625.13
Total	**30.40**	**389.98**	**121.57**	**1,221.34**	**105.13**	**1,625.13**

(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	As at March 31, 2017	As at March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.75	0.82
Principal amount due	0.65	0.73
Interest due on the above	0.10	0.09
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.	0.65	0.73
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.10	0.09

19 Other financial liabilities- Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Margin Money Received	1.00	1.00	1.00
Deferred Payment liability	728.76	651.43	645.62
Interest Accrued But Not Due	0.42	0.36	-
	730.17	**652.79**	**646.62**

20 Provisions

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Employee Benefits:						
Provision for Gratuity						
- Indian Companies	0.81	0.54	1.01	6.46	2.59	4.19
- Foreign Companies	11.70	-	11.39	-	13.42	-
Provision for Leave Encashment	2.43	2.16	9.55	3.87	12.59	7.38
Others:						
Provision for Project Obligations	14.94	1.14	13.17	2.60	8.62	-
Periodic Maintenance	3.88	-	-	-	31.32	113.77
Provision for Risk and Contingencies	-	178.06	-	71.67	-	82.57
Total	**33.76**	**181.89**	**35.12**	**84.60**	**68.53**	**207.92**

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

(i) Provision for Project Obligations :

Provision made by GIPL for Obligation on Sale of Subsdiaries in previous year ended March 31, 2017

Provision for Project Obligations is on account of provision made towards obligations to the purchaser of equity shares of SPV's towards project related expenditure.

Particulars	Opening	Addition	Finance Cost on outstanding provision	Utilisation	Closing
Provision for Project Obligations					
Current Year (as at March 2017)	15.77	1.75	0.02	(1.46)	16.07
Previous Year (as at March 2016)	8.62	7.15	-	-	15.77

(ii) Provision for periodic maintenance

In accordance with PDA entered by one of the subsidiaries with Karkhana, at the end of 25 years after commercial operation the subsidiary is required to incur the expenditure to bring the plant back to its normal working condition which will result in decommisioning Obligation on the part of the subsidiary maximum upto ₹ 200 lacs. Accordingly, the subsidiary has created provision for the said expenditure to be incurred in future in accordance with Ind AS 16 " Property Plant and Equipment".

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

Particulars	Opening	Addition	Finance Cost on outstanding provision	Utilisation	Closing
Provision for periodic maintenance					
Current Year (as at March 2017)	-	3.88	-	-	**3.88**
Previous Year (as at March 2016)	145.10	-	-	(145.10)	-

(iii) Provision for Risk and Contingencies

Provision made by the Company for Obligation on Sale of Subsdiaries in previous year ended March 31, 2017

Particulars	Opening	Addition	Finance Cost on outstanding provision	Utilisation	Closing
Provision for Risk and Contingencies					
Current Year (as at March 2017)	71.67	112.08	**-**	(5.68)	**178.06**
Previous Year (as at March 2016) (*)	82.57	2.98	**-**	(13.89)	**71.67**

Out of total addition in provisions during the year- ₹ 100 crores is against FTM exposure which is shown under exceptional item.

(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, 2017**	**As at March 31, 2016**
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.40	1.49
Net Interest Cost	0.25	0.77
Actuarial (Gains)/Losses	(0.14)	(0.06)
Expenses Recognized	**0.51**	**2.20**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(3.04)	(0.88)
Return on Plan Assets, Excluding Interest Income	0.02	0.21
Net (Income)/Expense For the Period Recognized in OCI	**(3.02)**	**(0.67)**
Balance Sheet Reconciliation		
Opening Net Liability	7.47	6.19
Expenses Recognized in Statement of Profit or Loss	0.62	2.27
Expenses Recognized in OCI	0.74	(0.08)
Net Liability/(Asset) Transfer Out	(5.62)	0.00
Benefit Paid Directly by the Employer	(0.11)	(0.30)
Employer Contribution	(1.75)	(0.61)
Net Liability/(Asset) Recognized in the Balance Sheet	**1.35**	**7.47**
Assumptions	**2016-17**	**2014-16**
Expected Return on Plan Assets	7.09%-8.86%	7.92%-8.06%
Rate of Discounting	7.09%-8.86%	7.92%-8.06%
Rate of Salary Increase	4.00%-5.00%	4.00%-5.00%
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	**2016-17**	**2014-16**
Projected Benefit Obligation on Current Assumptions	1.16	7.82
Delta Effect of +1% Change in Rate of Discounting	(0.04)	(0.45)
Delta Effect of -1% Change in Rate of Discounting	0.05	0.52
Delta Effect of +1% Change in Rate of Salary Increase	0.05	0.53
Delta Effect of -1% Change in Rate of Salary Increase	(0.05)	(0.47)
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.17
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	(0.19)

Note :

1 Gratuity of GIL 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 GIL:- 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 and Other Group Companies.

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

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 The above information is presented only to the extent of information available for the Indian Companies including GIL. Disclosure relating to the employee benefits for the overseas components have not been given in the absense of data in required form.

21 Other Non-Current Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Client Advances	223.76	412.83	324.60
Financial Guarantee Liability	1.27	1.47	-
Others liability	48.89	48.68	17.45
Government grants/ Deferred Revenue	396.14	308.69	167.34
Total	**670.06**	**771.67**	**509.38**

22 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Loans Repayable on Demand :			
Cash Credit	1,040.96	2,080.47	1,247.31
Other Loans and Advances :			-
Buyers Credit	2.66	76.29	87.89
Bill Discounting	-	-	6.17
Others	335.08	350.50	305.21
TOTAL	**1,378.70**	**2,507.27**	**1,646.59**
The above amount includes			
Secured Borrowings	**1,040.96**	**2,080.47**	**1,247.31**
Unsecured Borrowings	**337.74**	**426.79**	**399.28**

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) Buyer's Credit facility includes an amount of ₹ 53.68 Crore (Previous Period ₹ 42.11 Crore) being the buyers credit availed on behalf of the Joint Venture on the strength of the underlying invoices of a Joint Venture, where the Company is a lead partner, for onward utilization of the Joint Venture. The entire Liability of such buyer's credit is represented by loan to the Joint Venture. All costs including exchange rate fluctuation on account of the buyers credit are to the account of the Joint Venture.

(v) Short term loan from consortium Bankers :

a) 1st pari-passu charge on the entire Current Assets, Loans and Claims of the Company.

b) The rate of interest on above loan is linked to Bank base rate +200 bps

(vi) Facility overdrawn as at March 31, 2017:

Facility	₹ in Crore	Default period
Cash credit other than BG encashment	188.84	> 365 days
Cash credit - BG encashment	399.26	> 365 days
Total	**588.10**	

B Others

(i) **Pravara Renewable Energy Limited**

Cash credit from banks are against first charge on inventory, receivables, fuel stock and other current assets and second charge on fixed assets the Company

Cash credit from Central Bank of India carries an interest of MCLR (1 year) plus spread of 345 basis points.

Cash Credit from Corporation Bank carries an interest of Base rate plus spread of 230 basis points. Further if Company is paying higher Rate of Interest (ROI) to Central Bank of India then same ROI will apply to term loan from Corporation Bank as well.

(ii) **Vizag Seaport Private Limited**

Working capital loan from bank is secured by way of parri passu first charge on the movable properties, receivables and assignments including all receivables and intangibles, subject to prior charge on specific movable assets in favour of the Company's bankers both present and future, of the Company. Also secured by way of assignment of all project contracts (including license agreement, documents, insurance policies relating to all assets of the project, rights, titles, permits/approvals, clearances and interests of the Company). Charge on all the company's bank accounts, including but not limited to the Trust & Retention Account (TRA) and the Debt Service Reserve Account and each of the other accounts required to be created by the company under any project document or contract.

The loan is repayable on demand. However, the cash credit limit will be repaid in equal periodic bimonthly reduction in drawing power, i.e., INR 1.67 crores every two months. Interest is charged at 13.15% - 13.20% p.a during the period. The loan was entirely repaid during the period.

(iii) **ACBI**

The company has renewed its working capital limits including CC , at reduced level of ₹ 10 crore and enhancement in Non fund based limit to ₹ 30 crore.

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 mention 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.

Since the loan from Banks has been restructed there is no default as on March 31, 2016 . Also the Company has not defaulted in repayments of dues oustanding to the lenders as on March 31, 2017.

23 Other Current Financial Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Current Maturities - Term Loan	971.32	841.64	543.75
Current Maturities- Non Convertible debentures	211.28	210.68	180.48
Others - Overdue Principal (Refer Note (a) below)	280.84	65.34	-
Interest Accrued and Due (Refer Note (b) below)	647.51	287.23	135.72
Interest Accrued But Not Due	90.02	140.08	86.80
Unpaid Dividend (Refer Note (c) below)	0.64	0.71	0.71
Unpaid Matured Deposits	-	-	-
Payable for Capital Goods	4.83	18.30	24.00
Deferred Payment liability	-	67.51	58.77
Application Money Received for Allotment of Securities	0.00	0.00	4.90
Other Payables	-	-	-
- Related Party	122.69	3.32	39.62
- Others	49.87	179.82	177.54
Total	**2,379.00**	**1,814.63**	**1,252.28**

(a) Principal Overdue includes -

March 2017: RTL- ₹ 124.99 Crore , NCD- ₹ 24.62 Crore, FITL- ₹ 6.78 Crore, PL- ₹ 108.95 Crore and WCTL- ₹ 15.50 Crore.

March 2016: RTL- ₹ 19.62 Crore , NCD- ₹ 24.08 Crore, FITL- ₹ 3.46 Crore, PL- ₹ 18.18 Crore

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

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL	122.52	85.10	158.69	60.57	426.88
GIPL Group	27.80	-	-	0.19	27.99
ATSL Holding BV	7.34	-	9.53	12.37	29.24
PVAN	2.46	1.10	2.29	5.96	11.81
GHBV	7.34	-	10.07	18.73	36.15
GIBV	9.45	-	12.35	25.36	47.16
GIL	**176.91**	**86.20**	**192.93**	**123.18**	**579.22**

The continuing default on Interest obligation is tabulated below:

As at March 31, 2016	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL	98.98	40.90	27.05	-	166.93
GIPL Group	42.00	0.43	-	-	42.43
ATSL Holding BV	6.51	-	5.37	3.76	15.64
PVAN	2.15	-	0.89	4.10	7.14
GHBV	6.51	-	12.44	3.76	22.71
GIBV	8.71	-	13.84	9.09	31.63
GIL	**164.85**	**41.33**	**59.60**	**20.71**	**286.48**

The above information of default in interest and principal is disclosed only to the extent of information available for the respective Group Companies Financial Statement.

(c) Unpaid dividend includes ₹ 0.37 Crore (P.Y March 2016: ₹ 0.33 Crore and October 2014: ₹ 0.25 Crore) to be transferred to the Investor Education & Protection Fund

(d) During the previous year ,GIPL has received money in trust parked in escrow account towards due to Gammon India Limited, the ultimate parent, as part of the SPA to be discharged on satisfaction of certain conditions amounting to ₹ 62.41 crores along with interest accrued thereon amounting to ₹ 0.22 crores which is part of Fixed Deposit in escrow account.

(e) **Other Payable Related Party:**

Other payables - related party includes an amount of ₹ 107.16 Crore payable to Gammon Engineers and Contractors Private Limited relates to the payments made from the common pool of funds during the period from July 1, 2016 till the effective date towards obligations of Gammon India Limited out of money received on GECPL account. To secure the receipt of the sum payable to GECPL, the parties have entered into an agreement wherein GIL has assigned receivables from specific claims, awards from arbitration in favour of the Company and other specific receivables with a right to recourse in case of shortfall of receivables from the assigned amounts. The aggregate amount covered under the agreement is ₹ 110 Crore. The amount due to GECPL in terms of the arrangement between the parties shall carry interest equivalent to the rate of interest mentioned in the award. However the same is restricted to the amount due to GECPL.

24 Other Current Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Client Advances	109.41	619.12	726.96
Duty & Taxes Payable	36.60	61.64	92.34
Unamortised Guarantee	0.11	1.60	(0.00)
Advance Received against Land	70.00	70.00	70.00
Advance received for Purchase of Share	16.64	16.64	16.64
Others	18.58	16.84	29.32
Total	**251.35**	**785.84**	**935.25**

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.

25 Current Tax Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
Provision for taxation (net of taxes paid)	30.13	25.26	23.87
Total	**30.13**	**25.26**	**23.87**

26 Revenue from Operations

Particulars	April 2016 -March 2017		October 2014 - March 2016	
Revenue from Operations:				
Sale of Services		1,292.24		7,320.54
Sale of Products		191.68		252.40
Other Operating revenue		183.69		408.99
Total		**1,667.62**		**7,981.92**
Breakup of Revenue from Operations:				
Sale of Services:				
Contract Revenue	1,061.53		6,632.82	
Toll revenue	84.11		341.20	
Operating and Maintenance Income	-		120.51	
Service concession revenue	4.17		17.46	
Revenue from port operations	130.23		175.47	
Change of Scope	12.19		14.36	
Developer's Fees	-		4.87	
Works Contract Income	-	1,292.24	13.85	7,320.54
Sale of Products:				
Revenue from power projects	55.84		34.09	
Sale of Products	135.85	191.68	218.31	252.40
Other Operating revenue:				
Finance Income - Annuity Project	125.46		245.90	
Export Incentive	-		1.42	
Sale of Scrap	1.99		26.45	
Freight Charge	-		21.53	
Miscellaneous Operating Income	6.43		78.16	
Sundry Balances Written Back	49.81	183.69	35.53	408.99
Total		**1,667.62**		**7,981.92**

(i) In VGRPPL the toll collection till August 26, 2016 has been recognized as Toll revenue.

(ii) In accordance with the principles in Appendix A to Ind AS 11 relating to accounting for Service Concession Agreements, the Group has started recognizing construction revenue in its Statement of Profit & Loss. The construction service being rendered for eventual BPS/ tolling operations to be carried out by the SPV itself, the management has recognized the same at cost plus margin.

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

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

Particulars	April 2016 - March 2017
Method use to determine the contract revenue	% of Completion method
Method use to determine the stage of completion of contract	Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete.

Particulars	April 2016 to March 17	October 2014 to March 16
Contract revenue for the year	1,061.53	6,632.82
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	12,477.32	28,505.08
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	1,098.81	3,300.92
Advances received from contractees	121.75	710.53
Retention money	11.11	246.42
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,246.65	2,759.14
Gross amount due to customers for contract work	10.22	91.71

(v) **Disclosures as required by Appendix B of Ind AS 11 relating to "Service Concession Arrangements: Disclosures"**

i) **Description of the Arrangement along with salient features of the project:**

Sidhi Singrauli Road Project Limited is incorporated under the Companies Act, 1956, on April 24, 2012, as a subsidiary of Gammon Infrastructure Projects Limited to provide, to undertake and carry on the business of four laning of Sidhi Singrauli section of National Highway No.75E from km. 83/4 to km 195/8 in the State of Madhya Pradesh on design, build, finance, operate and transfer basis.

Vijayawada Gundugolanu Road Project Private Limited one of the SPV of the Group has undertaken to carry on the project of Six laning of Vijayawada – Gundugolanu section of NH-5 from km 1076.48 to km 1022.48 including six lane Hanuman Junction Bypass (Length 6.72 km) and four lane Vijayawada Bypass (Length 47.88 km) [Total Length: 103.59 km] in the state of Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on Design Built Finance Operate and Transfer 'DBFOT' basis ("Project"). In terms of the Concession, the SPV is required to pay additional concession fees for collecting the toll on the four lane project. The SPV is also required to convert the four lanes into six lanes. The SPV in exchange for the construction and maintainance of the road acquires the right to collect toll from the user of the facility and the Grantor controls the toll rates under the Concession agreement. The collection of the revenue will depend upon the traffic on the facility and also the rates determined by the grantor. The Concession is granted for a total period of 30 years. The tolling rates are re-set at regular intervals based on the changes in the wholesale price index. The traffic projections are based on the traffic study before the grant of the concession.

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

Vizag Seaport Private Limited one of the SPV of the Group has entered into a license agreement ("the Agreement") with Visakhapatnam Port Trust (VPT) for construction and license out equipment operation management and maintenance of two multi purpose berths EQ 8 and EQ 9 in the northern arm of inner harbour at Visakhapatnam Port for handling Coal, Lime Stone, Rock Phosphate, Sulphur and other bulk cargo or General cargoes or container or liquid bulk cargo (non-hazardous) on Build, Operate and Transfer (BOT) basis for the period of 30 year concession (including construction period of two years). The license agreement with VPT was signed on 28 November 2001 for a period of 30 years. The premature termination is permitted only upon the happening of force majeure events or upon the parties defaulting on their respective obligations.

ii) **Obligations of Operations and maintenance**

The SPV's of the Group are required to carry out operations and maintenance on the berth / road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals

In case of one of the SPV i.e. SSRPL, since the Construction of the Road is under progress there is no current Obligation of Operation and Maintenance of the Road . However as per Concession Agreement with MPRDC the Company is required to carry out operations and maintenance on the road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals after the Completion of Construction activity and receipt of Commercial Operation Date Certificate

In case of one of the SPV i.e. VSPL, the SPV is entitled to collect the revenues from operating and maintenance of the project berths from user during the licensing period. The Company is required to pay the royalty to VPT at 17.111% of certain gross revenues on monthly basis during the licensing period. Having regard to the terms of the arrangement, the right to receive the revenues has been classified as an intangible assets/intangible assets under development (i.e. "Service concession assets") under the head intangible assets. The SPV has recognized the following service concession revenue and development costs for increase in capacity:

Vizag Seaport Private Limited one of the SPV of the Group is required to handover the vacant and peaceful possession of project berths at the end of the license period and transfer all its rights, titles and interests in the assets comprised in the project facilities and services as specified in the license agreement to VPT at terminal value specified in the agreement.

The SPV at its own cost has to replace the equipment well ahead of the due dates as per the equipment replacement plan given at the Agreement. The SPV at its own cost, promptly and diligently repair, replace or restore any of the project facilities and services or part thereof which may be lost, damaged or destroyed.

iii) Changes to the Concession during the period

No changes in the arrangement of SPVs with the grantor have occurred during the accounting period except listed below.

In case of one of the SPV i.e. VGRPPL, the SPV has received a notice of termination from NHAI on August 26, 2016. Consequently NHAI took possession of the toll plaza and tolling was suspended by the SPV. Accordingly, the SPV suspended amortization of the Intangible Asset from that date and also stopped accruing interest liability on the deferred payment liability from that date.

Subsequently, as a result of the efforts of the SPV and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Pursuant to the requirements stipulated by NHAI the Company has entered into a binding agreement with Hinduja Realty Ventures for a committed equity participation of 49% in the Project as and when their conditions are satisfied. With the committed equity participation by the Hinduja Realty Ventures, bankers have expressed their willingness to give their respective sanctions , which are under final stages of approval for financial closure of this Project. The management is hopeful of the financial closure of the project and the project being revived.

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

iv) Classification of the Concession

The Group has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a Tolling / berth arrangement resulting in recognition of an Intangible Asset. Revenue is recognised during the construction period as revenue from construction services with the corresponding debit to Intangible assets under development. Revenue is recognised on cost plus margin basis.

In case of one of the SPV i.e. PHPL where the SPV is receiving annuity from the grantor, has classified the arrangement as a Financial Asset resulting in recognition of an Financial Asset. Revenue is recognised during the construction period as revenue from construction services as well as financial income.

v) Recognition of Construction services revenue and costs:

The Group has applied INDAS 11"Service Concession Arrangement" retrospectively and has recognised margin on Construction activity and the same is debited to Intangible Assets and credited to Reserve and Surplus on the transition date.

vi)	The Company has recognised the following Revenue and costs from construction services covered under Service Concession Agreement	12 months period ended March 31, 2017	18 months period ended March 31, 2016
	Construction Revenue (including change of Scope)	235.78	397.75
	Construction Cost	232.53	394.18
	Finance Income	125.46	245.90
	Finance Cost	111.10	149.21

Note: The above disclosure is part of disclosure requirment of IND AS 11 and has been seperatly disclosed to comply with Appendix A of IND AS 11

27 Other Income

Particulars	April 2016 -March 2017	October 2014 - March 2016
Interest Income on amortised cost	68.03	25.14
Profit on Sale of Business	16.31	6.14
Miscellaneous Income	3.69	30.93
Excess provision written back	10.37	4.80
Profit on Sale of Assets	11.00	6.06
Profit on Sale of Investments	3.61	0.66
Unrealised Gain on Fair Valuation of Current Investments	3.02	4.09
Corporate Guarantee Commission	1.76	3.22
Amortisation of grant	3.42	4.26
Dividend Income	0.00	0.05
Insurance Claim Received	-	5.30
Total	**121.20**	**90.65**

28 Cost of Materials Consumed

Particulars	April 2016 -March 2017		October 2014 - March 2016	
Opening Stock	291.89		385.82	
Add : Purchases	363.71	655.60	1,893.48	2,279.31
Less : Transferred under Business transfer	217.79		55.41	
Less : Transferred to Other expenses	-		0.10	
Less : Capitalised during the year	-		0.57	
Less : Loss due to fire	-		5.21	
Less : Closing Stock	67.27	285.06	291.89	353.17
Total		**370.55**		**1,926.13**

29 Purchase of Stock in Trade

Particulars	April 2016 -March 2017	October 2014 - March 2016
Traded Item - Brought Out Material	8.18	115.44
(Conductor, Insulators & Hardware Item)		
Excise Duty	-	50.34
Total	**8.18**	**165.78**

30 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2016 -March 2017		October 2014 - March 2016	
Work in progress:				
Opening Stock - Construction Work In Progress	832.68		1,321.48	
Opening Stock - Manufacturing	-	832.68	2.72	1,324.20
Less :				
Closing Stock - Construction Work In Progress	(170.42)		(832.68)	
Closing Stock - Manufacturing	-	(170.42)	-	(832.68)
Finished goods:				
Opening Stock - Manufacturing Finished Goods	-		33.84	
Less :				
Closing Stock - Manufacturing Finished Goods	9.99	9.99	-	33.84
Stock Transfer on account of Business Transfer/ divested subsidiary		(601.19)		(61.61)
Total		**71.06**		**463.75**

31 Subcontracting Expenses

Particulars	April 2016 -March 2017	October 2014 - March 2016
Subcontracting Expenses	442.55	1,906.92
	442.55	**1,906.92**

32 Employee Benefits

Particulars	April 2016 -March 2017	October 2014 - March 2016
Salaries, Bonus, Perquisites etc.	131.88	596.44
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	12.34	37.56
Staff Welfare Expenses	10.89	26.65
Other Expenses	0.19	(0.13)
Total	**155.31**	**660.52**

(a) **In case of holding Company:**

The Ministry of Corporate affairs vide its letter dated November 24, 2016 and March 28, 2017 had rejected the company's application for waiver of excess remuneration paid to Chairman and Managing Director (CMD) for the periods April 1, 2012 to May 16, 2016. The Company in its extra-ordinary general meeting held on June 29, 2017 had sought the approval of the shareholders for waiver of recovery of remuneration of ₹ 17.19 Crore paid (from April 1, 2012 to September 30, 2014) to CMD, for which resolution was not approved by the shareholders. Considering the efforts made by CMD in steering the Company through the challenging times and the contribution made by him in the CDR package, the Board on the recommendation of the Nomination and Remuneration Committee has decided to seek shareholders' approval afresh for waiver of remuneration paid to CMD. No remuneration has been paid to him since October 2014 and only provision has been made in books for the same.

Further the Company's application for payment of remuneration of ₹ 4 Crore per annum payable for a period of three years effective from May 17, 2016 has also been rejected by the Ministry due to non-recovery of remuneration paid from April 1, 2012 to September 30, 2014. The total amount of remuneration due to CMD till March 31, 2017 is 30.54 Crore.

Similarly the Company's application for waiver of recovery of excess remuneration paid to its erstwhile Executive Director Mr. Himanshu Parikh for an aggregate amount of ₹ 59.85 lakhs was also rejected. The Company has made a representation to the Ministry to reconsider its decision as Mr. Parikh has resigned from the Company's services since April, 2013. In view of the aforementioned facts no adjustments are made in these financials.

(b) **In case of Subsidiary Company (GIPL):**

During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of ₹ 2.04 crores and ₹ 1.84 crores respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (Ministry) for approval of waiver of recovery of such excess remuneration. One of the Company's applications had been partially allowed and the Ministry has rejected the others, with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 3.88 crores. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 1.09 crores for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

33 Finance Cost

Particulars	April 2016 -March 2017	October 2014 - March 2016
Interest Expense on amortised cost	824.58	1,565.71
Interest on deferred liability payments	37.08	130.00
Other Borrowing Costs	13.31	61.31
Total	**874.97**	**1,757.02**

34 Depreciation & Amortisation

Particulars	April 2016 -March 2017	October 2014 - March 2016
Depreciation	55.28	287.26
Amortisation	35.16	90.41
Total	**90.44**	**377.67**

35 Other Expenses

Particulars	April 2016 -March 2017	October 2014 - March 2016
Plant Hire Charges	7.67	46.95
Consumption of Spares	8.61	86.79
Outward Freight	1.18	39.69
Preliminary and share issue expenses	-	0.30
Power & Fuel	39.29	158.77
Fees & Consultations	23.98	60.05
Rent	20.69	58.28
Rates & Taxes (incl indirect taxes)	41.35	196.52
Travelling Expenses	9.47	47.19
Communication	1.69	6.35
Insurance	9.85	22.94
Repairs to Plant & Machinery	2.26	7.22

Particulars	April 2016 -March 2017	October 2014 - March 2016
Repairs to Building	-	0.28
Other Repairs & Maintenance	2.26	12.42
Bank Charges & Guarantee Commission	4.70	50.38
Other Site Expenses	40.20	133.08
Sundry Expenses	40.99	100.09
Sundry Balance Written Off	40.50	20.88
Bad debts	20.94	28.58
Provision for Doubtful Debts and Advances	16.61	45.10
Provision for Risks & Contingency	12.08	2.98
Loss on sale of Current Investments	0.25	-
Loss on Sale of Assets	0.02	0.18
Prior Period Expenses	-	0.63
Foreign Exchange Loss	144.39	76.17
Asset written off	12.44	-
Remuneration to Statutory auditors	1.58	2.35
Branch Auditors' Remuneration	0.09	1.99
Component Auditors Remuneration	0.43	0.44
Foreign Branch auditor fees	-	0.10
Other (none of the which is more than 1% of the Operating revenue)	90.74	281.22
Total	**594.27**	**1,487.89**

Remuneration to Auditors of the Company and its Components

Particulars	April 2016 -March 2017		October 2014 - March 2016	
Remuneration to Company Auditor				
Statutory audit & Limited Review	0.68		1.10	
Audit of Components	0.47		0.80	
Attestation and Certification	0.43	1.58	0.45	2.35
Remuneration to Branch Auditors				
Statutory audit & Limited Review	0.09		1.13	
Other Services	-	0.09	0.86	1.99

36 Exceptional Items

Particulars	April 2016 - March 2017	Oct 2014 - March 2016
Loss on divestment of subsidiaries of GIPL	-	52.62
Loss on divestment of Subsidiary of GIL	-	10.30
Professional fees in connection with disposal of SPV's	-	6.15
Adjustable receipt of earlier year accounted	-	(8.18)
Claim Recovery from Trade receivable	(14.90)	(29.33)
Impairment provisions of Investments , Goodwill and Loans and Receivables	309.29	
Project Claim Received	(2.41)	
Others	-	(0.76)
Total	**291.98**	**30.80**

i) The Company has made following provisions towards impairment of goodwill, carrying value of investments and loans & receivables.

₹ in Crores

Towards loans & carrying value of investments of Finest S.p.A	21.29
Towards loans of Campo Puma Oriente	130.00
Towards loans and carrying value of investments of FTM	100.00
Towards goodwill of GIPL	58.00
Total	**309.29**

ii) The Group has recovered amounts from Clients of amounts previously writtenoff of ₹ 14.90 crores and has also recovered ₹ 2.41 crores out of arbitration which was not recognised earlier.

37 Tax Expense

Particulars	**April 2016 - March 2017**	**Oct 2014 - March 2016**
Income tax expense in the statement of profit and loss consists of:		
Current Tax	22.30	67.30
Excess short provision for tax	2.93	20.65
Deferred tax	(8.36)	72.55
Income tax recognised in statement of profit or loss	**16.88**	**160.50**

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	(1,136.90)	(723.44)
Less Non Taxable Profit/(Loss)	(1,222.14)	(796.66)
Taxable Profit/(Loss)	85.24	73.22
Enacted tax rates (%)		
Enacted tax rates in India (%)	34.61%	34.61%
Enacted tax rates in Foreign (%)	27.50%	27.50%
Computed expected tax expenses	27.61	25.34
Effect of non- deductible expenses	1.02	9.77
Effect of tax losses adjusted		
Effects of deductible Expenses/ exempt income	(0.01)	(21.22)
Non taxable effect	(6.07)	23.49
Set off of brought forward losses	(2.00)	(10.22)
Effect of deductible expenses and set off of losses	(0.00)	(0.02)
Effect of Ind-AS impact	1.72	-
Others	0.02	0.83
Income tax expenses - Net	**22.30**	**27.96**
Mat u/s 115 JB		
Enacted tax rates in India (%)	21.34%	21.34%
Effect of non- deductible expenses	-	188.80
Effects of deductible Expenses	-	451.99
Taxable	-	184.43
Tax thereon	**-**	**39.34**

B Deferred Tax

Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Property, Plant and Equipment	(179.35)	-	-	(179.35)
Non Current Investments	(129.55)	-	-	(129.55)
Employee Benefits	44.42	-	-	44.42
Provision for replacement cost	2.80	-	-	2.80
Accumulated Losses	28.64	-	-	28.64
Trade Receivable- Provision for doubtful debts	85.10	-	-	85.10
Disallowances u/s 43B	6.70	-	-	6.70
ICDS Adjustments	-	-	-	-
Tax Disallowance	2.73	-	-	2.73
Mat Credit Entitlement	10.40	-	-	10.40
Other	0.07	-	-	0.07
Remeasurement gain/(loss) on defined benefit plans		-	0.82	0.82
As at October 1, 2014	**(128.04)**	**-**	**0.82**	**(127.22)**
Property, Plant and Equipment	(179.35)	(58.60)	-	(237.95)
Non Current Investments	(129.55)	(0.16)	-	(129.71)
Employee Benefits	44.42	(28.85)	-	15.58
Provision for replacement cost	2.80	1.36	-	4.15
Accumulated Losses	28.64	(2.74)	-	25.91
Trade Receivable- Provision for doubtful debts	85.10	(47.73)	-	37.37
Disallowances u/s 43B	6.70	4.74	-	11.44
ICDS Adjustments	-	14.72	-	14.72
Tax Disallowance	2.73	1.24	-	3.97
Mat Credit Entitlement	10.40	15.03	-	25.43
Other	0.07	(0.06)	-	0.02
Remeasurement gain/(loss) on defined benefit plans	0.82	-	0.33	1.14
As at March 31, 2016	**(127.22)**	**(101.03)**	**0.33**	**(227.93)**
Property, Plant and Equipment	(237.95)	54.67	-	(183.28)
Non Current Investments	(129.71)	(0.02)	-	(129.73)
Employee Benefits	15.58	(14.40)	-	1.18
Provision for replacement cost	4.15	0.96	-	5.11
Accumulated Losses	25.91	(0.32)	-	25.59
Trade Receivable- Provision for doubtful debts	37.37	(19.04)	-	18.33
Disallowances u/s 43B	11.44	(11.44)	-	-
ICDS Adjustments	14.72	(14.72)	-	-
Tax Disallowance	3.97	(0.03)	-	3.94
Mat Credit Entitlement	25.43	6.63	-	32.06
Other	0.02	(0.02)	-	(0.00)
Remeasurement gain/(loss) on defined benefit plans	1.14	-	(1.14)	-
As at March 31, 2017	**(227.93)**	**2.28**	**(1.14)**	**(226.79)**

38 Earning Per Share

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

Particulars	April 2016 - March 2017	Oct 2014 - March 2016
Net Profit attributable to the Equity Share holders	(1086.45)	(779.28)
O/s number of Equity Shares at the end of the year	368,847,305	364,722,809
Weighted Number of Shares during the period – Basic	368,045,006	164,777,040
Weighted Number of Shares during the period – Diluted	368,770,806	165,502,840
Earning Per Share – Basic (₹)	(29.52)	(47.29)
Earning Per Share – Diluted (₹)	(29.46)	(47.09)

Reconciliation of weighted number of outstanding during the year :

Particulars	April 2016 - March 2017	Oct 2014 - March 2016
Nominal Value of Equity Shares (Rupee Per Share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	364,722,809	135,774,668
Add : Issue of shares	4,124,496	228,948,141
Outstanding Equity shares at the year end	368,847,305	364,722,809
Weighted Average of Equity Shares at the end	368,045,006	164,777,040
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	368,045,006	164,777,040
Add : Shares kept in abeyance	725,800	725,800
Weighted Avg no. of shares in calculating Dilutive EPS	368,770,806	165,502,840

39 Employees Stock Options Scheme (‘ESOP’):-

During the financial period ending Dec’13 the Company had instituted an ESOP Scheme “GIPL ESOP 2013”, approved by the shareholders vide their resolution dated September 20, 2013, as per which the Board of Directors of the Company granted 6,160,000 equity-settled stock options to the eligible employees. Pursuant to the ESOP Scheme each options entitles an employee to subscribe to 1 equity share of ₹ 2 each of the Company at an exercise price of ₹ 2 per share upon expiry of the respective vesting period which ranges from one to four years commencing from October 1, 2014.

The details of ESOP’s granted under the aforesaid ESOPs Schemes are summarized herein under :

Particulars	Period ended Mar'17	Period ended Mar'16	Period ended Oct'14
Grant Date	23-Sep-13	23-Sep-13	23-Sep-13
Market Price considered (Rupees)	6.80	6.80	6.80
Exercise Price of Options granted during the period (₹)	2.00	2.00	2.00
Options outstanding at the beginning of the period	240,000	5,110,000	5,320,000
Options granted during the period	-	-	-
Options lapsed /forfeited during the period	-	1,240,000	210,000
Options vested during the period	120,000	3,630,000	-
Options granted and vesting outstanding at the end of the period	**120,000**	**240,000**	**5,110,000**

Of the aforesaid vested options of 1,20,000 (March 16: 36,30,000 option) , 60,000 options (March 16: 35,70,000 options) were excercised and allotment made against the same.

The Company has used intrinsic value method for valuation of options by reducing the exercise price from the market value. However if the compensation cost would have been determined using the alternative approach to value options at fair value, the Company’s net loss would have been changed to amounts indicated below:

Particulars	Period ended Mar'17	Period ended Mar'16
Net loss as reported	(1,086.45)	(779.28)
Add: Stock based compensation expense included in the reported income	0.02	(0.17)
Less: Stock based compensation expenses determined using fair value of options	0.02	(0.17)
Net profit / (loss) (adjusted)	**(1,086.45)**	**(779.28)**

Particulars	Period ended Mar'17	Period ended Mar'16
Basic earnings per share as reported	(29.52)	(47.29)
Basic earnings per share (adjusted)	(29.52)	(47.29)
Diluted earnings per share as reported	(29.46)	(47.09)
Diluted earnings per share (adjusted)*	(29.46)	(47.09)
Weighted average number of equity shares at the end of the period	368,045,006	164,777,040
Weighted average number of shares considered for diluted earnings per share	368,770,806	165,502,840

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options are as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	23-Sep-14	23-Sep-13	23-Sep-13	23-Sep-13
Vesting date	1-Oct-14	1-Oct-15	1-Oct-16	1-Oct-17
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

40 Disclosure under Indian Accounting Standard (Ind AS) 17 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.

The Company has taken certain equipment on an operating lease and the future minimum committed lease rentals are given as follows on the basis of current usage -

Particulars	March 31, 2017	March 31, 2016
Payable not later then one year	-	4.64
Payable between one to five years	-	-
Payable after five years	-	-

41 Contingent Liability

	Particulars	As at March 31, 2017	As at March 31, 2016
i	Liability on contracts remaining to be executed on Capital Account	491.43	266.00
ii	The capital commitments in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.	2,888.47	3,313.77
iii	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.	1,036.96	2,520.41
	The above does not include the Corporate and Bank Guarantees which are in the process of being transferred in the name of GECPL under the Scheme (amounting to ₹ 620.24 Crore).		
iv	Corporate Guarantees and Counter Guarantees given to Bankers by a step down subsidiaries and Joint ventures for their projects	60.19	60.19
v	Counter Guarantees given to the bankers for SPV (including counter guarantees given to the bankers for the guarantees given by them on our behalf	242.03	454.11
vi	Bank Guarantees (in ordinery course of business)	192.52	199.73
vii	Disputed Sales Tax Liability for which the Company has gone into appeal	37.46	163.11
viii	Claims against the Company not acknowledged as debts	287.95	241.04
ix	Disputed Excise Duty Liability	0.10	18.04
x	Disputed Service Tax Liability	7.31	60.77
xi	Outstanding Letters of Credit Pending Acceptance	2.89	50.49
xii	In respect of Income Tax Matters of Company and its Joint Ventures	356.59	435.21

	Particulars	As at March 31, 2017	As at March 31, 2016
xiii	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
xiv	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
xv	Other Matter	6.42	6.42
xvi	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96
xvii	Disputed Property Tax Liability	1.93	-

xviii There is a disputed demand of UCO Bank pending since 1986, of USD 436251 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.

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

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

xxi 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.

42 Other Commitments

Particulars	March 31, 2017	March 31, 2016
Export obligations	22.90	22.90
Other Commitments:		
- Share of equity commitment in SPV's	587.29	664.73
- Buyback / purchase of shares of subsidiaries	53.00	89.88
Total	**663.19**	**777.51**

43 Segment Reporting as per IND AS108 " Operating Segments"

(a) Holding Company (GIL):

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

Revenue of ₹ 180.77 Crore (PY: 1482.05 Crore) arising from two major customer being Government/ Government controlled entities contribute to more than 10% of the total revenue of the Company.

(b) Subsidiary Company (GIPL):

Madhya Pradesh Road Development Corporation (MPRDC) from whom more than 10% of the business of the Group is carried out in the form of Tolling Contract.

National Highways Authority of India (NHAI) from whom more than 10% of the business of the Group is carried out in the form of Annuity Contract.

(c) Subsidiary Company (ACB):

Revenue of ₹ 24.31 crores arising from one major customer being Privately controlled entities contribute to more than 10% of the total revenue of the Company.

(d) Disclosure of Segment:

The Group operates on a worldwide basis across the globe, they operate in two principal geographical areas of the world in India and the other countries. However during the period the overseas segment constitute more than 10% of total revenue but does not constitute more than 10% of total assets of the Group and hence the segment-wise reporting is disclosed only for Revenue in India and Outside India.

Particulars	April 1, 2016- March 31, 2017		October 1, 2014 - March 31, 2016	
	₹ in Crs	%	₹ in Crs	%
Revenue within India	1,485.68	89.09	7,712.18	96.62
Revenue outside India	181.94	10.91	269.74	3.38
Total Revenue	1,667.62	100.00	7,981.92	100.00

44 GIPL has during the previous period transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for the following six entities:

a) Andhra Expressway Limited

b) Aparna Infraenergy India Pvt Limited (through PHL being 100% subsidiary of GIPL)

c) Gorakhpur Infrastructure Company Limited

d) Kosi Bridge Infrastructure Company Limited

e) Mumbai Nasik Expressway Limited

f) Rajahmundry Expressway Limited

The SPA covered the sale of another 3 subsidiaries PREL, SHPVL and VGRPPL to BIF India Holdings Pte Ltd., in respect of which certain condition precedent were required to be satisfied. In respect of PREL and SHPVL the long stop date expired on May 26, 2016. The long stop date for VGRPPL was August 26, 2016. Since the long stop date of PREL and SHPVL has crossed, the Company got a fresh valuation done to determine possible diminution in the value of investment from an external valuer and based on such valuation report has concluded that there is no diminution in the value of investment of PREL and SHPVL.

The releases of pledge in respect of some of the shares of subsidiaries are in progress although the necessary documents and authorities have been granted in favour of the purchaser. In respect of these shares, the registered shareholder continues to be GIPL.

As a consequence of the sale of these six subsidiaries, the O&M contracts between the said subsidiaries and GIPL has been cancelled. GIPL has therefore written off its Intangible assets being the right to O&M activities which GIPL acquired. An amount of ₹ 7.16 crores has been charged to the statement of profit and loss under Exceptional items. Similarly various tangible assets at the project sites of these subsidiaries used by GIPL to carry out its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six subsidiaries aggregating to ₹ 0.66 crores . These amounts are debited to the statement of profit and loss under Exceptional items. Further there has also been a reversal of O&M income pursuant to the aforesaid SPA, of ₹ 13.56 crores which has been effected.

Further, during the previous period, the GIPL transferred its entire beneficial interest in three other subsidiaries, MTL, PBHL and PHL in favour of Hiten Shah (Purchaser) for which it entered into a Share Purchase Agreement (SPA).

The total cash consideration received on sale of all the nine subsidiaries is ₹ 138.15 crores. Further, a waiver of ₹ 265.56 crores has been received on refund of intercorporate loans received by GIPL from the few of the divested subsidiaries including interest payable thereon forms a part of the sale proceeds. The difference between the carrying value of investments and afore mentioned agrregate consideration has been shown as loss on sale of investments after providing towards certain obligations towards the projects.

45 During the previous period, a subsidiary of the GIPL has lost inventory worth ₹ 5.21 crores due to fire at its plant storage site. It has made a claim to the insurance company for a sum of ₹ 5.20 crores. The claim is still under process for admission by the insurance company. The management is certain of recovering its loss and has accordingly recognised the claim amount. The net loss of ₹ 0.01 crores is shown under Exceptional items. The Management is of the firm view that the claim will eventually be received and contends that the whole amount is receivable.

46 Vijayawada Gundugolanu Road Project Private Limited one of the SPVs of GIPL had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of GIPL efforts and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Though GIPL have not fulfilled the condition of revocation of termination notice by NHAI i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group, GIPL is still engaged with NHAI for a mutual and amicable settlement . The exposure of the company in the SPV is ₹ 160.62 crores (funded and non-funded).

47 In respect of the GIPL and its SPV projects, there are legal issues, arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matters. These issues are commonly encountered in the Infrastructure business and the management is confident of a favorable resolution in due course. Following are the details of such issues:

(a) One of the SPVs of the group is engaged in a bridge project at Cochin, the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. GIPL has also in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court vide order dated 20.10.2016, granted extension of 3 months from March 28, 2017 to settle the matter. Exposure of the Group in the SPV is ₹ 26.31 crores (funded and non-funded).

(b) The hydro power project of one of the SPVs of the group at Himachal Pradesh is stalled due to local agitation relating to environment issues. The matter with State Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the GIPL Group in the SPV is ₹ 67.89 crores.

(c) In one of the joint venture of the GIPL group at Indira Container terminal at Mumbai, the project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter with the MBPT was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the lenders. The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Refusal (ROFR) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Group in the SPV is ₹ 735.91 crores (funded and non-funded).

(d) One of the SPV of the GIPL Group has commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The exposure of the Group in the SPV is ₹ 1052.75 crores (funded and non-funded).

(e) In respect of another project on annuity basis of one of the SPVs of the Group, the SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the SPV has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the group in the SPV is ₹ 283.88 crores

48 GIPL has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). GIPL was required to pay the entire outstanding by September 30, 2017. GIPL has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. The management is hopeful of receiving the extension and / or non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results

49 A EPC Business transferred to GECPL:

i) The Company as part of the restructuring exercise to carve out the Civil Engineering business of the Company in two phases i.e by way of a slump sale through a Business Transfer Agreement between the Company and Gammon Engineers and Contractors Private Limited ("GECPL") , then a wholly owned subsidiary of the Company and secondly by way of a slump exchange through a Scheme of Arrangement ("Scheme") between the Company and GECPL and its respective shareholders and creditors .

ii) The Civil EPC business essentially comprises of Civil Engineering, Procurement and Construction business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. as a going concern, which shall include all the pre-qualifications, properties, rights and powers and all debts, liabilities, duties and obligations comprised in/and pertaining to the Civil EPC business which includes the portions being transferred under the BTA and the balance portions being transferred under the scheme.

iii) The Business Transfer Arrangement (BTA) was entered into on 21st July,2016 for transferring certain identified business forming part of the EPC business into the said GECPL to speed up the process of transfer of the business. The BTA and the Scheme were within the overall restructuring exercise of transferring the entire Civil EPC business into a separate Company with the objective of inviting strategic investors. The Company and GECPL also entered into an Investment cum Shareholders Agreement on 21st July, 2016 with G P Group of Thailand to acquire 75% stake in GECPL for a consideration of ₹ 150.01 Crore wherein the civil EPC Business together with its associates and affiliates will acquire 75% controlling interest and the balance 25% will be with the Company.

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

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

vi) Based on the above approvals and consummation of the transactions under BTA and the Scheme, the Company had transferred as a going concern the Civil EPC business as identified in the BTA and the Scheme of Arrangement to GECPL with effect from the appointed date of July 1, 2016.

vii) Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said GECPL w.e.f July 1, 2016.

viii) Accordingly, on and from July 1, 2016, the Company is entitled to 25% stake in GECPL with the balance controlling state with the GP Group. The equity shares evidencing the 25% stake have been proportionately issued since the Balance Sheet date.

ix) The Company has accordingly accounted for the investment in GECPL as an Associate under equity method based on the financials of the said GECPL for the year ended March 31, 2017.

x) There were no material transactions in the said GECPL upto June 30, 2016.

B Transmission & Distribution business transferred to TLL:

i) The Transmission and Distribution business (T & D) of the Company was also carved out in two phases effective from 1st January,2016 i.e by way of a slump sale through a Business Transfer Agreement between the Company and Transrail Lighting Limited ("TLL") and a Slump exchange by way of a Scheme of Arrangement ("Scheme") between the Company and TLL and their respective shareholders and creditors("The Scheme") . The objective of the carve out was inter-alia to attract strategic investors to invest in the T & D Business. The BTA was executed on October 27, 2015 as amended by the First Amendment to the BTA dated February 12, 2016 pursuant to which the manufacturing facilities at Deoli and Silvassa were transferred along with all assets , and liabilities, including secured debt . Gammon India limited was to hold 25% in the equity capital of TLL and the balance with the new investor.

ii) The National Company Law Tribunal (NCLT) vide its Order dated 30th March , 2017 approved the Scheme . The Scheme came into operation on 19th April, 2017. On the Scheme becoming operational, the Transmission and Distribution Undertaking of the Company essentially comprising of the engineering, procurement and construction business of the Company in the power transmission and distribution sector, the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the T&D Undertaking is transferred to TLL with effect from 1st January,2016.

iii) Since the accounts of the previous comparative 18-month period March 2016 are being recast under INDAS, the effect has been given in the previous year ended March 31, 2016 as the appointed date of the scheme is 1st January 2016.

Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said TLL w.e.f January 1, 2016.

iv) Accordingly, the said TLL recast its previous year figures incorporating the results of the operations w.e.f. January 1, 2016 in its first set of IndAS Financials.

v) The Company has therefore accounted its stake in TLL @ 25% under Equity Method based on the financials of the said TLL for the year ended March 31, 2017 in these first set of Consolidated financial statements for the year ended March 31, 2017 by restating the equity interest of March 31,2016 based on the aforementioned recast TLL financial statements.

vi) The profit upto the period January 1, 2016 has been accounted as a Subsidiary.

50 The Company through its step down Subsidiary P. Van Eerd Beheersmaatschappij B. V, Netherlands (PVAN) held a 50.00% 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 the Investment in Sadelmi in FY 2012-13. While Commissioner has released the financials for the period ended December 2015 which showed heavy losses in excess of the equity infused by the said Company. The management is confident that no further commitment is required to be infused by the Company and all losses have been recorded. The exposure to the said Sadelmi is fully provided for in these consolidated statements.

51 Going Concern Assumptions

(a) **<u>Parent Company:</u>**

The Company's operating result 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, approval of design etc. by client, scarcity in availability of labour & materials, operational issues etc. Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. This has also resulted in various winding up claims filed against the Company which the Company is pursuing.

As at March 31, 2017, the Group's current liabilities exceed current assets by ₹ 1134.54 crores.

The facilities of the parent company are presently marked as a Non Performing Asset by the lenders as at June 30, 2017.

As part of its plan of revival under the CDR/SDR mechanism, the demerger of certain businesses was carried out during the year.

The demerger of the transmission and distribution business and the civil epc business has resulted in the reduction of CDR lenders exposure by ₹ 10,362 crores including funded and non-funded exposures.

After the aforementioned carve out of businesses the total exposure of the lenders in the parent company is ₹ 4263 crores (Fund based- ₹ 3872 crores (excluding interest) and Non-Fund Based - ₹ 391 crores).

The Company has filed a fresh proposal with the lenders to carve out certain other business in which it is proposes to invite strategic investors for taking over the business/ assets along with the corresponding debt of the banks

Accordingly, the following are being carved out into separate entities along with the sustainable debts, which the new investors will be willing to take up. The Companies holding in each of these businesses is also mentioned.

Sr No	Particulars of Assets/business being carved out	Debts being carved out (₹ In Crore)	Proposed GIL interest in the carved out entity
1	Carve out of Residual Civil EPC Business together with all assets and liabilities including pre-qualifications in two phases that is through a slump sale by way of a Business Transfer Agreement and a slump exchange through a Scheme of arrangement to Gammon Transmission Ltd. A wholly owned subsidiary. Wherein an Investor will invest and acquire a 90% controlling stake .	Fund Based - ₹ 70 crores Non-Fund based - ₹ 52 crores	10%
2	Sale of 90% of the Company's shareholding in its subsidiary Metropolitan Infrahousing Private Limited to Gammon Real Estate Developers (WOS) together with secured debt . The Company has invited strategic investor to invest in Gammon Real Estate Developers who will acquire 90% controlling stake and will develop the "Dombivli" land owned by MIPL and will discharge the secured debt	Fund Based ₹ 886 Crore	10%
3	Debt Asset Swap Arrangement Two lenders viz. Union Bank of India and United Bank of India hold a first charge on Gammon House. It is now proposed to enter into a Debt Asset Swap arrangement for the subject property, wherein two principal lenders i.e. Union Bank and United Bank who hold first charge on Gammon House would swap a part of their debt with the property. The swap value for the purpose is proposed at INR 435 Cr.	Fund Based Union Bank = 207.16 United Bank = 227.84 Total ₹ 435 Cr.	
4	GIPL Stake sale The fund based debts of ICICI bank and IDBI bank are backed by pledge of shares of GIPL. Debt to the extent of INR 170 Cr has been considered for the current proposal. The OD/ STL facilities of IDBI and ICICI Bank are proposed to be resolved through sale of GIPL shares.	Fund Based IDBI – 85 Cr. ICICI – 85 Cr. Total 170 Cr	

The Company has obtained shareholders approval for the EPC carve out through a slump sale and for sale of its holdings in MIPL ,as well as for further sale /dilution of upto 90% of its holdings in its aforementioned wholly owned subsidiaries to / in favour of strategic investors vide a Postal Ballot results of which were declared on 15th May,2017 .The said proposals are to be approved by the lenders for which the Company has filed the Information Memorandum .

After the proposed carve outs secured debt of ₹ 2650 crores (₹ 2311 crores Fund Based and ₹ 339 crores Non Fund Based) Crores and interest for the year is remaining in the Company which is proposed to be serviced through existing claims, future stake sale of 25% of the company's shareholding in GECPL and TLL, 10% stake in MIPL, 10% stake in Gammon Transmission Limited, future stake sale of its investments in Campo Puma Oriente , and Miscellaneous real estate Assets owned by the company.

As part of its future growth strategy the Company also is exploring new business avenues to generate revenues and surplus.

The above action plan of the Company for repaying the debts and servicing the same is exposed to material uncertainties including the necessary value of the balance stake being available and realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments. The management is however hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status. Therefore in the views of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis.

(b) GIPL

The Company had divested some of its subsidiaries in the previous periods for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch including defaults in payment of its financial obligations. The management is taking active steps to tide over the present situations for which based on detailed evaluation of the current situation plans are formulated and active discussions are underway with various stakeholders. There is significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. However the Management is confident that the going concern assumption and the carrying values of the assets and liabilities in these quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

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

The Company has disclosed the information relating to discontinued operations of the sale of its EPC business and the Transmission & Distribution business for all the comparative periods in the profit and loss account. There are no Assets held for sale which satisfies the requirement of INDAS 105"" Non-current Assets Held for Sale and Discontinued Operations".

The company earlier was in active discussion with a potential investor who has shown interest in acquisition of SAE. However the deal with the potential investor did not materialized hence investment in SAE is not shown under assets held for sale. The company is in search of the new investor.

As detailed in note No 46 the Company proposes to carry out further restructuring for which it has obtained shareholders approval since the balance sheet date and lenders approval is pending. The same does not qualify for disclosures as discontinued operations and non-current assets held for sale. The effects would be disclosed as and when the plans are formalised.

53 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.

54 Disclosure related to interest in other entities are given in a separate Statement - B

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

56 Financial Instruments

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

Particulars		**Carrying Value**			**Fair Value**		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
A	**Financial Assets**						
(i)	Amortised Cost:						
	Loans	483.45	708.52	677.30	483.45	708.52	677.30
	Others	191.11	129.76	85.82	191.11	129.76	85.82
	Trade receivables	1,857.40	2,472.06	4,450.44	1,857.40	2,472.06	4,450.44
	Cash and cash equivalents	105.93	250.54	246.94	105.93	250.54	246.94
	Bank Balance	10.03	335.06	26.05	10.03	335.06	26.05
(ii)	FVTPL				-	-	-
	Mutual Funds & Equity Instrument	153.13	27.97	45.19	153.13	27.97	45.19
(iii)	FVTOCI				-	-	-
	Investments	1,027.91	487.66	414.44	1,027.91	487.66	414.44
	Total Financial Assets	**3,828.96**	**4,411.57**	**5,946.19**	**3,828.96**	**4,411.57**	**5,946.19**
	Financial Liabilities						
(i)	Amortised Cost						
	Borrowings	6,966.08	8,356.91	9,507.97	6,966.08	8,356.91	9,507.97
	Trade payables	420.37	1,342.91	1,730.26	420.37	1,342.91	1,730.26
	Others	3,109.18	2,467.42	1,898.90	3,109.18	2,467.42	1,898.90
	Total Financial Liabilities	**10,495.63**	**12,167.23**	**13,137.13**	**10,495.63**	**12,167.23**	**13,137.13**

(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, 2017	3.65			Market Value of Shares
Mutual Funds	March 31, 2017	149.48			Market Value of Mutual Funds
Investment in Non -Current Investments - FVTOCI					
Shares	March 31, 2017			1,003.97	Independent Valuer
Total financial assets		**153.13**	**-**	**1,003.97**	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2017		2.66		Valuation from Banks.
Total financial Liabilities		**-**	**2.66**	**-**	
Financial assets measured at fair value					
Investment in Current Investments -FVTPL					
Shares	March 31, 2016	2.71			Market Value of Shares
Mutual Funds	March 31, 2016	25.26			Market Value of Mutual Funds
Investment in Non -Current Investments - FVTOCI					
Shares	March 31, 2016			427.50	Independent Valuer
Total financial assets		**27.97**	**-**	**427.50**	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2016		19.48		Valuation from Banks.
Total financial Liabilities		**-**	**19.48**	**-**	
Financial assets measured at fair value					
Investment in Current Investments -FVTPL					
Equity Shares	October 1, 2014	14.51			Market Value of Shares
Mutual Funds	October 1, 2014	30.68			Market Value of Mutual Funds
Investment in Non -Current Investments - FVTOCI					
Shares	October 1, 2014			359.76	Independent Valuer
Total financial assets		**45.19**	**-**	**359.76**	

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	October 1, 2014		38.67		Valuation from Banks.
Total financial Liabilities		**-**	**38.67**	**-**	

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 ₹ 23.94 crores (March 2016 : ₹ 60.17 crores, October 2014: ₹ 54.69 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
October 1, 2014	Discount Rate	7.90%	7.90%	7.90%	10.90%
October 1, 2014	Terminal Growth Rate	2.00%	2.00%	2.00%	2.00%
March 31, 2016	Discount Rate	7.40%	7.40%	7.40%	10.40%
March 31, 2016	Terminal Growth Rate	2.00%	2.00%	2.00%	2.00%
March 31, 2017	Discount Rate	7.60%	7.60%	7.60%	9.60%
March 31, 2017	Terminal Growth Rate	2.00%	2.00%	2.00%	2.00%

Summary of Valuation

The fair value of equity of Sofinter S.p.A based on valuation approach and methodology discussed herein. The fair value of equity of Sofinter S.p.A as at different Valuation Date are as under:

Valuation Date	Equity Value
	(Euro '000)
01-Oct-14	141,535
31-Mar-16	175,160
31-Mar-17	214,789

Effects of Valuation on Other Comprehensive Income

Valuation Date	Carrying value of Investments	Movement on account of changes in Valuation
01-Oct-14	359.76	(70.79)
31-Mar-16	427.5	84.88
31-Mar-17	1003.97	401.18

57 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.

In case of BOT Project SPVs of the Group:-Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

One of the first and foremost business risk is the achievement of the traffic projections made at the time of the bid. This will include the introduction of alternate roads by the state or central government which impacts the traffic projected to ply on the asset under the control of the Company. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company / SPV to risk.

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, 2017**		**March 31, 2016**		**October 1, 2014**	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	63,472,338	537,325	9,707,242	899,525	12,617,509	31,218,734
EUR - Euro	262,749	1,799,515	254,359	2,719,349	4,850,642	22,665,780
GBP - British Pound	-	-	-	-	-	17,106
AED - UAE Dirham	-	-	-	-	-	945,203
SEK - Swedish Krona	-	-	-	-	-	17,106
DZD - Algerian Dinar	-	-	-	-	174,270,203	271,770,853
NGN - Nigerian Naira	-	-	-	-	1,170,092	6,213,707
KES - Kenyan Shilling	-	-	-	-	43,455,513	5,404,297
BTN - Bhutan Ngultrum	-	-	-	-	432,226,688	175,942,429
CAD - Canadian Dollar	-	-	-	-	2,789,531	26,201
ETB - Ethiopian Birr	-	-	-	-	48,882,591	49,277,493
RWF - Rwandan Franc	-	-	-	-	16,491,940	52,447,226
YER - Yemeni Rial	-	-	-	-	2,596,365	-

Receivable :- As at March 31, 2017- ₹ 413.37 Crore , March 31, 2016 - ₹ 66.30 Crore and October 1, 2014 -₹ 205.27 Crore receivables

Payable : As at March 31, 2017- ₹ 15.95 Crore, March 31, 2016 - ₹ 26.39 Crore and October 1, 2014 - ₹ 425.34 Crore

Hedge	**March 31, 2017**		**March 31, 2016**		**October 1, 2014**	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	-	410,000	-	1,987,568	-	1,711,053
EUR - Euro	-	-	-	820,000	-	1,137,932
SEK - Swedish Krona	-	-	-	-	-	919,716

Receivable :- As at March 31, 2017, March 31, 2016 and October 1, 2014 is ₹ NIL

Payable : As at March 31, 2017- ₹ 2.66 Crore, March 31, 2016 - ₹ 19.34 Crore and October 1, 2014 - ₹ 19.50 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.

Increase/(decrease) in profit or loss	March 31, 2017		March 31, 2016		October 1, 2014	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD - US Dollar	4.08	(4.08)	0.58	(0.58)	1.15	(1.15)
EUR - Euro	0.11	(0.11)	0.19	(0.19)	1.39	(1.39)
GBP - British Pound	-	-	-	-	-	-
AED - UAE Dirham	-	-	-	-	0.02	(0.02)
SEK - Swedish Krona	-	-	-	-	-	-
DZD - Algerian Dinar	-	-	-	-	0.07	(0.07)
NGN - Nigerian Naira	-	-	-	-	-	-
KES - Kenyan Shilling	-	-	-	-	0.03	(0.03)
BTN - Bhutan Ngultrum	-	-	-	-	0.26	(0.26)
CAD - Canadian Dollar	-	-	-	-	0.15	(0.15)
ETB - Ethiopian Birr	-	-	-	-	-	-
RWF - Rwandan Franc	-	-	-	-	-	-
YER - Yemeni Rial	-	-	-	-	-	-

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 ₹ 805.53 crore and ₹ NIL crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹ 669.83 crore and ₹ NIL crore as of March 31, 2017 and March31, 2016, 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:

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. The Company intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms at the SPV-level of relevant projects. However, the Company believes that its ability to continue to arrange for capital requirements is dependent on various factors. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. However, the Company's track record has enabled it to raise funds at competitive rates. The Holding Company average cost of debt remains at 11.75% p.a, in case of BOT project SPVs the average cost of debt is 13.78% p.a

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2017	Plus 100 basis point	(84.30)
	Minus 100 basis points	84.30
March 31, 2016	Plus 100 basis point	(94.75)
	Minus 100 basis points	94.75
October 1, 2014	Plus 100 basis point	(102.32)
	Minus 100 basis points	102.32

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, 2017	March 31, 2016	October 1, 2016
Cash and Cash Equivalent	105.93	250.54	246.94
Bank Balance	10.03	335.06	26.05
Current Investments in mutual Funds and Shares	153.13	27.97	45.19
Inventory	2,423.77	3,182.18	3,551.19
Trade Receivable Current	500.97	736.13	1,352.89
Loans & Advances Current	132.66	277.63	243.33
Other Financial Assets Current	37.20	60.27	67.37
Total	**3,363.69**	**4,869.76**	**5,532.96**

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, 2017			
Long term Borrowing	2,110.95	5,587.38	7,698.33
Short term borrowings	1,378.70		1,378.70
Trade payables	420.37		420.37
Other financial liabilities	998.23		998.23
Total	**4,908.25**	**5,587.38**	**10,495.63**
As at March 31, 2016			
Long term Borrowing	1,404.89	5,849.64	7,254.53
Short term borrowings	2,507.27		2,507.27
Trade payables	1,342.91		1,342.91
Other financial liabilities	1,062.53		1,062.53
Total	**6,317.59**	**5,849.64**	**12,167.23**

As at October 1, 2014			
Long term Borrowing	859.95	7,861.39	8,721.33
Short term borrowings	1,646.59		1,646.59
Trade payables	1,730.26		1,730.26
Other financial liabilities	1,038.95		1,038.95
Total	**5,275.74**	**7,861.39**	**13,137.13**

(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.

58 Standards issued but not yet effective

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

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

59 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, 2017	March 31, 2016	October 1, 2014
Gross Debt	9,077.03	9,761.80	10,367.92
Less:			
Cash and Cash Equivalent	105.93	250.54	246.94
Bank Balance	10.03	335.06	26.05
Marketable Securities -Liquid Mutual Funds and Equity Shares	153.13	27.97	45.19

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Net debt (A)	8,807.94	9,148.24	10,049.74
Total Equity (B)	(399.53)	220.67	598.58
Gearing ratio (A/B)	**(22.05)**	**41.46**	**16.79**

60 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.

61 First time Adoption of INDAS:

These financial statements, for the year ended March 31, 2017, are the first INDAS Consolidated financial statements of the Group and has been prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

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

- Profit reconciliation for the eighteen months period ended March 31, 2016 ,
- Equity Reconciliation as at October 1, 2014 and March 31, 2016,
- Notes explaning the changes from previous GAAP to Ind AS ,
- Exemption availed by the Company on first time adoption of Ind AS.

Details of the same is given vide Statement D

62 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, 2017.

As per our report of even date

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

N Jayendran
Partner
M.No. 40441

Mumbai, Dated : February 6, 2018

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

Abhijit Rajan
Chairman & Managing Director
DIN No. 00177173

R.A Bhansali
Executive Director
DIN No. 00178558

AJIT B. DESAI
Chief Executive Officer

Mumbai, Dated : February 6, 2018

Statement A

A Related Party Disclosure (IndAS - 24)

	JOINT VENTURE		**ASSOCIATES**
1	Campo Puma Oriente S.A.	1	Eversun Sparkle Maritime Services Private Limited
2	Gammon Encee Consortium	2	Modern Toll Roads Limited
3	Gammon OJSC Mosmetrostroy	3	Finest S.p.A Italy
4	Gammon OSE	4	Transrail Lighting Limited (TLL) (*)
5	Gammon SEW	5	Gammon Engineers and Contractors Private Limited
6	Gammon Srinivasa		
7	Haryana Bio Mass Power Limited		**Key Managerial Personnel**
8	Hyundai Gammon	1	Mr Abhijit Rajan
9	OSE Gammon	2	Mr Rajul A Bhansali
10	Sofinter S.p.A	3	Mr D C Bagde
11	Gammon FECP JV Naigeria	4	Mr Ajit B. Desai
12	Consortium of Jyoti Structure & GIL		**Independent Director**
13	GIPL GIL	1	CC Dayal
		2	Naval Choudhary
	Entities Having Significant Influence	3	Urvashi saxena
1	Franco Tosi Turbines Private Ltd	4	Atul Kumar Shukla
2	Franco Tosi Meccanica SpA		**Relatives of Key Managerial Personnel**
		1	Mr Harshit Rajan

* for the perivious year Transaction discloser of TLL is made under subsidiaries

Statement A

₹ In Crore

B	**Nature of Transactions / relationship / major parties**	**Joint Ventures**	**Associates**	**Entities having Significant Influence**	**Key Managerial Personnel and their relative**	**Total**
	Subcontracting Income	**25.21**	**-**	**-**	**-**	**26.74**
		(900.55)	**-**	**-**	**-**	**(1,104.96)**
	Gammon OJSC Mosmetrostroy	-	-		-	**-**
		(792.17)	-		-	**(792.17)**
	Gammon Construtora Cidade Tensaccia	21.26	-		-	**21.26**
		(73.91)	-		-	**(73.91)**
	Gammon Singla	3.95	-		-	**3.95**
		(34.46)	-			**(34.46)**
	Guarantee Income	**1.27**	**0.49**		**-**	**2.85**
		(2.26)	**(0.73)**		**-**	**(4.86)**
	Campo Puma Oriente S.A.	1.27	-		-	**1.27**
		(2.26)	-		-	**(2.26)**
	Transrail Lighting Limited (TLL)	-	0.49		-	**0.49**
		-	(0.73)		-	**(0.73)**
	Purchase of Goods	**-**	**-**		**-**	**-**
		-	**(1.67)**		**-**	**(1.67)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(1.67)		-	**(1.67)**

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Sale of Goods	**-**	**-**		**-**	**-**
		(10.52)	**(0.06)**		**-**	**(10.58)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(0.06)		-	**(0.06)**
	Consortium of Jyoti Structure & GIL	-	-		-	**-**
		(10.52)	-		-	**(10.52)**
	Purchase of Investments / Advances towards Equity / Allotment of Shares	**-**	**-**		**-**	**-**
		-	**(4.37)**		**-**	**(4.37)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(4.37)		-	**(4.37)**
	Rendering / Receiving of Services	**0.04**	**-**			**0.04**
		-	**(0.02)**			**(0.02)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(0.02)		-	**(0.02)**
	Gammon CMC	0.04	-		-	**0.04**
		-	-		-	**-**
	Finance provided for Loans, expenses & on a/c payments	**352.35**	**-**		**-**	**354.68**
		(176.22)	**-**		**-**	**(195.74)**
	Campo Puma Oriente S.A.	349.38	-		-	**349.38**
		(27.15)	-		-	**(27.15)**
	Gammon Construtora Cidade Tensaccia	2.97	-		-	**2.97**
		(149.07)	-		-	**(149.07)**
	Amount liquidated towards the finance provided	**14.13**	**-**		**-**	**15.73**
		(140.89)	**(53.71)**		**-**	**(218.34)**
	Gammon CMC	1.83	-		-	**1.83**
		-	-		-	**-**
	Gammon Construtora Cidade Tensaccia	10.74	-		-	**10.74**
		(140.89)	-		-	**(140.89)**
	SINGLA JV	1.56	-		-	**1.56**
		-	-		-	**-**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(53.71)		-	**(53.71)**
	Interest Income during the year	**15.18**	**-**		**-**	**15.22**
		(8.77)	**(0.80)**		**-**	**(9.80)**
	Campo Puma Oriente S.A.	12.10	-		-	**12.10**
		(4.72)	-		-	**(4.72)**
	Gammon Construtora Cidade Tensaccia	3.08	-		-	**3.08**
		(4.05)	-		-	**(4.05)**
	Transrail Lighting Limited (TLL)		-			**-**
			(0.80)			**(0.80)**
	Finance received for expenses & on a/c payments	**-**	**107.16**		**-**	**107.16**
		(7.87)	**-**		**-**	**(8.41)**

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B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Gammon CMC	-	-			**-**
		(1.39)	-		-	**(1.39)**
	Gammon Singla	-	-		-	**-**
		(6.48)	-		-	**(6.48)**
	Gammon Engineer and Contractors Private Limited	-	107.16		-	**107.16**
			-		-	**-**
	Amount liquidated towards the above finance	**-**	**-**		**-**	**-**
		(6.48)	**(4.12)**		**-**	**(10.61)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(4.12)		-	**(4.12)**
	Gammon Singla	-	-		-	**-**
		(6.48)	-		-	**(6.48)**
	Interest Expenses incurred during the year	**-**	**-**	**0.74**	**-**	**0.74**
		-	**-**	**-**	**-**	**-**
	Franco Tosi Turbines Private Ltd			0.74	-	**0.74**
				-	-	**-**
	Contract Advance Received	**-**	**-**		**-**	**-**
		(27.79)	**-**		**-**	**(28.39)**
	Gammon Construtora Cidade Tensaccia	-	-		-	**-**
		(24.25)	-		-	**(24.25)**
	Gammon OJSC Mosmetrostroy	-	-		-	**-**
		(3.54)	-		-	**(3.54)**
	Contract Advance Given / Refund of Advance	**-**	**-**		**-**	**-**
		(42.31)	**-**		**-**	**(42.31)**
	Gammon Construtora Cidade Tensaccia	-	-		-	**-**
		(4.41)	-		-	**(4.41)**
	Consortium of Jyoti Structure & GIL	-	-		-	**-**
		(7.93)	-		-	**(7.93)**
	Gammon OJSC Mosmetrostroy	-	-		-	**-**
		(29.98)	-		-	**(29.98)**
	Guarantees and Collaterals Outstanding	**124.23**	**97.00**	**225.83**	**-**	**455.40**
		(606.58)	**(97.00)**	**(195.62)**	**-**	**(932.15)**
	Gammon Construtora Cidade Tensaccia	-	-		-	**-**
		(65.46)	-		-	**(65.46)**
	Gammon OJSC Mosmetrostroy	124.23	-		-	**124.23**
		(124.23)	-		-	**(124.23)**
	Jager Gammon JV	-	-		-	**-**
		(78.59)	-		-	**(78.59)**
	Transrail Lighting Limited (TLL)	-	97.00		-	**97.00**
		-	(97.00)		-	**(97.00)**
	Campo Puma Oriente S.A.	-	-		-	**-**
		(338.30)	-		-	**(338.30)**
	Franco Tosi Meccanica SpA			225.83		**225.83**
				(195.62)		**(195.62)**

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Pledge of Shares (Number of shares)	**-**	**0.77**		**-**	**0.77**
		-	**(3.10)**		**-**	**(3.10)**
	Transrail Lighting Limited (TLL)	-	0.77		-	**0.77**
		-	(3.10)		-	**(3.10)**
	Key Managerial Personnel	**-**	**-**		**5.26**	**5.26**
	Managerial Paid	**-**	**-**		**(13.22)**	**(13.22)**
		-	-		-	**-**
	Mr. Abhijit Rajan	-	-		4.00	**4.00**
		-	-		(9.10)	**(9.10)**
	Mr. Digamber C. Bagde	-	-		-	**-**
		-	-		(1.74)	**(1.74)**
	Mr. Rajul A. Bhansali	-	-		0.81	**0.81**
		-	-		(1.21)	**(1.21)**
	Mr. Ajit B. Desai	-	-		0.45	**0.45**
		-	-		(1.17)	**(1.17)**
	Director Sitting fees and Commission	**-**	**-**		**0.15**	**0.15**
		-	**-**		**(0.22)**	**(0.22)**
	Chandrahas C. Dayal	-	-		0.04	**0.04**
		-	-		(0.06)	**(0.06)**
	Naval Choudhary	-	-		0.05	**0.05**
		-	-		(0.05)	**(0.05)**
	Urvashi saxena	-	-		0.02	**0.02**
		-	-		(0.06)	**(0.06)**
	Atul Kumar Shukla	-	-		0.04	**0.04**
		-	-		(0.06)	**(0.06)**
	Jagdish Sheth	-	-		-	**-**
		-	-		(0.02)	**(0.02)**
	Short-Term / Long-Term Benefits to KMP	**-**	**-**		**0.83**	**0.83**
		-	**-**		**(1.39)**	**(1.39)**
	Mr. Abhijit Rajan	-	-		0.76	**0.76**
		-	-		(1.15)	**(1.15)**
	Mr. Rajul A. Bhansali	-	-		0.03	**0.03**
		-	-		(0.15)	**(0.15)**
	Mr. Ajit B. Desai	-	-		0.04	**0.04**
		-	-		(0.09)	**(0.09)**
	Relatives of Key Managerial Personnel	**-**	**-**		**-**	**-**
	Remuneration Paid	**-**	**-**		**(1.79)**	**(1.79)**
	Mr Harshit Rajan	-	-		-	**-**
		-	-		(1.79)	**(1.79)**
	Movement in Quasi Investment (Net)	**4.63**	**2.43**		**-**	**9.78**
		(3.53)	**(2.43)**		**-**	**9.78**
	Transrail Lighting Limited (TLL)	-	2.43		-	**2.43**
		-	(2.43)		-	**(2.43)**
	Campo Puma Oriente S.A.	4.63	-		-	**4.63**

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
		(3.53)	-		-	**(3.53)**
	Outstanding Balances Receivables					
	Loans & Advances	**374.73**	**0.52**	**93.08**	**-**	**468.72**
		(38.42)	**(0.56)**	**(99.47)**	**-**	**(218.31)**
	Fin Est S.p.A	-	0.52		-	**0.52**
		-	(0.56)		-	**(0.56)**
	Campo Puma Oriente S.A.	374.73	-		-	**374.73**
		(38.42)	-		-	**(38.42)**
	Gammon Construtora Cidade Tensaccia	-	-		-	**-**
		(63.09)	-		-	**(63.09)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	-		-	**-**
	Franco Tosi Meccanica SpA			93.08		**93.08**
				(99.47)		**(99.47)**
	Loans and Guarantee o/s in the nature of Equity	**4.63**	**2.43**	**2.73**	**-**	**9.78**
		(4.63)	**(2.43)**	**(2.73)**	**-**	**9.78**
	Transrail Lighting Limited (TLL)	-	2.43		-	**2.43**
		-	(2.43)		-	**(2.43)**
	Campo Puma Oriente S.A.	4.63	-		-	**4.63**
		(4.63)	-		-	**(4.63)**
	Franco Tosi Meccanica SpA			2.73		**2.73**
				(2.73)		**(2.73)**
	Interest Receivable	**18.20**	**1.25**		**-**	**19.45**
		(10.30)	**(1.31)**		**-**	**(11.82)**
	Fin Est S.p.A	-	1.25		-	**1.25**
		-	(1.31)		-	**(1.31)**
	Campo Puma Oriente S.A.	18.20	-		-	**18.20**
		(6.10)	-		-	**(6.10)**
	Gammon Construtora Cidade Tensaccia	-	-		-	**-**
		(4.20)	-		-	**(4.20)**
	Trade & Other Receivable	**778.84**	**12.23**		**-**	**880.80**
		(787.80)	**(13.09)**		**-**	**(1,100.83)**
	Transrail Lighting Limited (TLL)		12.23			**12.23**
			(13.09)			**(13.09)**
	Gammon OJSC Mosmetrostroy	778.84	-		-	**778.84**
		(787.80)	-		-	**(787.80)**
	Outstanding Balances Payable					
	Trade & Others Payable	**19.86**	**119.84**		**-**	**139.69**
		(35.43)	**(0.09)**		**-**	**(35.52)**
	Transrail Lighting Limited (TLL)	-	12.68		-	**12.68**
		-	(0.09)		-	**(0.09)**
	Gammon OJSC Mosmetrostroy	19.86	-		-	**19.86**
		(35.43)	-		-	**(35.43)**
	Gammon Engineer and Contractors Private Limited		107.16		-	**107.16**
		-	-		-	**-**

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Assets Transfer Under BTA & Scheme	**-**	**3,218.07**		**-**	**3,218.07**
		-	**(1,216.44)**		**-**	**(1,216.44)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(1,216.44)		-	**(1,216.44)**
	Gammon Engineers and Contractors Private Limited	-	3,218.07			**3,218.07**
		-	-		-	**-**
	Liabilities Transfer Under BTA & Scheme	**-**	**3,195.18**		**-**	**3,195.18**
		-	**(1,206.67)**		**-**	**(1,206.67)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(1,206.67)		-	**(1,206.67)**
	Gammon Engineers and Contractors Private Limited	-	3,195.18		-	**3,195.18**
		-	-		-	**-**
	Aggregate Consideration for transfer of business	**-**	**49.65**		**-**	**49.65**
		-	**(15.90)**		**-**	**(15.90)**
	Transrail Lighting Limited (TLL)	-	-		-	**-**
		-	(15.90)		-	**(15.90)**
	Gammon Engineers and Contractors Private Limited	-	49.65		-	**49.65**
		-	-		-	-
	(Previous Period figures are in brackets)					

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

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**

Particulars	**ACB**			**DIPL**		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Non-current assets	78.38	79.08	63.81	1.36	1.20	0.72
Current assets	18.30	32.13	40.41	1,153.44	1,079.79	837.27
Non-current liabilities	(22.80)	(27.73)	(30.43)	(547.50)	(296.05)	(306.00)
Current liabilities	(97.15)	(103.47)	(86.75)	(600.37)	(783.30)	(532.05)
Capital Contributions	(5.84)	(5.84)	(5.84)			
Net assets	**(29.11)**	**(25.83)**	**(18.81)**	**6.93**	**1.64**	**(0.06)**
Net assets attributable to NCI	**(7.74)**	**(6.87)**	**(5.00)**	**2.04**	**0.48**	**(0.02)**
Contingent Liabilities	2.35	6.58	7.96			
Revenue	**25.80**	16.17		29.62	8.74	
Profit for the year	**(3.30)**	(7.07)		5.29	1.70	
Profit/(Loss) allocated to NCI	**(0.88)**	**(1.88)**		**1.56**	**0.50**	
Other comprehensive income	0.02	0.04				
	-	-				
OCI allocated to NCI	0.00	0.01				
	-	-				
Cash flow from operating activities	12.65	5.87		(264.68)	6.01	
Cash flow from investing activities	(0.08)	0.11		8.14	2.20	
Cash flow from financing activities	(12.72)	5.98		245.15	(9.95)	
Net increase/(decrease) in cash and cash equivalents	(0.15)	(0.01)		(11.39)	(1.75)	

Particulars	**GBL**			**GBLLC**		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Non-current assets	108.60	109.70	100.17	36.56	34.31	17.88
Current assets	0.85	0.15	0.38	45.65	77.82	55.32
Non-current liabilities	(107.45)	(107.45)	(98.30)	(122.82)	(124.96)	(110.10)
Current liabilities	(4.94)	(0.36)	(0.36)	(30.80)	(56.67)	(32.34)
Net assets	**(2.94)**	**2.04**	**1.88**	**(71.42)**	**(69.50)**	**(69.23)**
Net assets attributable to NCI	**(1.44)**	**1.00**	**0.92**	**(58.93)**	**(58.89)**	**(52.27)**
Contingent Liabilities				4.16	4.26	3.80
Revenue	-	-		67.66	164.01	
Profit for the year	(4.98)	0.16		(3.52)	(3.76)	
Profit/(Loss) allocated to NCI	**(2.44)**	**0.08**		**2.65**	**2.82**	
Other comprehensive income	-	-				
	-	-				
OCI allocated to NCI	-	-				
	-	-				
Cash flow from operating activities	(0.27)	(0.13)		(9.85)	7.39	
Cash flow from investing activities	1.10	4.31		0.09	(0.93)	
Cash flow from financing activities	-	(4.40)		10.35	4.67	
Net increase/(decrease) in cash and cash equivalents	0.83	(0.22)		0.59	11.13	

Particulars	GIPL Group			GRIPL		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	4,239.13	4,156.85	5,839.39	0.36	0.01	0.01
Current assets	628.82	590.71	258.06	0.08	0.12	0.01
Non-current liabilities	(3,774.78)	(3,379.12)	(4,156.87)	(0.26)	-	-
Current liabilities	(390.81)	(544.21)	(865.20)	(0.12)	(0.04)	(0.02)
Net assets	**702.35**	**824.23**	**1,075.39**	**0.05**	**0.08**	**(0.01)**
Net assets attributable to NCI	**320.36**	**381.21**	**534.91**	**0.00**	**0.00**	(0.00)
Contingent Liabilities	185.66	353.77	586.55			
Revenue	663.46	1,576.54		-		
Profit for the year	(104.06)	(205.41)		(0.03)	0.05	
Profit/(Loss) allocated to NCI	**(43.25)**	**(94.84)**		(0.00)	**0.00**	
Other comprehensive income	0.04	0.20				
	-	-				
OCI allocated to NCI	0.01	0.09				
Cash flow from operating activities	419.88	256.03		0.22	(0.01)	
Cash flow from investing activities	(444.42)	117.79		(0.35)	-	
Cash flow from financing activities	(21.00)	(348.63)		0.10	0.05	
Net increase/(decrease) in cash and cash equivalents	(45.54)	25.18		(0.04)	0.04	

Particulars	GRL			METRO		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	27.48	49.73	48.06	76.72	77.59	79.07
Current assets	92.24	76.59	75.76	1,162.18	1,077.11	1,040.51
Non-current liabilities	(176.86)	-	(163.77)	(684.00)	-	-
Current liabilities	(2.67)	(176.99)	-	(474.22)	(1,082.30)	(1,029.36)
Capital Contributions	-	-	-	(4.38)	(4.38)	(4.38)
Net assets	**(59.81)**	**(50.68)**	**(39.94)**	**76.31**	**68.03**	**85.84**
Net assets attributable to NCI	**(14.92)**	**(12.64)**	**(9.96)**	**12.09**	**10.78**	**13.60**
Revenue	-	-		-	-	
Profit for the year	(9.14)	(10.73)		8.28	(17.83)	
Profit/(Loss) allocated to NCI	**(2.28)**	**(2.68)**		**1.31**	**(2.82)**	
Other comprehensive income						
OCI allocated to NCI						
Cash flow from operating activities	22.24	(1.74)		(17.34)	(87.43)	
Cash flow from investing activities	(14.74)	(0.94)		-	-	
Cash flow from financing activities	(7.48)	2.50		18.68	17.42	
Net increase/(decrease) in cash and cash equivalents	0.03	(0.18)		1.35	(70.01)	

Particulars	PREETI			ATSLInfra		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	-	8.67	8.62	-	-	-
Current assets	8.80	-	-	2.54	13.79	16.54
Non-current liabilities	-	-	-	-	-	-
Current liabilities	(8.83)	(8.69)	(8.66)	(2.51)	(13.75)	(16.50)

Capital Contributions	-	-	-	-	-	-
Net assets	**(0.03)**	**(0.02)**	**(0.04)**	**0.03**	**0.03**	**0.03**
Net assets attributable to NCI	**(0.01)**	**(0.01)**	**(0.01)**	**0.01**	**0.01**	**0.01**
Revenue	-	-		-	-	
Profit for the year	(0.01)	0.01		(0.00)	(0.00)	
Profit/(Loss) allocated to NCI	(0.00)	**0.00**		(0.00)	(0.00)	
Other comprehensive income						
OCI allocated to NCI						
Cash flow from operating activities	(0.05)	(0.01)		(0.00)	(0.00)	
Cash flow from investing activities	-	-		-	-	
Cash flow from financing activities	0.11	-		-	-	
Net increase/(decrease) in cash and cash equivalents	0.06	(0.01)		(0.00)	(0.00)	

Particulars	**PWS**		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**
Non-current assets	9.79	9.81	10.64
Current assets	26.50	26.90	19.98
Non-current liabilities	(0.02)	(0.01)	(0.01)
Current liabilities	(65.66)	(61.40)	(47.34)
Capital Contributions			
Net assets	**(29.39)**	**(24.71)**	**(16.74)**
Net assets attributable to NCI	**(7.64)**	**(6.42)**	**(4.35)**
Revenue	-	0.09	
Profit for the year	(4.68)	(7.97)	
Profit/(Loss) allocated to NCI	**(1.22)**	**(2.07)**	
Other comprehensive income			
OCI allocated to NCI			
Cash flow from operating activities	(4.88)	1.77	
Cash flow from investing activities	-	0.32	
Cash flow from financing activities	(4.51)	(6.12)	
Net increase/(decrease) in cash and cash equivalents	(9.40)	(4.03)	

Statement-B

2 **Table below provide summarised financial information for Joint venture**

₹ in Crore

Particulars	ACGB			CMC		
	36.70%			50%		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	*	59.17	62.92		22.79	5.84
Current assets		-	-		-	-
Cash and Cash equivalents	*	0.00	0.00		0.01	0.11
- Other assets	*	2.33	2.36		68.72	40.54
Current assets	*	2.33	2.37		68.73	40.65
Non-current liabilities		-	-		-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	*	12.60	16.80		55.85	39.86
- Other liabilities	*	0.12	1.06		0.14	0.13
Non-current liabilities	*	12.72	17.86		55.99	39.99
Current liabilities		-	-		-	-
- Financial liabilities (excluding trade payables , other payables and provisions)	*	19.14	11.28		0.64	0.10
- Other liabilities	*	2.10	0.96		34.98	5.93
Current liabilities	*	21.25	12.25		35.62	6.03
Net assets	*	27.53	35.19		(0.09)	0.47
Group share of net assets	*	10.10	12.91		(0.05)	0.24
Revenue	*	4.57	-		56.72	-
Interest Income		-	-		0.05	-
Depreciation and amortisation	*	4.42	-		5.35	-
Finance cost	*	4.16	-		4.58	-
Profit/ (Loss) for the year before tax	*	(8.83)	-		(0.55)	-
Income tax expenses	*	(1.30)	-		(0.02)	-
Profit/ (Loss) for the year	*	(7.53)	-		(0.57)	-
Other comprehensive income	*	-	-		-	-
Total comprehensive income	*	(7.53)	-		(0.57)	-
Group share of profit/ (Loss)	*	(2.76)	-		(0.28)	-
Group share of OCI	*	-	-		-	-
Group share of total comprehensive income	*	(2.76)	-		(0.28)	-

Particulars	GOMCHN / OJSC			GSEW		
	51%			90%		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	37.43	37.43	32.38		6.67	6.46
Current assets	-	-	-		-	-
Cash and Cash equivalents	1.07	1.07	2.75		0.03	0.08
- Other assets	122.68	122.68	111.41		-	0.04
Current assets	123.75	123.75	114.16		0.03	0.12
Non-current liabilities	-	-	-		-	-

- Financial liabilities (excluding trade payables, other payables and provisions)	-	-	-		5.78	5.60
- Other liabilities	-	-	-		0.79	0.79
Non-current liabilities	-	-	-		6.57	6.40
Current liabilities	-	-	-		-	-
- Financial liabilities (excluding trade payables , other payables and provisions)	-	-	-		0.07	0.12
- Other liabilities	213.06	213.04	194.15		0.07	0.07
Current liabilities	213.06	213.04	194.15		0.14	0.19
Net assets	(51.88)	(51.86)	(47.61)		(0.00)	(0.01)
Group share of net assets	(2.31)	(2.30)	(3.76)		(0.00)	(0.01)
Revenue	-	233.25	-		-	-
Interest Income	0.00	6.36	-		0.18	-
Depreciation and amortisation	0.00	0.00	-		-	-
Finance cost	-	3.50	-		0.17	-
Profit/ (Loss) for the year before tax	(0.02)	2.86	-		0.00	-
Income tax expenses	-	-	-		-	-
Profit/ (Loss) for the year	(0.02)	2.86	-		0.00	-
Other comprehensive income	-	-	-		-	-
Total comprehensive income	(0.02)	2.86	-		-	-
Group share of profit/ (Loss)	(0.01)	1.46	-		0.00	-
Group share of OCI	-	-	-		-	-
Group share of total comprehensive income	(0.01)	1.46	-		0.00	-

Particulars	**GCTSYG**			**GSINGLA**		
	51%			**55%**		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Non-current assets		-	-		-	-
Current assets		-	-		-	-
Cash and Cash equivalents		1.39	12.36		4.57	-
- Other assets		159.17	122.96		22.23	-
Current assets		160.57	135.32		26.80	-
Non-current liabilities		-	-		-	-
- Financial liabilities (excluding trade payables, other payables and provisions)		4.51	-		-	-
- Other liabilities		2.15	2.15		-	-
Non-current liabilities		6.66	2.15		-	-
Current liabilities		-	-		-	-
- Financial liabilities (excluding trade payables , other payables and provisions)		59.23	42.15		1.46	-
- Other liabilities		88.76	80.92		25.34	-
Current liabilities		148.00	123.08		26.80	-
Net assets		5.91	10.10		-	-
Group share of net assets		6.54	9.72		-	-
Revenue		185.59	-		68.73	-
Interest Income		0.13	-		-	-
Depreciation and amortisation		-	-		-	-
Finance cost		6.04	-		-	-

Particulars	GCTSYG			GSINGLA		
	51%			55%		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Profit/ (Loss) for the year before tax		6.43	-		-	-
Income tax expenses		1.45	-		-	-
Profit/ (Loss) for the year		4.98	-		-	-
Other comprehensive income		-	-		-	-
Total comprehensive income		4.98	-		-	-
Group share of profit/ (Loss)		2.54	-		-	-
Group share of OCI		-	-		-	-
Group share of total comprehensive income		2.54	-		-	-

Particulars	GEC			GGJV		
	51%			5.00%		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	-	0.85	0.85	0.09	0.25	0.25
Current assets	-	-	-	-	-	-
Cash and Cash equivalents	-	0.01	0.01	-	0.00	0.00
- Other assets	-	8.48	8.48	-	6.61	6.88
Current assets	-	8.48	8.48	-	6.61	6.88
Non-current liabilities	-	-	-	-	-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	-	2.58	2.58	-	-	-
- Other liabilities	-	-	-	-	-	-
Non-current liabilities	-	2.58	2.58	-	-	-
Current liabilities	-	-	-	-	-	-
- Financial liabilities (excluding trade payables , other payables and provisions)	-	-	-	0.11	-	-
- Other liabilities	-	0.17	0.17	0.16	7.13	7.13
Current liabilities	-	0.17	0.17	0.27	7.13	7.13
Net assets	-	6.58	6.58	(0.18)	(0.27)	(0.00)
Group share of net assets	-	4.85	4.85	(0.01)	(0.01)	(0.00)
Revenue	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	0.17	-	-
Finance cost	-	-	-	-	-	-
Profit/ (Loss) for the year before tax	-	(0.00)	-	0.20	(0.27)	-
Income tax expenses	-	-	-	0.11	-	-
Profit/ (Loss) for the year	-	(0.00)	-	0.09	(0.27)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	(0.00)	-	0.09	(0.27)	-
Group share of profit/ (Loss)	-	(0.00)	-	0.00	(0.01)	-
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	-	(0.00)	-	0.00	(0.01)	-

Particulars	CAMPO			Indira Container Terminal Pvt Ltd		
	66.39%			50.00%		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-current assets	282.38	307.70	351.20	754.11	758.58	638.02
Current assets	-	-	-	-	-	-
Cash and Cash equivalents	1.49	3.32	1.12	16.18	6.32	0.14
- Other assets	13.48	11.39	7.88	5.87	9.23	1.17
Current assets	14.96	14.71	9.00	22.05	15.55	1.31
Non-current liabilities	-	-	-	-	-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	552.84	558.75	189.64	-	309.84	387.98
- Other liabilities	-	-	-	0.14	0.10	0.04
Non-current liabilities	552.84	558.75	189.64	0.14	309.94	388.02
Current liabilities	-	-	-	-	-	-
- Financial liabilities (excluding trade payables , other payables and provisions)	62.39	49.23	386.11	712.77	347.61	159.63
- Other liabilities	2.69	3.77	3.66	7.88	9.82	0.12
Current liabilities	65.08	53.00	389.76	720.64	357.42	159.75
Net assets	(320.58)	(289.34)	(219.20)	55.37	106.77	91.56
Group share of net assets	(230.50)	(187.48)	(144.48)	27.68	53.38	45.78
Revenue	36.86	53.80	-	40.68	66.32	-
Interest Income	-	-	-	0.08	0.07	-
Depreciation and amortisation	25.40	28.04	-	27.65	0.44	-
Finance cost	15.57	21.81	-	55.97	-	-
Profit/ (Loss) for the year before tax	(39.07)	(51.79)	-	(51.40)	14.89	-
Income tax expenses	-	-	-	-	0.89	-
Profit/ (Loss) for the year	(39.07)	(51.79)	-	(51.40)	14.00	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(39.07)	(51.79)	-	(51.40)	14.00	-
Group share of profit/ (Loss)	(25.99)	(35.43)	-	(25.70)	7.00	-
Group share of OCI	-	-	-	-	-	-
Group share of total comprehensive income	(25.99)	(35.43)	-	(25.70)	7.00	-

Note

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

During the year CMC, GSEW, GCTSYG, Gsingla, GEC joint ventures are transferred from Gammon India Limited to Gammon Engineers & Contractors Private Limited as per the scheme of arrangements

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**

Particulars	GECPL			TLL		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
Non-Current Assets	1516.30			487.02	518.54	
Current Assets	2270.96			1125.96	842.02	
Non-Current liabilities	555.52			454.79	445.12	
Current liabilities	3108.39			1015.89	841.98	
Net Assets	123.35			142.30	73.46	
Group Share of Net Assets	20.62			38.74	27.20	
Group Share of Net Assets	25.00%			25%	25%	

Summarised statement of profit and loss

Particulars	GECPL			TLL		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Revenue	1,554.08			1,365.57	224.31	
Other Income	5.17			5.30	1.78	
Project Cost	435.44			155.70	33.01	
Contract Cost	329.14			672.47	94.36	
Employee Cost	181.62			97.56	20.82	
Depreciation and amortisation	70.07			26.63	7.14	
Finance Cost	162.92			78.24	18.8	
Other Expenses	310.17			284.54	44.95	
Profit/ (Loss) for the year	**69.89**			**55.73**	**7.01**	
Tax Expense	21.18			4.82		
Profit/ (Loss) for the year after tax	**48.71**			**50.91**	**7.01**	
Other Comprehensive Income	**(0.31)**			**(3.82)**	**-**	
Total comprehensive income	**48.40**			**47.09**	**7.01**	
Group share of profit/(loss)	**12.18**			**12.73**	**1.75**	
Group share of OCI	(0.08)			(0.96)	-	

(*) In the absence of financial statements of ESMPL, MTL and 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.

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Statement C

Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-3-2017

	Net Assets		Share in Profit or Loss		Share of Other Comprehensive Income		Share of Total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount
Holding Company:								
GIL	(267.37%)	1,068.30	75.14%	(816.40)	9.05%	42.04	124.53%	(774.35)
Subsidiaries:								
ACB	15.83%	(63.25)	(0.13%)	1.38	0.00%	0.01	(0.22%)	1.39
ATSLBV	19.47%	(77.79)	0.87%	(9.46)	0.42%	1.97	1.21%	(7.50)
ATSLInfra	0.01%	(0.02)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
ATSLNigeria	0.87%	(3.47)	0.04%	(0.47)	(0.17%)	(0.80)	0.20%	(1.26)
DIPL	0.28%	(1.11)	0.21%	(2.27)	0.00%	-	0.37%	(2.27)
GACTEL	22.91%	(91.54)	0.22%	(2.37)	0.00%	-	0.38%	(2.37)
GBL	(0.76%)	3.05	(0.22%)	2.40	0.05%	0.22	(0.42%)	2.62
GBLLC	4.88%	(19.52)	0.08%	(0.88)	(0.29%)	(1.33)	0.35%	(2.21)
GHBV	202.98%	(811.01)	5.32%	(57.79)	0.81%	3.78	8.69%	(54.02)
GHM	(64.35%)	257.13	1.24%	(13.45)	67.74%	314.73	(48.45%)	301.28
GIBV	55.88%	(223.28)	4.47%	(48.59)	20.55%	95.48	(7.54%)	46.89
GIFZE	4.14%	(16.53)	0.01%	(0.11)	(0.02%)	(0.08)	0.03%	(0.19)
GIPL Group	(51.38%)	205.30	10.94%	(118.83)	(0.01%)	(0.05)	19.12%	(118.88)
GPL	25.04%	(100.04)	0.05%	(0.50)	0.00%	-	0.08%	(0.50)
GRDL	0.01%	(0.03)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
GRIPL	(0.13%)	0.52	(0.05%)	0.50	0.00%	-	(0.08%)	0.50
GRL	12.52%	(50.01)	(0.28%)	3.08	0.00%	-	(0.49%)	3.08
GTL	(0.11%)	0.45	(0.06%)	0.69	0.00%	-	(0.11%)	0.69
ISRL	0.05%	(0.21)	0.00%	-	0.00%	0.00	(0.00%)	0.00
METRO	(22.70%)	90.68	(0.72%)	7.84	0.00%	-	(1.26%)	7.84
PREETI	0.01%	(0.03)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
PVEB	29.98%	(119.80)	1.08%	(11.71)	0.24%	1.10	1.71%	(10.61)
PWS	4.31%	(17.24)	(0.10%)	1.05	0.00%	-	(0.17%)	1.05
SAE	64.23%	(256.62)	1.77%	(19.22)	1.62%	7.55	1.88%	(11.67)
								-
Joint Ventures -								
ACGB	0.00%	-	-	-	0.00%	-	0.00%	-
CMC	0.00%	-	(0.02%)	0.20	0.00%	-	(0.03%)	0.20
GOMCHN / OJSC	0.58%	(2.31)	(0.00%)	0.01	0.00%	-	(0.00%)	0.01
GSEW	0.00%	-	(0.00%)	0.00	0.00%	-	(0.00%)	0.00
GCTSYG	0.00%	-	0.01%	(0.06)	0.00%	-	0.01%	(0.06)
GSINGLA	0.00%	-	(0.01%)	0.11	0.00%	-	(0.02%)	0.11
GEC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
GGJV	0.00%	(0.01)	(0.00%)	0.00	0.00%	-	(0.00%)	0.00
CAMPO	57.69%	(230.50)	2.39%	(25.99)	0.00%	-	4.18%	(25.99)
								-
Associates -								
GECPL	(5.16%)	20.62	(1.08%)	11.71	0.00%	-	(1.88%)	11.71
TLL	(9.70%)	38.74	(1.17%)	12.71	0.00%	-	(2.04%)	12.71
Grand Total	**100.00%**	**(399.53)**	**100%**	**(1,086.46)**	**100%**	**464.63**	**100%**	**(621.82)**

Statement D

Reconciliations to First time adoption

A Equity Reconciliation

Particulars	As at March 31, 2016	As at October 1, 2014
Total equity / shareholders' funds under previous GAAP	**(450.62)**	**(324.15)**
Less: On account of Transfer of Business w.e.f Jan 1, 2016	86.27	-
Less: Changes on account of Audited and Unaudited of Components	23.90	
Adjusted Equity / Shareholders funds under previous GAAP	**(560.79)**	**(324.15)**
Adjustments on account of IND AS:		
Reclassification of Financial Liabilities	98.31	98.31
Net Fair Value Adjustments arising on Deemed Cost of Certain PPE	355.26	355.34
Fair Valuation of Long term Investments	442.14	442.14
Fair Valuation of Long term Investments carried at FVTOCI	14.10	(70.79)
Indas 20 Grant accounting	(98.76)	(98.76)
Interest and Guarantee on application of INDAS 109	(95.49)	91.39
IND AS 21 The Effects of Changes In Foreign Exchange Rates.	16.39	20.37
Applictaion of INDAS 11- Service concession agreement	51.21	166.52
Changes in Income tax	(131.99)	(76.81)
Changes in Non Controlling Interest	64.92	(20.20)
Changes in share of Profit/ Loss of Assocaites	56.56	8.56
Re-measurement of net defined benefit plans	2.01	0.69
INDAS 18 - Revenue Recognition	(5.73)	-
Others	12.55	5.96
Total IND AS Adjustments	**781.47**	**922.73**
Total equity under Ind AS	**220.67**	**598.58**

C Profit and Loss Reconciliation

Particulars	October 1, 2014 to March 31, 2016
Profit as per previous IGAAP	**(502.51)**
Less: On account of Transfer of Business w.e.f Jan 1, 2016	97.80
Less: Changes on account of Audited and Unaudited of Components	23.90
Adjusted Equity / Shareholders funds under previous GAAP	**(624.21)**
Adjustments on account of IND AS:	
IND AS 21 The Effects of Changes In Foreign Exchange Rates.	24.05
Interest and Guarantee on application of INDAS 109	(186.88)
INDAS 18 - Revenue Recognition	(5.73)
Re-measurement of net defined benefit plans	1.32
IND AS 12" Income Taxes"	(55.18)
Application of INDAS 11- Service concession agreement	(65.53)
Changes in Non Controlling Interest	85.12
Changes in share of Profit/ Loss of Associates and Joint ventures	48.00
Others	(0.24)
Total INDAS Adjustment	**(155.07)**
Profit as per INDAS	**(779.28)**

D Notes to the reconciliation of equity as at 1st October, 2014 and 31st March, 2016 and total comprehensive income for the year ended 31st March, 2017

(i) Property , Plant and Equipment

Fair Value as deemed cost - Property Plant and Equipment

The Holding Company has elected the option of fair value as deemed cost for Land and Building as on the date of transition to Ind AS. This has resulted in increase of ₹ 326.13 Crore in the value of land and buildings , Deferred tax on the revaluation of ₹ 98.42 Crore with corresponding increase in retained earnings of Crore ₹ 227.71 Crore. Further, the company has also recognized the revision in useful life as on date of transition to Ind AS to retained earnings and deferred tax liability.

Also one of the Subsidiary of GIL i.e., Transrail Lighting Limited has fair valued PPE as at transition date by ₹ 18.79 crores.

The Company during the quarter ended March 31, 2017 has decided to account further assets at fair value as at transition date in accordance with para D5 IndAS 101 – First time Adoption. These assets are over and above the assets, which were accounted at deemed cost at fair value in accordance with para D5 of IndAS 101 in the earlier quarters. The Company has applied this deemed cost exemption in respect of certain land and building and the resultant adjustments arising out of fair value changes is ₹ 109.12 Crore, deferred tax thereon ₹ 0.29 Crore with corresponding increase in retained earnings of ₹ 108.83 Crore.

These were not considered as deemed cost when the Company prepared the financial statements for the six-month period ended September 30, 2016 and on account of this change the retained earning considered in the unaudited financial statement ended September 30, 2016 will be higher by ₹ 109.12 as compared to what has been disclosed in the said financials. The depreciation charge on the revised deemed cost for the year ended march 2016 and for the 9 month period ended December 31, 2016 is higher by ₹ 0.15 Crore and ₹ 0.02 Crore. Consequently the profit / Loss is affected by a similar amount.

(ii) Promoter's contribution as equity contribution

As per the terms of Master Restructuring Agreement (MRA) with the CDR lenders, the Promoter had contributed ₹ 100 Crore in lieu of bank sacrifice, in the form of Promoters Contribution which can be converted to equity. The amount received from promoter is treated as Capital in nature and therefore it is shown under Other Equity.

(iii) Investment

(a) Under Ind AS, investments in equity shares (other than subsidiaries, associates and joint ventures) and mutual funds are carried at fair value through Statement of Profit and Loss as compared to being carried at cost under previous GAAP. Increase in retained earnings as at October 1, 2014 is ₹ 9.38 Crore and for the eighteen months period ended March 31, 2016 is ₹ 2.51 Crore .Under Previous GAAP, the Company accounted for long term investments and mutual funds in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments other than investments in subsidiaries / joint ventures and associates as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been recognised under retained earnings and the difference as at March 16 and March 17 is taken to Other inome in Statement of Profit and Loss.

(b) The company has measured its Investment in Subsidiaries , associates and joint ventures at deemed cost as per para D15(b) of IND AS 101 " First time adoption " .

- at previous GAAP carrying value for all the investment – para D15(b)(ii) except for Metropolitan Infrastructure Private Limited (MIPL)
- Investment of MIPL is carried at fair Value on transition date as per para D15(b)(i) of IND AS 101

The Holding Company has elected for exemption available in para D15 of INDAS 101 relating to accounting for its Investment in equity shares of Metropolitan Infrahousing Private Limited at its fair value. The fair value has been determined by an Independent Chartered Accountant resulting in increase in fair value of ₹ 571.69 Crore with consequent increase in reserves net of deferred tax liability of ₹ 129.55 Crore thereon. The increase in value of investment is shown under Goodwill in Consolidated financial Statement.

(c) The Company has accounted the Sofinter S.p.A Investment at Fair Value through Other Comprehensive Income from the transition date. 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. The said Sofinter hitherto was accounted as Associate on Equity Method under the previous GAAP principles for the period ended March 31, 2016. Total amount debited to OCI is ₹ 70.79 crores as at transition date and amount credited as at March 2016 is ₹ 14.10 crores.

(d) The investment in the equity shares of FTM has been shown as financial asset accounted on fair Value through Other Comprehensive Income (FVTOCI). Since no information is available from the commissioner, the fair value changes cannot be identified and the investment is carried without further fair value changes.

(iv) Loans and Advances (including Non Current Interest)

Under Ind AS, loans given are valued at present value as compared to being carried at cost in the previous GAAP. The difference between the book value and the present value of loan below market rate given to a subsidiary is treated as investment in subsidiary. The interest on the present value of this loan is recognised over the tenure of the loan using the Effective Interest rate (EIR) of the Company. Amount transferred to investment as at transition date is ₹ 1.10 Crore and ₹ 1.10 Crore for the year ended March 31, 2016. The difference of amount of carrying value of loan and the fair value of loans given to other group companies are taken to retained earnings which amounts to reduction in Retained earnings by ₹ NIL.

(v) Foreign Currency Translation Reserve

On Application of Ind AS 21 " The Effects of Changes in Foreign Exchange Rates" the Company has transferred balance in Foreign Exchange Transition Reserve to Retained earnings as on transition date i.e, 1st October 2014, and deferred tax assets on the portion of balance in FETR is also reversed.

(vi) Forward Contracts

All forward contracts are measured at Mark to Mark as per Ind AS 21 The Effects of Changes in Foreign Exchange Rates as at balance Sheet date.

(vii) Security deposits

Under Ind AS, interest free lease deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits which has been recognised as deferred rent expense as non financial asset. This lease amount is subsequently charged to the Statement of Profit and Loss on a straight line basis . Further, interest income computed on the present value of the security deposit is recognised over the tenure of the security deposit using the EIR of the Company.

The Group has recognised financial income on acount of unwinding os discounts on interest free security deposits given.

(viii) Other financial liabilities - Financial guarantees

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an guarantee income to the Statement of Profit and Loss. Accordingly the Company has accrued liability of ₹ NIL as at October 1, 2014, and accrued income of ₹ 3.22 Crore for the eighteen months period ended March 31, 2016. For the guarantees given to bankers for group companies in which the company is not holding any investment , the amount of Guarantee is taken to Retained earnings - ₹ 9.82 Crore.

(ix) Deferred payment liability

In case of one of the Subsidiary of GIPL the deferred liability under the previous GAAP on initial recognition was recognized at gross levels. Under Ind AS, the same are recognized at their Net Present Value (NPV). On account of this there is a reversal in deferred payment liability and Intangible Asset as on October 1, 2014. On application of INDAS 11 and reversal if Intangible as mentioned in (ix) above , there is reversal in amortization of Intangible Asset . The Subsidiary has also reversed its deferred tax liability on the above.

(x) Defined benefit obligation

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

(xi) Taxes:

Current Tax:

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

Deferred income tax (including MAT)

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences.

(xii) Revenue and Construction/Project Cost Recognition

The Group has recognised revenue in case of BOT projects in accordance with the principal laid down in Appendix A of Ind As 11 " Service Concession Arrangements" and therefore the revenue from Construction service (including margin) are at higher side. The corresponding Construction expenses has been accounted as Project expenses.

(xiii) Exceptional Item

During the year 2015-16 the GIPL had sold 9 SPV's , as per IGAAP the Gain on sale of Investments was recorded at book value i.e., at cost. As per IND AS all the Non- Current Financial Instruments needs to be discounted based on EIR of the Company. All the said SPV Loans were discounted and the effects of the same was taken in Opening Reserves and Surplus on transition date i.e., October 1, 2014. Therefore the gain shown in exceptional item as per IGAAP is taken upfront on the date of transition in the form of discounting and corresponding net effects are taken in Exceptional Item as per IND AS Financials as profit on Sale of Investments. Part of the Consideration was waiver of loans taken and since the balance of loans taken adjusted as per IND AS 109 " Financial Instruments" , the consideration and Profit on Sale of Investments was also modified.

The Transmission and Distribution business (T & D) of the Company was also carved out in two phases effective from 1st January,2016 i.e by way of a slump sale through a Business Transfer Agreement between the Company and Transrail Lighting Limited ("TLL") and a Slump exchange by way of a Scheme of Arrangement ("Scheme") between the Company and TLL and their respective shareholders and creditors("The Scheme") . Thus the accounts of the previous comparative 18-month period March 2016 are being recast under INDAS, the effect has been given in the previous year ended March 31, 2016 as the appointed date of the scheme is 1st January 2016.

Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said TLL w.e.f January 1, 2016. Accordingly, the said TLL recast its previous year figures incorporating the results of the operations w.e.f. January 1, 2016 in its first set of IndAS Financials and corresponding effects is given in exceptional item on divestment of stake.

(xiv) Other Comprehensive Income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

(xv) Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

(xvi) Expected credit loss

The Company has provided for Expected credit Loss of ₹ 4.08 Crore as at October 1, 2014, ₹ 3.45 Crore as at March 16 and ₹ 1.28 Crore as at March 17.

(xvii) 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. These shares were shown as Investments as per previous GAAP and the same is reclassified and shown under other Equity.

(xviii) Prior period income

The Holding company has accounted for penalty income of a prior period arising out of omission in accrual before the transition date of ₹ 2.25 Crore which has been adjusted in the opening retained earning as it relates to the period before the date of transition.

E Exemption under INDAS 101 "First time adoption of Indian Accounting Standards"

The Company has elected for the following exemptions available under INDAS 101 "First time adoption of Indian Accounting Standards"

(i) **Fair value measurement of Financial Assets or Financial Liabilities:**

The fair value adjustment of all financial assets being Loans given has been accounted for as on the date of transition over the balance period of the loan.

(ii) **Business Combination**

Ind AS 103 Business Combinations has not been applied to acquisitions, which are considered as business combination under Ind AS that occurred before 1 April 2015. The carrying amounts of assets and liabilities in accordance with previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurements is in accordance with Ind AS.

(iii) **Share Based Payments:**

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to October 1, 2014.

(iii) **Estimates**

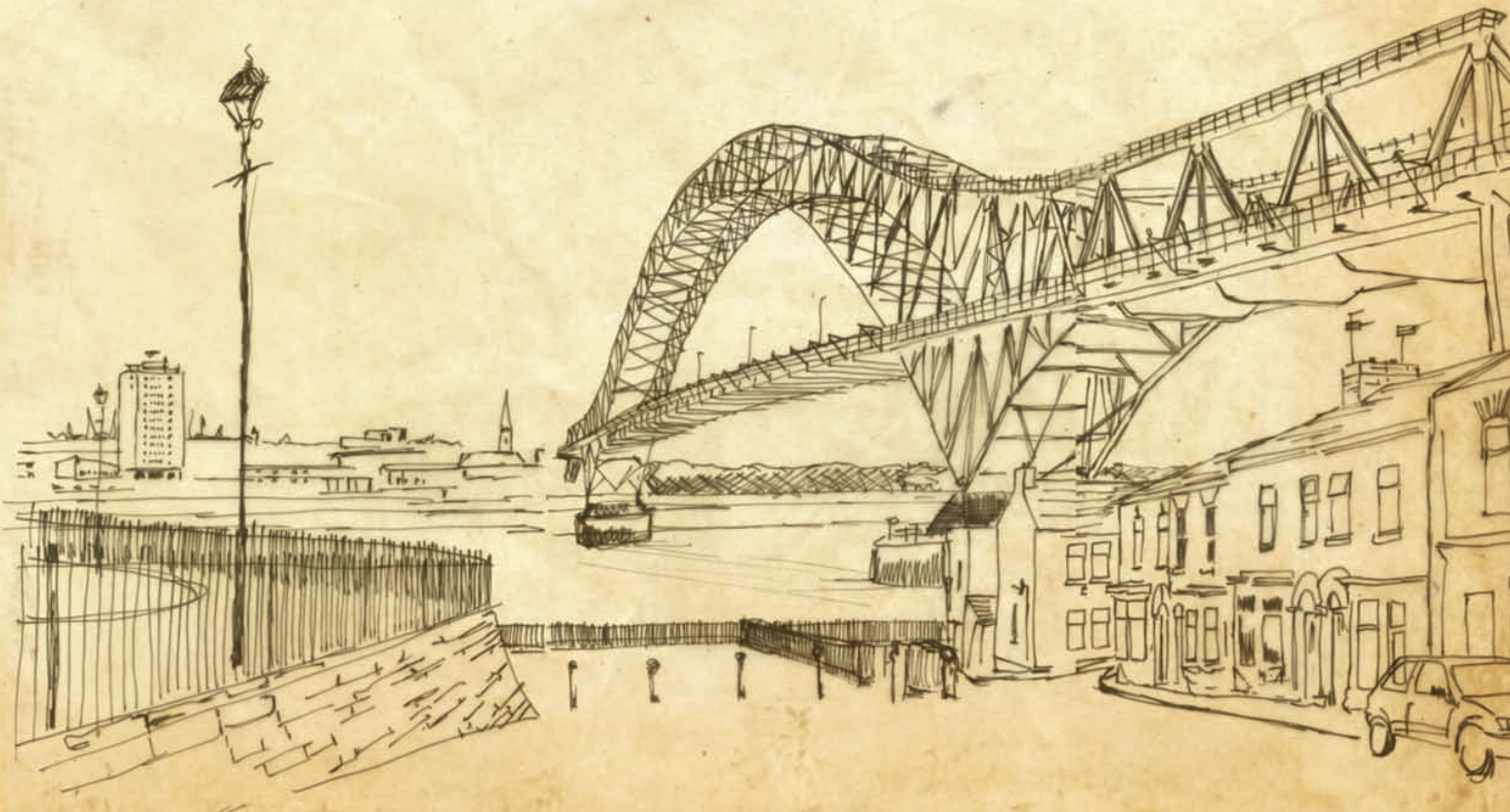
The estimates as at October 1, 2014 and at March 31, 2016 are consistent with those made for the same dates in accordance with previous GAAP.

(iv) **Property Plant and Equipment**

The Company has availed deemed cost exemption in respect of Property, Plant and Equipment and Investments in Subsidiaries as detailed in note above

NOTES

NOTES



GAMMON

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