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Acknowledged Copy



29<sup>th</sup> September, 2017

To,  
Listing - Compliance Department  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
C-1, Block G, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051  
**NSE Scrip Code: GAMMONIND EQ**



Dear Sir,

**Reference: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015")**

**Subject: Scheme of Arrangement between Gammon India Limited and Gammon Transmission Limited and their respective Shareholders and Creditors ("Scheme" or "the Scheme")**

We would like to inform you that Board of Directors of the Company at their meeting held on 20<sup>th</sup> September, 2017 approved the Draft Scheme of Arrangement between Gammon India Limited ("the Company" or "GIL") and Gammon Transmission Limited ("GTL") and their respective shareholders and creditors ("Scheme" or "the Scheme") subject to requisite statutory and regulatory approvals.

We further wish to inform you that Gammon India Limited is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), Mumbai. Gammon Transmission Limited is an Unlisted Public Limited Company.



## GAMMON INDIA LIMITED

An ISO 9001 Company

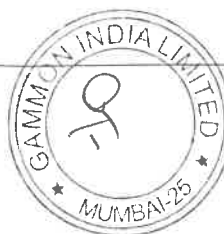
GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com

CIN: L74999MH1922PLC000997



Pursuant to Regulation 37 of the SEBI (LODR) Regulations, 2015 and SEBI Scheme Circular, we hereby state/submit as under:

Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Page Nos.
1.	Draft copy of the Scheme of Arrangement - <b>Annexure A.</b>	01-30
2.	Original copy of Valuation Report as per Para I(A)(4) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017- <b>Annexure B.</b>	31-41
3.	Report from the Audit Committee recommending the Draft Scheme, taking into consideration, inter alia, the Valuation Report - <b>Annexure C.</b>	42-44
4.	Fairness Opinion by the Merchant Banker on Valuation of Shares done by the Valuer - <b>Annexure D.</b>	45-50
5.	Shareholding pattern in accordance with Regulation 31(1) of the SEBI (LODR) Regulations, 2015 - for pre and post Scheme of Arrangement of the Companies. - <b>Annexure E1 and E2.</b>	51-75
6.	Audited Financials of GIL and GTL for the last 3 financial years - <b>Annexure F1 and F2</b>	76-77
7.	Auditor's Certificate as per Para 1(A)(5) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 - <b>Annexure G.</b>	78-79
8.	Corporate Governance Report as per Regulation 27(2)(a) of the SEBI (LODR) Regulations, 2015 - <b>Annexure H.</b>	80-91
9.	Detailed Compliance Report as per the format specified in Annexure IV of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 duly certified by the Company Secretary confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards- <b>Annexure I.</b>	92-93
10.	Document required to submit wherein approval of shareholders to Scheme through postal ballot and e-voting (Para 1(A)(9)(a) of Annexure-I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017) is not applicable: a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para 9 (a) b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	The Scheme of arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. The Scheme would require approval from public shareholders



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		through postal ballot and e-voting
11.	Pricing certificate from the Statutory Auditor/ PCA / PCS of the listed company as per Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, if the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies pursuant to scheme of arrangement -	Not Applicable
12.	Pre and Post Scheme Net worth of GIL and GTL - <b>Annexure J1 and Annexure J2.</b>	94-95
13.	Board resolution approving the Scheme of Arrangement of GIL and GTL - <b>Annexure K1 and Annexure K2.</b>	96-102
14.	Brief details of GIL and GTL- <b>Annexure L</b>	103-108
15.	Confirmation from GIL and GTL involved in the scheme regarding the following: a. The Company, its promoters or Directors have never been declared as wilful defaulter as per RBI Circular Ref. No. RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16 dated July 1, 2015 by the Banks. b. The Company, its promoters or Directors have not been directly or indirectly, debarred from accessing the capital market or have been restrained by any regulatory authority from, directly or indirectly, acquiring the said securities. c. The Company, its promoters or Directors do not have direct or indirect relation with the companies, its promoters and whole-time directors, which are compulsorily delisted by any recognised stock exchange is annexed as <b>Annexure M1 and Annexure M2</b>	109-112
16.	Confirmation from the Company Secretary in accordance with Regulation 11 of the SEBI (LODR) Regulations, 2015 and Website Link of the Company where the draft Scheme and other documents shall be uploaded - <b>Annexure N.</b>	113-114
17.	Certificate from Practising Chartered Accountants certifying Percentage turnover and profitability of the division, being hived off vis-à-vis the other divisions of the company - <b>Annexure O</b>	115-117
18.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI - <b>Annexure P</b>	118-118
19.	Annual Report of GIL and GTL for the last financial year - <b>Annexure Q1 and Annexure Q2 .</b>	119-408
20.	The details of Directors of GIL and GTL pre scheme - <b>Annexure R1 and Annexure R2.</b>	409-411
21.	Complaints Report as per Para 1(A)(6) of Annexure-I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.	The Company will submit the Complaints Report within 7 days of the

## GAMMON INDIA LIMITED

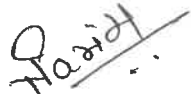
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		expiry of 21 days from the date of submission of the Scheme of Arrangement to the Stock Exchange.
22.	Processing fee payable, favoring 'National Stock Exchange of India Limited - <b>Annexure S</b> .	412-412
23.	Name and Designation of Contact person – <b>Ms. Niki Shingade, Compliance Officer</b> <b>Tel. no. 61153411, Mob. 9819498364</b> <b>Email id – <a href="mailto:niki.shingade@gammonindia.com">niki.shingade@gammonindia.com</a></b>	

**For GAMMON INDIA LIMITED**



**NIKI SHINGADE  
COMPLIANCE OFFICER**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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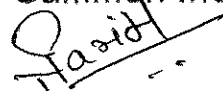


Answer A.

SCHEME OF ARRANGEMENT

For Gammon India Limited

BETWEEN

  
Director / Authorised Signatory

GAMMON INDIA LIMITED ('GIL' or 'Transferor Company')

AND

GAMMON TRANSMISSION LIMITED ('GTL' or 'Transferee Company')

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)

("the Scheme")

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**(A) PREAMBLE**

This Scheme of Arrangement is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the transfer of the Civil EPC Undertaking (*defined hereinafter*) of Gammon India Limited ('GIL' or 'Transferor Company'), a company incorporated under the Companies Act, 1913 with registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025 and engaged in, *inter alia*, the business of civil engineering, design and construction in cooling towers, chimneys, buildings, roads etc. into Gammon Transmission Limited ('GTL'), a company incorporated under the Companies Act, 1956 and which is 100% legally and beneficially held by GIL with registered office at 501 A,B,C,E Fortune 2000, Block G, Bandra Kurla Complex, Mumbai - 400051 .

The Board of Directors of GIL and GTL have approved two Business Transfer Agreements ('BTAs') for transfer of some of the undertakings of the Civil EPC business, defined therein as the Identified Business ("BTA Undertaking") to GTL. Pursuant to this Scheme GIL proposes to transfer the Transferred Undertaking to GTL as part of the effort to further the Civil EPC business of GTL.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

**(B) DESCRIPTION OF THE SCHEME**

In furtherance of the understanding between GIL and GTL, this Scheme, *inter alia*, deals with the transfer of the Civil EPC Undertaking from GIL to GTL (more particularly described in Part II of this Scheme) and various other matters consequential to or otherwise integrally connected with the above, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in the manner provided for in this Scheme.

**(C) RATIONALE FOR THE SCHEME**

1. Transfer of the Civil EPC Undertaking by GIL to GTL would help in achieving the desired operating structure and shall *inter alia* have the following benefits:
  - i. To enable investment by strategic investor; and
  - ii. Deleverage the balance sheet of GIL.

**(D) PARTS OF THE SCHEME:**

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;

- (ii) **PART II** deals with Slump Exchange of Civil EPC Undertaking into GTL;
- (iii) **PART III** deals with general terms and conditions and other miscellaneous provisions applicable to this Scheme.

## **PART I**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act" or "the Act"** means the Companies Act, 2013 (to the extent applicable), or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **"Applicable Law"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.3 **"Appointed Date"** means 1<sup>st</sup> October, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal;
- 1.4 **"Civil EPC Business"** means Civil Engineering, Procurement and Construction business carried on by the Transferor Company in Cooling towers, chimneys,

industrial and residential buildings, roads, tunnels, dams etc. in relation to contracts included in Schedule I.

1.5 **“Civil EPC Undertaking”** means the Transferred Undertaking as a going concern, with all contracts, agreements, licenses, engagements, financial instruments, commitments, other contractual arrangements and warranties comprised in and/ or pertaining to the Transferred Undertaking as on the Appointed Date, including:

- (i) all properties and assets, movable and freehold and leasehold immovable, real and personal, tangible and intangible, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated as on the Appointed Date relating to the Transferred Undertaking, leases, tenancies and agencies of the Transferor Company relating to the Transferred Undertaking, plant and machineries, electrical installations, vehicles, equipments, furnitures, investments, sundry debtors, inventories, other current assets, cash and bank balances, bills of exchange, deposits, loans and advances(including recoverable from identified subsidiaries), and other assets as appearing in the books of account of the Transferor Company in relation to the Transferred Undertaking;
- (ii) all other interests or rights (including claims, arbitration awards, etc.) or accumulated experience and performance qualifications, including financial, technical and other qualifications, in or arising out of or relating to the Civil EPC Business together with all respective powers, interests, charges, privileges, benefits, entitlements, building plans, drawings (including approvals obtained for such drawings or any pending applications made for

approvals), industrial and other registrations, licenses, quotas, brands and trademarks, patents, copyrights, other intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits/ incentives (including but not limited to credits/ incentives in respect of sales tax, value added tax, turnover tax, excise duty, service tax etc.), tax holiday benefits and other benefits appertaining to the Transferred Undertaking and/or to which the Transferor Company is entitled to in respect of the Transferred Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts, sub-contracting agreements, if any, entered into with the GTL and engagements relating to the Transferred Undertaking;

- (iii) powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, facsimile connections and installations, utilities, electricity, water and other services, and all other interests in connection with or relating to the Transferred Undertaking;
- (iv) all debts, liabilities, duties, funded and non-funded facilities, bank guarantees, letters of credit and obligations of the Transferor Company in relation to the Transferred Undertaking including loans / borrowings secured on investment in identified subsidiaries being transferred and further including liabilities (including those arising in future) on account of loans, sundry creditors, sales tax, bonus, gratuity and other taxation and contingent liabilities of the Transferor Company pertaining to or relatable to the Transferred Undertaking;

- (v) all employees of the Transferor Company engaged in or in relation to the Transferred Undertaking, on the date immediately preceding the Effective Date; and
- (vi) all books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records, whether in physical or electronic form, directly or indirectly in connection with or relating to the Transferred Undertaking.

Provided that the Transferor Company will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, even after coming into effect of the Scheme and the Trasferee Company shall be obliged to provide such documents and other records to the Transferor Company.

1.6 **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 17 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the “Effective Date”;

- 1.7 **“GIL” or “the Transferor Company”** means Gammon India Limited, a company incorporated under the Companies Act, 1913, and having its registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025
- 1.8 **“GTL” or “the Transferee Company”** means Gammon Transmission Limited, a company incorporated under the Companies Act, 1956, and having its registered office at – 501 A,B,C,E Fortune 2000, Block G, Bandra Kurla Complex, Mumbai - 400051
- 1.9 **“National Company Law Tribunal” or “NCLT”** means the National Company Law Tribunal having jurisdiction in relation to GIL and GTL i.e. NCLT at Mumbai
- 1.10 **“Remaining Business of GIL” or “Remaining Undertaking of GIL”** means all the undertakings, businesses, activities and operations of GIL, including the premises called ‘The Gammon House’ but excluding the Civil EPC Undertaking (as defined in Clause 1.5 above)
- 1.11 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Honorable NCLT or this Scheme with such modification(s), if any made, as per Clause 16 of the Scheme;
- 1.12 **“Stock Exchanges”** means BSE Limited and The National Stock Exchange of India Limited;
- 1.13 **“Transferred Undertaking”** means the Civil EPC Business excluding the BTA Undertaking.

## **1A CONSTRUCTION**

- 1A.1 Any question that may arise as to whether a specified project or asset or liability

pertains or does not pertain to the Civil EPC Undertaking or whether it arises out of the activities or operations of the Civil EPC Undertaking shall be decided by mutual agreement between the Board of Directors of GIL and GTL.

1A.2 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.1 The authorized, issued, subscribed and paid-up share capital of GIL as on June 30, 2017 is as under:

Share Capital	Amount in Rs. Crores
<b>Authorized Share Capital</b>	
74,710,000,000 Equity Shares of Rs. 2 each	14,942.00
3,000,000 6% Optionally Convertible Preference Shares of Rs. 350/- each	105.00
<b>Total</b>	<b>15,047.00</b>
<b>Issued Share Capital *</b>	
37,04,27,845 Equity Shares of Rs. 2 each, fully paid up	74.09



Share Capital	Amount in Rs. Crores
<b>Total</b>	<b>74.09</b>
<b>Subscribed and Fully Paid up Capital</b>	
36,88,47,305 Equity Shares of Rs. 2 each, fully paid up	73.77
<b>Share Forfeiture Account</b>	
Money received in respect of Right Shares of Rs.10/- each forfeited	0.34
<b>Total</b>	<b>74.11</b>

\*Issued Share Capital includes 7,25,800 shares of Rs. 2/- each kept in abeyance.

The shares of GIL are listed on Stock Exchanges.

- 2.2 The authorized, issued, subscribed and paid-up share capital of GTL as on March 31, 2017 is as under:-

Share Capital	Amount in Rs.
<b>Authorized Share Capital</b>	
50,000 Equity Shares of Rs.10/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 Equity Shares of Rs.10/- each, fully paid-up	5,00,000
<b>Total</b>	<b>5,00,000</b>

The entire equity capital of GTL is held by GIL. Subsequent to March 31, 2017 and till the date of approval of the Scheme by the Board of GTL there has been no change in the authorized, issued, subscribed and paid up share capital of GTL.

**3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date, but shall be operative from the Effective Date.

**PART II**

**SLUMP EXCHANGE OF CIVIL EPC UNDERTAKING INTO GTL**

**4. SLUMP EXCHANGE**

4.1 On and from the Effective Date the Civil EPC Undertaking shall be transferred to and vested in GTL as a going concern from the Appointed Date, as detailed in Clause 4.2 below against issue of shares specified in Clause 5 hereinafter.

**4.2 TRANSFER AND VESTING OF CIVIL EPC UNDERTAKING**

Upon the Scheme becoming effective, with effect from the Appointed Date, the Civil EPC Undertaking shall, in accordance with Sections 230 to 232 of the Act and all other applicable laws, if any, stand transferred to and vested in or be deemed to be transferred to and vested in GTL on a going concern basis and in the following manner:

4.2.1. all the assets of Civil EPC Undertaking, except for the portions specified in Clauses 4.2.2 and 4.2.3 below, of whatsoever nature and where so ever

situated and incapable of passing by manual delivery and/or endorsement or otherwise, shall, under the applicable provisions of Sections 230 and 232 and all other provisions, if any, of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in GTL.

4.2.2. all the moveable assets including cash in hand, if any, of Civil EPC Undertaking, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to GTL. On such delivery or endorsement and delivery, the same shall become the property of GTL to the end and intent that the ownership and property therein passes to GTL on such handing over in pursuance of the provisions of Section 230 -232 of the Act.

4.2.3. in respect of the moveable properties of Civil EPC Undertaking other than specified in Clause 4.2.2 above and any intangible assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., GTL may itself or require GIL and GIL shall upon such requisition from GTL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan receivable,

advance or deposit be paid or made good or held on account of GTL as the person entitled thereto to the end and intent that the right of GIL to recover or realize all such debts (including the debts payable by such persons or depositors to GIL) stands transferred to and vested in GTL and that appropriate entries should be passed in their respective books to record the aforesaid change.

4.2.4. all debts, liabilities, duties, obligations of every kind, nature and description including all excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of Civil EPC Undertaking shall also, under the provisions of Sections 230 and 232 of the Act without any further act or deed be transferred to and assumed by or deemed to be transferred to and assumed by GTL so as to become as from the Appointed Date the debts, liabilities, duties, obligations of GTL. It is hereby confirmed that the debts, liabilities and obligations of GIL pertaining to the BTA Undertaking, have been transferred to GTL pursuant to the BTA.

4.2.5. The transfer and vesting of the Civil EPC Undertaking as aforesaid of GIL, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.

Provided that in so far as the assets comprised in the Civil EPC Undertaking are concerned, the security and charge over such assets relating to any loans or liabilities pertaining to the Remaining Undertaking of GIL shall, without any further act or deed, be released from such encumbrance and shall no longer be available as security in relation to such loans or liabilities.

Provided further that in so far as the assets comprised in the Remaining Undertaking of GIL are concerned, the security over such assets relating to the loans, borrowings, debts and financial assistance pertaining to the Civil EPC Undertaking shall, without further act, instrument or deed, along with any guarantees, indemnities, or undertakings provided by GIL in relation to the Civil EPC Undertaking, be released and discharged from the obligations and security relating to the same. With effect from the Appointed Date and upon the Scheme becoming effective, GTL undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to the Civil EPC Undertaking.

Provided also that the transfer and vesting of loans / liabilities shall continue to have encumbrances confined only to the relevant assets of the Civil EPC Undertaking or part thereof and no such encumbrances shall extend over or apply to any asset(s) of GTL. Similarly, GTL shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the encumbrances in respect of such indebtedness of GTL shall not extend or be deemed to extend or apply to the assets so vested.

- 4.2.6. Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of

whatsoever nature in relation to the Civil EPC Undertaking, to which GIL is a party to or to the benefit of which GIL may be eligible and which are subsisting or having effect immediately before the Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in GTL as if the same were originally given or issued to or executed in favour of GTL, and the rights and benefits under the same shall be available to GTL. Further, GIL shall execute such further deeds or documents as may be required to give effect to this Clause.

4.2.7. The work experience, qualifications, capabilities, logistics, turnover record and track record with National & International Companies, Central and State Government / Non-Government agencies / bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of GIL acquired by reason of completion of various projects and works pertaining to the Civil EPC Undertaking and certificates of completion of projects and works pertaining to Civil EPC Undertaking issued by clients of GIL shall be deemed to be part of and belonging to GTL and shall for all purposes be regarded as the work experience, qualifications, capabilities, logistics, turnover record and track record (including technical parameters, past performance, track record, financials, etc.) and certificates of completion of GTL.

4.2.8. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of GIL (in relation to Civil EPC Undertaking) after the

Effective Date shall be accepted by the banker(s) of GTL and credited to the account of GTL, if presented by GTL or received through electronic transfers. Similarly, the banker(s) of GTL shall honour all cheques / electronic fund transfer instructions issued by GIL (in relation to Civil EPC Undertaking) for payment after the Effective Date. If required, the bankers of GIL and GTL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of GIL by GTL in relation to the Civil EPC Undertaking for such time as may be determined to be necessary by GTL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of GTL.

4.2.9. Upon the Scheme becoming effective, GIL and GTL are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, Goods and Services Tax Laws ('GST Laws), state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

4.2.10. Any tax liabilities under the service tax laws, excise duty laws, GST Laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of Civil EPC Undertaking whether provided for or covered by tax provision in the accounts made as on

the date immediately preceding the Appointed Date or not shall be transferred to GTL.

4.2.11. Any refund / credit, under the service tax laws, excise duty laws, central sales tax, GST Laws, applicable state value added tax laws or other applicable laws/regulations in relation to the Civil EPC Undertaking arising consequent to the assessment made on GIL whether recorded in the accounts as on the date immediately preceding the Appointed Date or not shall belong to GTL upon this Scheme becoming effective.

4.2.12. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation service tax, excise duty, central sales tax, GST Laws, applicable state value added tax etc.) to which Civil EPC Undertaking is entitled to in terms of applicable laws, shall be available to and vest in GTL, upon this Scheme coming into effect.

## **5. ISSUE OF SHARES**

5.1. Upon coming into effect of the Scheme, GTL shall issue and allot 740,000 (Seven lakh forty thousand only) fully paid up equity shares of Rs.10/- each to GIL.

5.2. Equity shares to be issued by GTL to GIL as above shall be subject to the Memorandum and Articles of Association of GTL and shall rank *pari passu* with the existing equity shares of GTL in all respects including dividends.

5.3. GTL shall to the extent required increase its authorized share capital to facilitate the issue of equity shares under this Scheme.



5.4. Approval of this Scheme by the shareholders of GTL shall be deemed to be the due compliance with the provisions of Section 42/62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by GTL to GIL, as provided in this Scheme.

5.5. The approval of this Scheme by the shareholders of both the companies under Sections 230 to Section 232 of the Act shall be deemed to have the approval under Sections 13, 14, 180 and 186 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF GIL AND GTL**

### **6.1. IN THE BOOKS OF THE TRANSFEROR COMPANY**

Upon the Scheme becoming effective, GIL

6.1.1. shall reduce the book value of assets and liabilities pertaining to the Civil EPC Undertaking as on the Appointed Date from its books of accounts;

6.1.2. shall record all the Equity Shares received pursuant to this Scheme in accordance with IND-AS 27 or IND-AS 109 as may be applicable;

6.1.3. the difference between the aggregate of the Equity Shares recorded as per 6.1.2 and the book value of liabilities of the Civil EPC Undertaking as per 6.1.1 as reduced by the book value of assets of the Civil EPC Undertaking as per 6.1.1, shall be recorded in accordance with the applicable Ind-AS.

### **6.2. IN THE BOOKS OF GTL**

Upon the Scheme becoming effective,

- 6.2.1. GTL shall record the Equity Shares issued by it to GIL pursuant to this Scheme in accordance with the applicable provisions of IND-AS 103;
- 6.2.2. GTL shall record all the assets and liabilities pertaining to the Civil EPC Undertaking being transferred and vested pursuant to the Scheme in accordance with the applicable provisions of IND-AS 103.
- 6.2.3. The difference, being the excess of value of the assets and liabilities pertaining to the Civil EPC Undertaking in terms of paragraph 6.2.2 above and the amount credited as per Clause 6.2.1, shall be recorded in accordance with the applicable provisions of IND-AS 103.

#### **7. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY GTL**

For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent GTL from issuing new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

### **PART III**

#### **GENERAL TERMS AND CONDITIONS**

#### **8. TRANSACTIONS UPTO THE EFFECTIVE DATE**

8.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) GIL shall carry on and be deemed to have carried on the business and activities in relation to the Civil EPC Undertaking and shall stand possessed of their properties and assets relating to the Civil EPC Undertaking for and in trust for GTL and all the profits / losses accruing on account of the Civil EPC Undertaking shall for all purposes be treated as profits / losses of GTL and all revenues and

costs accruing on account of the Civil EPC undertaking shall for all purposes be treated as revenues and costs of GTL.

- (b) All the debts, liabilities, duties, obligations, taxes etc. as aforesaid of the Civil EPC Undertaking incurred/contracted during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by GTL and shall be deemed to be the debts, liabilities and obligations of GTL and further that it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this clause.
- (c) GIL shall not without the prior written consent of the Board of Directors of GTL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Civil EPC Undertaking any part thereof except in the ordinary course of its business.
- (d) GIL shall not vary the terms and conditions of service of its permanent employees relating to the Civil EPC Undertaking except in the ordinary course of its business.
- (e) GTL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which they may require to carry on the business of the respective Civil EPC Undertaking. Further, GIL shall extend all assistance to GTL, if requested by GTL, in obtaining the said consents, approvals and sanctions.

(f) Any payments made or benefits received by GIL in respect of the Civil EPC Undertaking shall be deemed to have been made or received, as the case may be, for and on behalf of GTL and GIL shall be entitled to recover such expenses from GTL or obligated to pass on the benefits to GTL. Similarly, any payments made or benefits received by GTL in respect of the Remaining Undertaking of GIL shall be deemed to have been made or received, as the case may be, for and on behalf of GIL and GTL shall be entitled to recover such expenses from GIL or obligated to pass on the benefits to GIL.

8.2 With effect from the date of approval of the Scheme by Board of Directors of GIL and GTL until the Effective Date, GIL shall preserve and carry on the business and activities of Civil EPC Undertaking with reasonable diligence and business prudence and GIL shall not, without the prior consultation with GTL, alienate, charge or otherwise deal with or dispose of the Civil EPC Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees; further, GIL shall not engage in any corporate restructuring exercise including any merger and/or demerger or substantial expansion of the Civil EPC Undertaking without prior written consent of GTL.

## **9. EMPLOYEES**

9.1 On the Scheme becoming effective, all employees of the Civil EPC Undertaking in service on the Effective Date, shall be deemed to have become employees of GTL respectively with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with GTL shall not be less

favorable than those applicable to them with reference to the Civil EPC Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Civil EPC Undertaking shall be decided by Board of Directors of GIL.

- 9.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Civil EPC Undertaking shall be deemed to have been created by GTL in place of GIL for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of GIL in relation to such fund or funds shall become those of GTL. It is clarified that the services of the employees of the Civil EPC Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

## **10. LEGAL PROCEEDINGS**

- 10.1 All legal proceedings of whatsoever nature by or against GIL pending and/or arising before the Effective Date and relating to the Civil EPC Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GTL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against GIL.

10.2 After the Appointed Date, if any proceedings are taken against GIL in respect of the matters referred to in the sub-clause 10.1 above, GIL shall defend the same in accordance with advise and instructions of GTL at the cost of the GTL, and GTL shall reimburse and indemnify GIL against all liabilities and obligations incurred by GIL in respect thereof.

10.3 GTL undertakes to have all legal or other proceedings initiated by or against GIL referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against GTL as the case may be, to the exclusion of GIL and GIL shall extend all assistance in such transfer into the GTL's name, if required by the GTL.

## **11. CONTRACTS, DEEDS, ETC.**

11.1 Notwithstanding anything to the contrary contained in any contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Civil EPC Undertaking of GIL to which GIL is a party or to the benefit of which GIL may be eligible, shall continue in full force and effect against or in favour of GTL, and may be enforced effectively by or against GTL as fully and effectually as if, instead of GIL, GTL had been a party thereto from inception.

11.2 GTL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which

GIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. GTL shall be deemed to be authorised to execute any such writings on behalf of GIL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of GIL.

- 11.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Civil EPC Undertaking to which GIL is a party to, cannot be transferred to the GTL for any reason whatsoever, GIL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GTL; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Civil EPC Undertaking as well as GIL (pursuant to the transfer of the Civil EPC Undertaking), GIL and GTL shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

## **12. REMAINING UNDERTAKING**

- 12.1 The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by GIL and GTL shall have no right, claim or obligation in relation to the Remaining Undertaking. From the Appointed Date, GIL shall carry on the activities and operations of the Remaining Undertaking distinctly and as a separate business from the Civil EPC Undertaking.

12.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against GIL under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking shall be continued and enforced by or against GIL after the Effective Date. GTL shall in no event be responsible or liable in relation to any such legal or other proceeding against GIL.

12.3 GIL will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against GIL under any statute, even after coming into effect of the Scheme and GTL shall be obliged to provide such documents and other records to GIL.

### **13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Civil EPC Undertaking as above and the continuance of proceedings by or against GIL in relation to the Civil EPC Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that GTL accept and adopt all acts, deeds and things done and executed by GIL in respect thereto as done and executed on their behalf.

### **14. CHANGE OF NAME OF GTL**



Upon sanction of this Scheme, the name of GTL shall automatically stand changed without any further act, instrument or deed on the part of GTL to such other name as may be decided by the Board of Directors or a committee thereof and approved by the concerned jurisdictional Registrar of Companies. The Memorandum of Association and Articles of Association of GTL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

### **PART III**

#### **GENERAL TERMS AND CONDITIONS**

**15. APPLICATION TO NCLT**

GIL and GTL shall as may be required make applications and/or petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT, Mumbai Bench for sanction of this Scheme and all matters ancillary or incidental thereto.

**16. MODIFICATION OR AMENDMENTS TO THE SCHEME**

GIL and GTL, by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). GIL and GTL by their respective Boards are authorised to take all such steps as may be necessary,

desirable or proper to resolve any doubts, difficulties or questions whatsoever for in relation to carrying out the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. However any modification or amendment to the Scheme after the NCLT has sanctioned the scheme will require the prior approval of the NCLT.

#### **17. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 17.1 The requisite consent, approval or permission of the Central Government including Stock Exchanges and Securities and Exchange Board of India;
- 17.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of GIL and GTL as may be directed by the NCLT, Mumbai Bench or any other competent authority, as may be applicable;
- 17.3 The Scheme being sanctioned by the NCLT, Mumbai Bench or any other authority under Sections 230-232 of the Act;
- 17.4 Certified copy of the Order of the NCLT, Mumbai Bench sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by GIL and GTL.

#### **18. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the NCLT or

such other competent authority and / or the Order not being passed as aforesaid before September 30, 2018 or within such further period or periods as may be agreed upon between GIL and GTL by their respective Board of Directors or any committee thereof (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

**19. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by GTL.

**Schedule I**

**Details of Contracts forming part of the Civil EPC Business**

7706	DELHI - NOIDA BRIDGE PROJECT
7712	BHAGIRATHI BRIDGE AT JANGIPUR
7714	MINIFLYOVERS IN CHENNAI CITY PACKAGE - II
7910	VASAI CREEK BRIDGE NO 73
7915	ELEVATED STRUCTURE (VIADUCT) ON TRINAGAR - KOHAT ENCLAVE
7918	DMRC VIADUCT : KOHAT ENCLAVE - RITHALA SECTION
8021	LIBRARY AND COMPUTER CENTRE BUILDING AT IIT - GUWAHATI
8105	900 L.I.G. HOUSES ON TURNKEY BASIS FOR DDA - NEW DELHI
8320	8320 - DMRC Viaduct at Indraprastha
8419	8419 - Construction Of Bal. Civil Works Of Approach Bridge (Deck Portion) To Maralihalla Pump House
8446	8446 - Construction Of Godrej Woodsman Estate,Bangalore
8541	8541 - Construction of Grade Seperators on DEPC Turnkey Basis at Various Intersections in Chennai
8606	8606 - Construction of Hotel 'The Leela Palace', Chennai - Civil, Structural & Other Allied Works
8708	8708 -RCC (INCLUDING PILLING FOR PODIUM)15 STORY TOWERS & PODIAM AT GODREJ HILL KALYAN (W)
8815	8815-Construction of GSTAAD Hotel project, Kasturba Road, Bangalore- Civil & Structural works.
8843	8843- Construction of Galleria Mall, Bengaluru - Civil & Structural Works.
9012	9012-Package ANV2: Construction of Viaduct Including Related Works for 5.27 Km length,Kolkata Metro
BHSG	BANDRA HOUSING PROJECT
6607	CHANDRAPUR COOLING TOWERS
6908	RAICHUR NATURAL DRAUGHT COOLING TOWERS STAGE
7004	DEO AQUADUCT
7006	PANIPAT COOLING TOWER
7301	BUDGE BUDGE CIVIL WORK FOR ASH HANDLING PLANT
7302	PATA I.D. COOLING TOWER AND WATER TREATMENT PLANT FOR LPG RECOVERY UNIT
7601	RAICHUR MULTIFLUE R.C. CHIMNEY STATE
7611	NEELACHAL CIVIL WORKS
7805	NEYVELI NATURAL DRAFT COOLING TOWERS FOR NEYVELI
7814	MECHANICAL WORKS FOR THE BANDRA INFLUENT & EFFLUENT DISPOSAL PROJECT
7820	I.I.T. ACADEMIC COMPLEX PHASE - II
8016	CONSTRUCTION OF TWO MULTIPURPOSE BERTHS AT VISAKHAPATNAM PORT TRUST IN THE STATE OF A.P. ON BOT
8018	KOTA I.D. COOLING TOWERS - MECHANICAL WORKS
8019	KOTA I.D. COOLING TOWERS - CIVIL WORKS

8213	NDCTr & 275 Tall Chimney for Bellary TPP for BHEL
8216	Supply of Cooling Tower Package For Vindhyachal STPP
8217	Vindhyachal C.T.
8301	8301 - Natural Draught Cooling Tower For New Parli Power Project For MSEB
8304	Natural Draught Cooling Tower For Rajasthan Atomic Power Project
8327	Paras NDCT
8331	Design,Engineering, Manf. & supply of 1 No. Cooling Tower for tata Sponge Iron Ltd. at Joda, Orissa
8332	Unloading, Shifting of material,erection & comissioning of 1 no. of cooling tower for Tata Sponge
8423	Chandrapura CT
8435	Cooling Towers Civil Works For 1100mw Sugan CCPP At Akhakhhol Near Surat,Gujrat
8442	8442 - Design,Engineering,Supply, Erection and Commi. of Cooling Tower Fans unit 3,4,5 Nashik TPS
8454	Design, Engg, Mfg & Supply of Cooling Tower at New Delhi
8512	Supply & Erection of Cooling tower at National Steel Plant, Jeddah, Saudi Arabia
8515	Civil Works for Jindal Steel plant at Bellary.
8516	Barsingar IDCT & CHY.
8531	8531 - Supply of all material & equipment of cooling tower at baruauni TPS
8532	8532 - Repairing & Installation of Cooling Tower at Barauni TPS
8546	8546 - Work of Cooling Tower for IPP Project Located at Jharsuguda in the State of Orissa
8604	8604 - Paras Expn. Project - Construction of ND Counter Flow Cooling Tower with Film Type Fill
8613	8613 - Replacement of Splash Bars in Stage-I Cooling Towers at NTPC Korba
8624	Supply of Cooling Towers for Korba Super Thermal Power Project
8642	III Construction of Induced Draft Cooling Tower at V.V.Reddy Nagar, Kadapa, AP
8702	Factory Building Kadapa (8602 / 8702)
8716	Tiroda MF Chimney (8716)
8804	DESIGN, DETAILED ENGINEERING, SUPPLY, SHOP INSPECTION & TESTING, PACKING NDCT
8906	8906-REPLACEMENT OF SPLASH BARS IN STAGE I & II COOLING TOWERS FOR KORBA SUPER THERMAL POWER PROJECT
8918	UnoSugan NDCT
8935	Civil work for CW System, Tuticorin Indure
8936	Civil work for CW System, Tuticorin
8944	Storm water drainage system, Jindal
9002	GCW I for 6x660 MW Sasan UMPP Sasan
9003	Constrtn of Channel for Raw Water Intake at Rihand Reservoir for 6x660 MW Sasan UMPP,Sasan MP
ERD1	Energy Refurbishment Account (GACTEL jobs) in Bank or Cash class
MS01	Bhel
8208	Sewa HEP
8727	AP Irrigation: Pranhita
8801	Pravara Power Plant - Onshore supply
8712	Karnataka Road Works (Pkg 4&5) (8712&8713)
8836	Brahmaputra Pipeline
8837	Ramanmandi Pipeline

9020	Patna Buxar Road Project
9118	Patna Buxar Road
6701	Barnar Dam
7618	Adavinainar Koil Masonary Dam
7705	Hathidah Tt Foundation
7710	Srisailam L Bank Canal
7909	TARAPUR INTAKE & DISCHARGE
8009	Bihar Road Works
8012	Rajamundhry Dharmavaram
8101	Kamakhaya Water Supply
8106	DOLPHIN JETTIES
8110	Chennai Water Supply Project
8215	Surendranagar Water Supply Scheme
8307	Paradip Haldia Pipeline
8319	Independent Water & Power At Sohar
8451	Koyali Ratlam Pipeline
8527	8527-Construction Of H.L. Bridge Over River Gurupriya Near Janbai On Chitrakonda-Papermetla Road

# Valuation Report

Gammon India Limited

September 20, 2017

Prepared by:



**MSKA & Associates**  
*(formerly known as MZSK & Associates)*  
Chartered Accountants  
The Ruby, 9<sup>th</sup> Floor, North West Wing,  
Senapati Bapat Marg, Dadar (W),  
Mumbai - 400028.

To,  
The Board of Directors,  
Gammon India Limited,  
Gammon House,  
Veer Savarkar Marg,  
Prabhadevi,  
Mumbai - 400025.

The Board of Directors,  
Gammon Transmission Limited,  
RF 3<sup>rd</sup>, W, Hamilton House,  
J. N. Heredia Marg, Ballard Estate,  
Mumbai - 400038.

Dear Sir/ Madam,

**Sub: Recommendation of share entitlement ratio for slump exchange**

We, MSKA & Associates ("MSKA"), have been appointed vide letter dated September 6, 2017 to determine the share entitlement ratio for the purpose mentioned in Para 1 below. We are pleased to present herewith our report on the same.

## 1. Purpose of Valuation

- 1.1 Gammon India Limited ("GIL") is engaged in the business of construction building, construction of utility projects, civil engineering "Civil EPC" and specialized construction activities. It was incorporated in 1922. The company have various Civil EPC projects in hand out of which majority of projects are completed only minor works are pending. Two Civil EPC projects are with ongoing work.
- 1.2 Gammon Transmission Limited ("GTL") formerly known as Sae Transmission India Ltd., incorporated on September 18, 2009, is a wholly owned subsidiary of GIL. The company was formed for undertaking transmission and distribution business.
- 1.3 The management of GIL proposes to transfer the Civil EPC business to GTL via slump exchange. (referred to as "Civil EPC Business").
- 1.4 In this regards, we, MSKA have been appointed to undertake the relative valuation of Civil EPC business to determine the share entitlement ratio for the proposed slump exchange of Civil EPC business to GTL.

## 2. Sources of Information

For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management and representatives of the Company:





- Audited financial statements of GIL for the financial years ended March 31, 2016 and March 31, 2017;
  - Audited financial statements of GTL for the financial years ended March 31, 2016 and March 31, 2017;
  - Unaudited Carved out profit and loss and balance sheet of Civil EPC Business for the financial year ended March 31, 2017;
  - Projected financials of Civil EPC business from FY 18 to FY 22;
  - Relevant data and information provided to us by the Company, whether in oral or physical form or in soft copy, and discussions with the representatives of the Company;
  - Discussions with the representatives of GIL regarding the past & current performance of the Companies respectively;
  - Information provided by leading database sources, market research reports and other published data;
  - Management Representation Letter dated September 19, 2017.
- 2.1 Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 2.2 This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Companies for providing select information and only in connection with the purpose mentioned above or for sharing with statutory or regulatory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the Companies or their management or their representatives intends to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.



- 2.3 The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies or any of its subsidiaries or associated companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.

### 3. Exclusions and Limitations

- 3.1 In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.2 This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our report.
- 3.3 We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.4 During the course of our work, we have relied upon the information disclosed to us including the projections based on the assumptions made by the management and representatives of the Companies. Though we have reviewed it, we have not independently verified the same. As these assumptions require the exercise of judgment and are subject to uncertainties, there can be no assurance that these assumptions are accurate.
- 3.5 For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.



- 3.6 In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.7 Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if the information provided to us changes.
- 3.8 We have arrived at a relative value based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 3.9 Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
- 3.10 Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 3.11 Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any party in relation to the issue of this report.



- 3.12 In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Companies, as laid out in the engagement letter, for such valuation work.

#### 4. Brief Background of the Companies

##### Gammon India Limited:

- 4.1 Gammon India Limited (“GIL”) is engaged in the business of construction building, construction of utility projects, civil engineering “Civil EPC” and specialized construction activities. GIL was incorporated in 1922.
- 4.2 The issued, subscribed and paid-up equity share capital of GIL as at 30 June 2017 stood at INR 739.1 mn comprising of 36,95,73,105 equity shares of INR 2/- each, as follows:
- 4.3 The company also has a Civil EPC business with various identified civil EPC projects out of which majority of projects are completed with only minor works are pending. Two of the Civil EPC projects pertaining to the construction of stations for Kolkata Metro are with ongoing work which will be executed over a two year period in FY18 and FY19. The company estimates to receive such future projects on the strength of qualifying for similar projects as a result of these projects. All the identified projects at various stages under the Civil EPC business are proposed to be transferred to GTL under a slump exchange.

##### Gammon Transmission Limited

- 4.4 Gammon Transmission Limited (“GTL”) formerly known as Sae Transmission India Ltd., incorporated on September 18, 2009, is a wholly owned subsidiary of GIL. The company was formed for undertaking transmission and distribution business.
- 4.5 The issued, subscribed and paid-up equity share capital of GTL as at 30 June 2017 stood at INR 0.5 mn comprising of 50,000 equity shares of INR 10/- each, as follows:



## 5. Valuation Approaches

- 5.1. The Proposed Slump exchange would require determining the relative values of each company led to arrive at the share entitlement ratio. These values are to be determined independently but on a relative basis, and without considering the effect of the proposed slump exchange.
- 5.2. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.
- 5.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 5.4. The cut-off date for the valuation exercise has been considered as 30 June 2017.
- 5.5. There are three generally accepted approaches to valuation:
  - (a) "Cost" approach
  - (b) "Income" approach
  - (c) "Market" approach



### Cost Approach

- 5.6. The cost approach focuses on the net worth or net assets of a company. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the “going concern” or where the assets base dominates earnings capability or if it is investment holding company and significant value is derived from its investment holdings.
- 5.7. The NAV Method under Cost Approach considers the assets and liabilities, including intangible Assets and contingent Liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

### Income Approach

- 5.8. The income approach is widely used for valuation under “Going Concern” basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

### Discounted Cash Flow (DCF) Method

- 5.9. Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital (WACC). The WACC based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.
- 5.10. The perpetuity (terminal) value is calculated based on the business’ potential for further growth beyond the explicit forecast period. The “constant growth model” is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.
- 5.11. The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business’ future operations.





5.12. The Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further adjusted for the borrowings, cash, non-operating assets/liabilities (e.g. fair value of investments in subsidiaries/associates/mutual funds, value of surplus assets, any contingent liability, etc.) and preference shareholders liability, if any, to arrive at value to the owners of the business.

#### Market Approach

5.13. Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

#### Market Price ("MP") Method

5.14. Under the "Market" Approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded.

#### Comparable Companies Multiples ("CCM") Method

- 5.15. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies.
- 5.16. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.
- 5.17. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

#### Comparable Transactions Multiples ("CTM") Method

5.18. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are Enterprise Value/ EBITDA multiple, Enterprise Value/ Revenue multiple.



This valuation is based on the principle of transactions taking place in the market between informed buyers and informed sellers, incorporating all factors relevant to valuation. While using transaction multiples, adjustment needs to be made for difference in circumstances, business volume, margins etc. in order to arrive at the enterprise value for the company.

## 6. Conclusion on Valuation of Civil EPC Business for the purpose of Slump Exchange

- 6.1. Based on the information and explanations available and considering the industry and further that the valuation being for the residual EPC business of a relatively smaller size comparable to other listed entities in similar industry, we have considered the Discounted Cash Flow (DCF) Method under Income Approach for valuation of Civil EPC Business.
- 6.2. Since there is no business operations in GTL with no major assets and liabilities, we have considered the value of GTL at face value of its shares.

## 7. Conclusion

- 7.1. Our exercise is to work out the relative value of Civil EPC Business of GIL to facilitate the determination of share entitlement ratio for the slump exchange of the Civil EPC business of GIL to GTL.
- 7.2. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honourable Supreme Court of India in the case reported in 176 ITR 417 as under:

*"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for*





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*subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."*

- 7.3. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion a share entitlement ratio in the event of Slump Exchange of Civil EPC business of GIL to GTL would be:
- 7.4. As a consideration for acquiring Civil EPC business, GIL will get 7,40,000 (Seven Lakh Forty Thousand) equity shares of INR 10/- each fully paid up of GTL.

For **MSKA & Associates**  
**Chartered Accountants**

M.No. 105047W



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Rajesh Thakkar  
Partner  
M.No. 103085  
Place: Mumbai

**REPORT OF THE AUDIT COMMITTEE OF GAMMON INDIA LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN GAMMON INDIA LIMITED AND GAMMON TRANSMISSION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Members**

- a) Mr. Chandahas C Dayal : Chairman of the Audit Committee
- b) Mr. Naval Choudhry : Member
- c) Mr. Atul Kumar Shukla : Member
- d) Mrs. Urvashi Saxena : Member

**In Attendance**

- a) Mr. Ajit Desai : Executive Director and CEO
- b) Mr. Rajul Bhansali : Executive Director-International Operations
- c) Ms. Nuzhat Khan : Partner, Natvarlal Vepari & Co., Statutory Auditors

**1. Background**

- 1.1 A meeting of the audit committee of Gammon India Limited ('Company' or 'GIL') was held on 20<sup>th</sup> September, 2017 to consider and recommend the proposed transfer of the Civil EPC Undertaking (more specifically defined in the Scheme) of the Company to Gammon Transmission Limited ('GTL'), its wholly owned subsidiary, to be implemented in terms of a proposed Scheme of Arrangement ('Scheme') between GIL and GTL and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 or any amendment thereof, to the extent applicable.
- 1.2 In accordance with the provisions of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") read with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Scheme Circular"), the draft Scheme was placed before the Audit Committee by the Company, to consider and recommend the draft Scheme to the Board of Directors of the Company taking into account, inter alia, the Valuation Report by M/s. MSKA & Associates., Chartered Accountants and Fairness Opinion by M/s. Saffron Capital Advisors Private Limited, an Independent Category I Merchant Banker.
- 1.3 This report is made in order to comply with the requirements of the SEBI Scheme Circular after perusing the following necessary documents:
  - (a) Draft Scheme of Arrangement, duly initialed by the Executive Director & CEO of the Company for the purpose of identification;

*[Handwritten signature]*

42

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
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E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com  
CIN: L74999MH1922PLC000997



- (b) Valuation Report dated September 20, 2017 issued by M/s. MSKA & Associates., Chartered Accountants; and
- (c) Fairness Opinion dated September 20, 2017 issued by M/s. Saffron Capital Advisors Private Limited, Category I Merchant Banker on the fairness of the valuation report;
- (d) Certificate dated September 20, 2017 issued by M/s Natvarlal Vepari & Co., statutory auditors of the Company, as required under paragraph I(A)(5)(a) of Annexure I of the SEBI Scheme Circular, to the effect that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government under the Companies Act, 2013 or the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), as applicable, and other generally accepted accounting principles;

## **2. Proposed Scheme**

2.1 The Audit Committee noted the rationale of the proposed scheme, which is as follows:-

- i. To enable investment by strategic investor; and
- ii. Deleverage the balance sheet of GIL.

2.2 The salient features of the draft Scheme are as under:

- (a) The Scheme provides for the transfer of Civil Engineering, Procurement and Construction business of GIL in Cooling Towers, Chimneys, Roads, Buildings ("Civil EPC Undertaking") to its wholly owned subsidiary, GTL, in consideration for 740,000 fully paid equity shares of Rs.10 each of GTL;
- (b) As part of the undertaking transferred, all assets and liabilities of the undertaking including the Performance qualifications will be transferred to GTL;
- (c) Appointed date of the Scheme is fixed as October 1, 2017;
- (d) The Scheme shall be effective from the last of the dates on which all the following conditions / matters are fulfilled:
  - i. The requisite consent, approval or permission of the Central Government including Stock Exchange and Securities and Exchange Board of India.
  - ii. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as may be directed by the Mumbai Bench of National Company Law Tribunal ('Tribunal') or any other competent authority, as may be applicable.
  - iii. The Scheme being sanctioned by the Mumbai Bench of the Tribunal or any other authority under Sections 230 to 232 of the Act.



43

### **GAMMON INDIA LIMITED**

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iv. Certified copy of the Order of the Mumbai Bench of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by GIL and GTL.

**3. Recommendation of the Audit Committee**

The Audit Committee has considered and noted the aforementioned documents along with the draft Scheme and recommends the draft Scheme, for favorable consideration by the Board of Directors of the Company.



**Date: 20<sup>th</sup> September, 2017**  
**Place: Mumbai**

**Mr. Chandrahas C. Dayal**  
**Chairman – Audit Committee**

**GAMMON INDIA LIMITED**

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CIN: L74999MH1922PLC000997



**Fairness Opinion Report on Valuation Report issued for**

**Proposed Slump Exchange between**

**Gammon India Limited**

**And**

**Gammon Transmission Limited**

**Prepared by**



**Saffron Capital Advisors Private Limited**

*[Company Identification Number: U67120MH2007PTC166711]*

SEBI Registered Category I Merchant Banker

605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar,  
Andheri East, Mumbai – 400059.

**Tel No.:** +91-22-4082 0906; **Fax:** +91-22-4082 0999

[www.saffronadvisor.com](http://www.saffronadvisor.com)

SEBI Registration No: INM000011211

**20 September 2017**

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**Notice to Reader**

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This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a "Fairness Opinion" on Valuation Report issued in connection with the proposed "Slump Exchange" between Gammon India Limited ("GIL") and Gammon Transmission Limited ("GTL"). This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Report dated 20<sup>th</sup> September 2017 prepared by MSKA & Associates, Chartered Accountant (Membership No: 105047W), for the proposed "Slump Exchange" between GIL and GTL and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of GIL and GTL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Slump Exchange with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

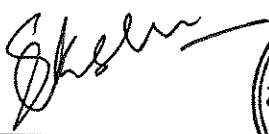
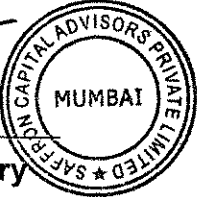
The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation



Report issued for the proposed Slump Exchange between GIL and GTL, and may not be applicable or referred to or quoted in any other context.

Management has been provided with an opportunity to review factual information in our report as part of our standard practice to ensure that factual inaccuracies/omissions/etc. are avoided in our final signed report.

For Saffron Capital Advisors Private Limited

  
\_\_\_\_\_  


**Authorised Signatory**

## Introduction and Scope of Assignment

### 1. Transferor Company – Gammon India Limited (GIL):

Gammon India Limited (“GIL”) is engaged in the business of construction building, construction of utility projects, civil engineering “Civil EPC” and specialized construction activities. It was incorporated in 1922. The company also has a Civil EPC business with various identified civil EPC projects in hand out of which majority of projects are completed with only minor works are pending. Two of the Civil EPC projects pertaining to the construction of stations for Kolkata Metro are with ongoing work which will be executed over a two year period in FY18 and FY19. The company estimates to receive such future projects on the strength of qualifying for similar projects as a result of these projects. All the identified projects at various stages under the Civil EPC business are proposed to be transferred to GTL under a slump exchange.

### 2. Transferee Company– Gammon Transmission Limited (GTL):

Gammon Transmission Limited (“GTL”), formerly known as SAE Transmission India Limited, is a wholly owned subsidiary of GIL. It was incorporated on September 18, 2009. The company was formed for undertaking transmission and distribution business. However, currently GTL has no business operations.

3. The management of GIL proposes to transfer the Civil EPC business to GTL via slump exchange. (referred to as “Civil EPC Business”).
4. Share Entitlement Ratio has been decided based on the Valuation Report dated 20<sup>th</sup> September 2017 prepared by MSKA & Associates, Chartered Accountant (Membership No: 103085).
5. GTL will be issuing 7,40,000 equity shares of INR 10 each to GIL in consideration thereof.
6. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by GIL to give a fairness opinion on Valuation Report dated 20<sup>th</sup> September 2017 issued by MSKA & Associates, Chartered Accountant.





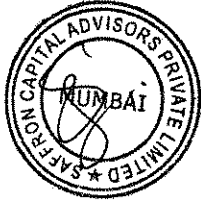
## Exclusions and Limitations

1. Saffron has been requested by GIL to submit a report by giving a fairness opinion on the Valuation Report issued for the proposed Slump Exchange between GIL and GTL.
2. We have given the Fairness Opinion on the basis of the following information provided to us by GIL and GTL/ collated by us from publicly available sources, like website of BSE:
  - a) Certified copy of Slump Exchange provided by GIL.
  - b) Certified true copy of the resolutions passed at the meeting of the Board of Directors of GIL and GTL.
  - c) Valuation Report (REF: 59A/09/2017) dated 20<sup>th</sup> September 2017 issued by MSKA & Associates, Chartered Accountant (Membership No.: 105047W) signed by partner Rajesh Thakkar (Membership No.: 103085).
  - d) Such other information and explanations as we have required and which have been provided by the management of GIL.
3. Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
4. Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.
5. This fairness opinion report shall be subject to nothing contrary being mentioned in the abridged prospectus as and when issued for the purpose of slump exchange. A copy of abridged prospectus should be provided to us for our information, before it is submitted to the Stock Exchange.



## Conclusion and Opinion on Valuation Report

We have reviewed the Valuation Report and based on the information, material data made available to us, to best of our knowledge and belief, the Report prepared by MSKA & Associates, Chartered Accountant is **Fair and Reasonable**.





**Shareholding Pattern – Pre and Post Scheme of Arrangement**

**Transferor Company – Gammon India Limited**

**A. Pre Scheme of Arrangement Shareholding Pattern as on June 30, 2017**

Attached as Annexure – E1

**B. Post Scheme of Arrangement Shareholding Pattern**

We hereby undertake and confirm that on the Scheme becoming effective, there will be no change in the shareholding pattern of the Transferor Company as no shares will be issued by the Transferor Company pursuant to the Scheme.

**For GAMMON INDIA LIMITED**

*Niki Shingade*

**NIKI SHINGADE  
COMPLIANCE OFFICER**

**Date : 29<sup>th</sup> September, 2017**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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CIN: L74999MH1922PLC000997



General information about company	
Scrip code	509550
Name of the company	GAMMON INDIA LIMITED
Whether company is SME	No
Class of Security	Equity Shares
Type of report	Quarterly
Quarter Ended / Half year ended/Date of Report (For Prelisting / Allotment)	30-06-2017
Date of allotment / extinguishment (in case Capital Restructuring selected) / Listing Date	
Shareholding pattern filed under	Regulation 31 (1) (b)

**For Gammon India Limited**

*Rajid*

Director / Authorised Signatory

Sr. No.	Particular	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities ?	No
3	Whether the Listed Entity has issued any Warrants ?	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?	No
5	Whether the Listed Entity has any shares in locked-in?	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes
7	Whether company has equity shares with differential voting rights?	No

Table I - Summary Statement holding of specified securities											
Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of (A+B+C)
								Class eg: X	Class eg:y	Total	
(A)	Promoter & Promoter Group	7	42657154			42657154	11.54	42657154		42657154	11.54
(B)	Public	45672	326915951			326915951	88.46	326915951		326915951	88.46
(C)	Non Promoter-Non Public										
(C1)	Shares underlying DRs										
(C2)	Shares held by Employee Trusts										
	Total	45679	369573105			369573105	100	369573105		369573105	100

Table I - Summary Statement holding of specified securities										
Category (I)	Category of shareholder (II)	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group				11.54			39553699	92.72	42657154
(B)	Public				88.46					317998092
(C)	Non Promoter-Non Public									
(C1)	Shares underlying DRs									
(C2)	Shares held by Employee Trusts									
	Total				100			39553699	10.7	360655246

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B-C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of Total Voting rights
								Class eg: X	Class eg: y	Total	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group										
(1)	Indian										
(a)	Individuals-Hindu undivided Family	2	8189479			8189479	2.22	8189479		8189479	2.22
(d)	Any Other (specify)	4	31381240			31381240	8.49	31381240		31381240	8.49
Sub-Total (A)(1)		6	39570719			39570719	10.71	39570719		39570719	10.71
(2)	Foreign										
(e)	Any Other (specify)	1	3086435			3086435	0.84	3086435		3086435	0.84
Sub-Total (A)(2)		1	3086435			3086435	0.84	3086435		3086435	0.84
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		7	42657154			42657154	11.54	42657154		42657154	11.54
B	Table III - Statement showing shareholding pattern of the Public shareholder										
(1)	Institutions										
(a)	Mutual Funds	4	3009038			3009038	0.81	3009038		3009038	0.81
(e)	Foreign Portfolio Investors	1	64842			64842	0.02	64842		64842	0.02
(f)	Financial Institutions/ Banks	41	236142695			236142695	63.9	236142695		236142695	63.9
(i)	Any Other (specify)	1	100			100	0	100		100	0
Sub-Total (B)(1)		47	239216675			239216675	64.73	239216675		239216675	64.73
(3)	Non-institutions										
(a(i))	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	43161	49525901			49525901	13.4	49525901		49525901	13.4
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in	37	8255705			8255705	2.23	8255705		8255705	2.23



	excess of Rs. 2 lakhs.										
(e)	Any Other (specify)	2427	29917670			29917670	8.1	29917670		29917670	8.1
Sub-Total (B)(3)		45625	87699276			87699276	23.73	87699276		87699276	23.73
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		45672	326915951			326915951	88.46	326915951		326915951	88.46
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder										
Total ( A+B+C )		45679	369573105			369573105	100	369573105		369573105	100
Total (A+B+C)		45679	369573105			369573105	100	369573105		369573105	100

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group									
Sr.	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding . as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group								
(1)	Indian								
(a)				2.22			8172459	99.79	8189479
(d)				8.49			31381240	100	31381240
Sub-Total (A) (1)				10.71			39553699	99.96	39570719
(2)	Foreign								
(e)				0.84			0	0	3086435
Sub-Total (A) (2)				0.84			0	0	3086435
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)				11.54			39553699	92.72	42657154
B	Table III - Statement showing shareholding pattern of the Public shareholder								
(1)	Institutions								
(a)				0.81					3009038
(e)				0.02					64842
(f)				63.9					236136925
(i)				0					0
Sub-Total (B) (1)				64.73					239210805
(3)	Non-institutions								
(a(i))				13.4					48520672
(a(ii))				2.23					7529905
(e)				8.1					22736710
Sub-Total (B) (3)				23.73					78787287
Total Public Shareholding (B)= (B)(1)+ (B)(2)+(B)(3)				88.46					317998092
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder								
Total (A+B+C2)				100					360655246

Total (A+B+C)				100			39553699	10.7	360655246
Disclosure of notes on shareholding pattern									Textual Information(1)

<b>Text Block</b>	
Textual Information()	The total shareholding includes 725,800 equity shares kept in abeyance.

<b>Individuals/Hindu undivided Family</b>			
Serial No.	1	2	
Name of the Shareholders (I)	Abhijit Rajan	Jagdish Rajan	<a href="#">Click here to go back</a>
PAN (II)	AAEPR0342J	AACPR1248M	Total
No. of fully paid up equity shares held (IV)	8172459	17020	8189479
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	8172459	17020	8189479
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	2.21	0	2.22
<b>Number of Voting Rights held in each class of securities (IX)</b>			
Class eg: X	8172459	17020	8189479
Class eg: y			
Total	8172459	17020	8189479
Total as a % of Total Voting rights	2.21	0	2.22
No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)			
Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) + (Xi)(a) As a % of (A+B+C2)	2.21	0	2.22
<b>Number of Locked in shares (XII)</b>			

No. (a)			
As a % of total Shares held (b)			
Number of Shares pledged or otherwise encumbered (XIII)			
No. (a)	8172459	0	8172459
As a % of total Shares held (b)	100	0	99.79
Number of equity shares held in dematerialized form (XIV)	8172459	17020	8189479
Reason for not providing PAN			
Reason for not providing PAN			

Any Other (specify)					
Searial No.	1	2	3	4	
Category	Bodies Corporate	Bodies Corporate	Bodies Corporate	Bodies Corporate	<a href="#">Click here to go back</a>
Name of the Shareholders (I)	Pacific Energy Pvt Ltd	Devyani Estate And Properties Pvt Ltd	Nikhita Estate Developers Pvt Ltd	Ellora Organic Industries Pvt Ltd	
PAN (II)	AACCP0544P	AAACD3825H	AABCN6484D	AABCE0815F	Total
No. of the Shareholders (I)	1	1	1	1	4
No. of fully paid up equity shares held (IV)	17913015	7182805	3485420	2800000	31381240
No. Of Partly paid-up equity shares held (V)					
No. Of shares underlying Depository Receipts (VI)					
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	17913015	7182805	3485420	2800000	31381240
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	4.85	1.94	0.94	0.76	8.49
Number of Voting Rights held in each class of securities (IX)					
Class eg: X	17913015	7182805	3485420	2800000	31381240
Class eg: y					
Total	17913015	7182805	3485420	2800000	31381240
Total as a % of Total Voting rights	4.85	1.94	0.94	0.76	8.49
No. Of Shares Underlying Outstanding convertible securities (X)					
No. of Shares Underlying Outstanding Warrants (Xi)					
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)					
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share	4.85	1.94	0.94	0.76	8.49

capital) (XI) = (VII) - (X) As a % of (A+B-C2)					
Number of Locked in shares (XII)					
No. (a)					
As a % of total Shares held (b)					
Number of Shares pledged or otherwise encumbered (XIII)					
No. (a)	17913015	7182805	3485420	2800000	31381240
As a % of total Shares held (b)	100	100	100	100	100
Number of equity shares held in dematerialized form (XIV)	17913015	7182805	3485420	2800000	31381240
Reason for not providing PAN					



Any Other (specify)		
Serial No.	I	
Category	Bodies Corporate	
Name of the Shareholders (I)	Masayor Enterprises Limited	<a href="#">Click here to go back</a>
PAN (II)	AAECM7848R	Total
No. of the Shareholders (I)	1	1
No. of fully paid up equity shares held (IV)	3086435	3086435
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	3086435	3086435
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	0.84	0.84
Number of Voting Rights held in each class of securities (IX)		
Class eg: X	3086435	3086435
Class eg:y		
Total	3086435	3086435
Total as a % of Total Voting rights	0.84	0.84
No. Of Shares Underlying Outstanding convertible securities (X)		
No. of Shares Underlying Outstanding Warrants (Xi)		
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)		
Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)	0.84	0.84

-(X) As a % of (A+B+C2)		
Number of Locked in shares (XII)		
No. (a)		
As a % of total Shares held (b)		0
Number of Shares pledged or otherwise encumbered (XIII)		
No. (a)	0	0
As a % of total Shares held (b)	0	0
Number of equity shares held in dematerialized form (XIV)	3086435	3086435
Reason for not providing PAN		

Financial Institutions/ Banks							
Serial No.	1	2	3	4	5	6	7
Name of the Shareholders (I)	Canara Bank-Mumbai	ICICI Bank Ltd	Punjab National Bank	Syndicate Bank	Bank Of Baroda	Allahabad Bank	IDBI Bank Ltd.
PAN (II)	AAACC6106G	AAAC11195H	AAACP0165G	AACCS4699E	AAACB1534F	AACCA8464F	AABC18842G
No. of fully paid up equity shares held (IV)	52814769	39696547	24209101	22696508	22104507	19582216	14053827
No. Of Partly paid-up equity shares held (V)							
No. Of shares underlying Depository Receipts (VI)							
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	52814769	39696547	24209101	22696508	22104507	19582216	14053827
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	14.29	10.74	6.55	6.14	5.98	5.3	3.8
Number of Voting Rights held in each class of securities (IX)							
Class eg. X	52814769	39696547	24209101	22696508	22104507	19582216	14053827
Class eg. y							
Total	52814769	39696547	24209101	22696508	22104507	19582216	14053827
Total as a % of Total Voting rights	14.29	10.74	6.55	6.14	5.98	5.3	3.8
No. Of Shares Underlying Outstanding convertible securities (X)							
No. of Shares Underlying Outstanding Warrants (Xi)							
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)							
Shareholding as a % assuming full conversion of convertible securities (as a							

percentage of diluted share capital) (XI) = (VII)-(X) As a % of (A+B+C2)	14.29	10.74	6.55	6.14	5.98	5.3	3.8
Number of Locked in shares (XII)							
No. (a)							
As a % of total Shares held (b)							
Number of equity shares held in dematerialized form (XIV)	52814769	39696547	24209101	22696508	22104507	19582216	14053827
Reason for not providing PAN							
Reason for not providing PAN							

Financial Institutions/ Banks						
Searial No.	8	9	10	11	12	
Name of the Shareholders (I)	Oriental Bank Of Commerce	United Bank Of India	Union Bank Of India	UCO Bank	DBS Bank Limited	<a href="#">Click here to go back</a>
PAN (II)	AAACO0191M	AAACU5624P	AAACU0564G	AAACU3561B	AAACT4652J	Total
No. of fully paid up equity shares held (IV)	12389240	6362258	5803088	4521203	4124496	228357760
No. Of Partly paid-up equity shares held (V)						
No. Of shares underlying Depository Receipts (VI)						
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	12389240	6362258	5803088	4521203	4124496	228357760
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	3.35	1.72	1.57	1.22	1.12	61.79
Number of Voting Rights held in each class of securities (IX)						
Class eg: X	12389240	6362258	5803088	4521203	4124496	228357760
Class eg: y						
Total	12389240	6362258	5803088	4521203	4124496	228357760
Total as a % of Total Voting rights	3.35	1.72	1.57	1.22	1.12	61.79
No. Of Shares Underlying Outstanding convertible securities (X)						
No. of Shares Underlying Outstanding Warrants (Xi)						
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)						
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) +(X) As a % of (A+B+C2)	3.35	1.72	1.57	1.22	1.12	61.79
Number of Locked in shares (XII)						
No. (a)						

As a % of total Shares held (b)						
Number of equity shares held in dematerialized form (XIV)	12389240	6362258	5803088	4521203	4124496	228357760
Reason for not providing PAN						
Reason for not providing PAN						

Any Other (specify)		
Serial No.	1	
Category	Trusts	
Category : More than 1 percentage	More than 1 percentage of shareholding	
Name of the Shareholders (I)	Gammon India Trust	<a href="#">Click here to go back</a>
PAN (II)	QACHO0002Q	Total
No. of the Shareholders (I)	1	0
No. of fully paid up equity shares held (IV)	5804680	0
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos shares held (VII) = (IV)+ (V)+ (VI)	5804680	0
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	1.57	0
Number of Voting Rights held in each class of securities (IX)		
Class eg: X	5804680	0
Class eg: y		
Total	5804680	0
Total as a % of Total Voting rights	1.57	0
No. Of Shares Underlying Outstanding convertible securities (X)		
No. of Shares Underlying Outstanding Warrants (Xi)		
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)		
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of	1.57	0

diluted share capital) (XI)= (VII) - (X) As a % of (A+B+C2)		
Number of Locked in shares (XII)		
No. (a)		
As a % of total Shares held (b)		
Number of equity shares held in dematerialized form (XIV)	0	0
Reason for not providing PAN		
Reason for not providing PAN		





# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

## PRE SCHEME SHAREHOLDING PATTERN OF GAMMON TRANSMISSION LIMITED AS ON 30<sup>TH</sup> JUNE, 2017

### Authorised Capital:

Equity Share Capital: 50,000 Equity shares of Rs. 10/- each aggregating to Rs. 5,00,000/-.

### Issued, Subscribed and Paid Up Capital:

Equity Share Capital: 50,000 Equity shares of Rs. 10/- each aggregating to Rs. 5,00,000/-

Sr. no.	Name of the Shareholder	Shareholding	Percentage (%) of total shares held
1	Gammon India Ltd.	49,940	99.88
2	Mr. M.B.Gopinath *	10	0.02
3	Mr. Keshav Shanbhag *	10	0.02
4	Mr. V.D.Murty *	10	0.02
5	Mr. Digambar Chunilal Bagde *	10	0.02
6	Ms. Jayesh Dinesh Joshi *	10	0.02
7	Mr. Ajit Desai	10	0.02
	<b>Total</b>	<b>50,000</b>	<b>100.00</b>

\*Note – Nominees of Gammon India Limited

For GAMMON TRANSMISSION LIMITED



DIRECTOR

Date: 29<sup>th</sup> September, 2017

CIN : U45204MH2009PLC195888

Registered Office: 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

## POST SCHEME SHAREHOLDING PATTERN OF GAMMON TRANSMISSION LIMITED

### Authorised Capital:

Equity Share Capital: 1,67,90,000 Equity shares of Rs. 10/- each aggregating to Rs. 16,79,00,000/-.

### Issued, Subscribed and Paid Up Capital:

Equity Share Capital: 1,67,90,000 Equity shares of Rs. 10/- each aggregating to Rs. 16,79,00,000/-

Sr. no.	Name of the Shareholder	Shareholding No. of Shares	Percentage (%) of total shares held
1	Transrail Lightning Limited	75,00,000	44.67
2	Ajanma Holdings Private Limited	75,00,000	44.67
3	Gammon India Ltd.	17,89,940	10.66
4	Mr. M.B.Gopinath *	10	0.00
5	Mr. Keshav Shanbhag *	10	0.00
6	Mr. V.D.Murty *	10	0.00
7	Mr. Digambar Chunilal Bagde *	10	0.00
8	Ms. Jayesh Dinesh Joshi *	10	0.00
9	Mr. Ajit Desai	10	0.00
	<b>Total</b>	<b>1,67,90,000</b>	<b>100.00</b>

\*Note - Nominees of Gammon India Limited

For GAMMON TRANSMISSION LIMITED



DIRECTOR

Date: 29<sup>th</sup> September, 2017

CIN : U45204MH2009PLC195888

Registered Office: 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

75

**ANNEXURE\_F1**

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **GAMMON INDIA LIMITED**

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	Apr-Mar 17	Oct.14-Mar 16	Jan.14-Sept.14
Equity Paid up Capital	74.11	73.28	27.50
Reserves and surplus	569.47	2,232.43	1,064.54
Carry forward losses	(1,347.15)	317.85	(775.32)
Net Worth	643.58	2,305.71	1,092.04
Miscellaneous Expenditure	-	-	-
Secured Loans	3,588.52	4,947.50	4,636.97
Unsecured Loans	2.77	82.55	216.36
Fixed Assets	471.33	1,242.94	1,092.64
Income from Operations	761.68	6,081.30	2,966.99
Total Income	1,069.85	6,697.50	3,667.74
Total Expenditure	2,732.56	6,479.71	3,590.30
Profit before Tax	(1,662.71)	217.79	77.44
Profit after Tax	(1,659.92)	100.52	67.80
Cash profit	(1,627.27)	361.99	149.50
EPS	(45.10)	6.10	4.99
Book value	17.45	63.22	80.43

**FOR GAMMON INDIA LIMITED**

  
**NIKI SHINGADE**  
**COMPLIANCE OFFICER**

**Date: 29<sup>th</sup> September, 2017**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com

CIN: L74999MH1922PLC000997



# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

The financial details of Gammon Transmission Limited for the previous 3 financial years as per the audited statement of Accounts:

( Amount In INR )

	As per last Audited Financial Year ended	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	March 31, 2017	March 31, 2016	September 30, 2014
Equity Paid up Capital	500,000	500,000	500,000
Reserves and surplus	4,548,976	-2,298,003	-2,806,127
Carry forward losses	-2,298,003	-2,806,127	-2,862,745
Net Worth	5,048,976	-1,798,003	-2,306,127
Miscellaneous Expenditure	0	0	0
Secured Loans	0	0	0
Unsecured Loans	0	0	0
Fixed Assets	0	0	0
Income from Operations	0	0	0
Total Income	8,583,278	950,044	389,732
Total Expenditure	124,799	569,310	313,113
Profit before Tax	8,458,479	380,734	76,619
Profit after Tax	6,858,479	508,124	56,619
Cash profit	-3,302,806	4,047,195	1,638,470
EPS	1.37	10.16	1.13
Book value	100	-36	-46

For **GAMMON TRANSMISSION LIMITED**



**DIRECTOR**

Date: 26<sup>th</sup> September, 2017

Place: Mumbai

CIN : U45204MH2009PLC195888

77

**Registered Office:** 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

**AUDITORS' CERTIFICATE**

To,  
The Board of Directors,  
Gammon India Limited ,  
Gammon House,  
Veer Savarkar Marg,  
Prabhadevi,  
Mumbai 400 025.

We, M/s Natvarlal Vepari & Co, Chartered Accountants (Firm Registration No. 106971W ), the Statutory Auditors of Gammon India Limited ('the Company'), have examined the proposed accounting treatment contained in the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the of the Companies Act, 2013 and Rules framed thereunder as in force from time to time) between Gammon India Limited ('GIL' or 'the Transferor Company') and Gammon Transmission Limited ('GTL' or 'the Transferee Company') and their Respective Shareholders and Creditors ('the Scheme' or 'this Scheme'). The Scheme has been approved by the Board of Directors of the Company at its Meeting held on September 20, 2017, and is subject to the approval of National Company Law Tribunal.

The Management of the Company is responsible for the maintenance of books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of the Scheme and ensuring compliance with the applicable regulations. The management is also responsible for compliance with the Accounting Standards specified by the Central Government in Section 133 of the Companies Act , 2013 ("the Accounting Standards")

Our responsibility, for the purpose of this certificate, is limited to certifying whether the proposed accounting treatment in the books of the Company as contained in the Scheme is in compliance with all the Accounting Standards. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.



# *Natvarlal Vepari & Co.*

CHARTERED ACCOUNTANTS

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

On the basis of our examination of the Scheme attached herewith for identification purpose and according to the information and explanations given to us, we certify that the proposed accounting treatment as specified in Clause 6 of Part II of the Scheme dealing with the accounting treatment in the books of the Company is in compliance with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.

The Certificate is issued at the request of the management of the Company for onward submission to National Company Law Tribunal in accordance with Section 230 of the Companies Act, 2013 and should not be used for any other purpose without prior written consent.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration Number: 106971W



N Jayendran  
Partner

Membership Number: 40441

Mumbai, Dated : September 29, 2017

Ref : A/0201/NJ/17-18/378



79



For Gammon India Limited

*Hasid H*

Director / Authorised Signatory

14<sup>th</sup> July, 2017

**The National Stock Exchange of India Ltd.,**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

NSE CODE: GAMMONIND

BSE CODE:509550

Dear Sir,

**Sub: Corporate Governance Report as per Regulation 27 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Report on Corporate Governance for the quarter ended 30<sup>th</sup> June, 2017.

Kindly take the same on record.

Thanking you.

**Yours truly,  
For GAMMON INDIA LIMITED**

*Ajit Desai*

**AJIT DESAI  
EXECUTIVE DIRECTOR & CEO**

Encl: As above.

80

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025, INDIA.  
Telephone : 91-22-6111 4000 \* 2430 6761 \* Fax: 91-22-2430 0221 \* 2430 0329  
E-Mail : gammon@gammonindia.com \* Website : www.gammonindia.com

CIN: L74999MH1922PLC000997





<b>General information about company</b>	
Scrip code	509550
Name of the entity	GAMMON INDIA LIMITED
Date of start of financial year	01-04-2017
Date of end of financial year	31-03-2018
Reporting Quarter	Quarterly
Date of Report	30-06-2017
Risk management committee	Not Applicable

## Annexure I

## Annexure I to be submitted by listed entity on quarterly basis

## I. Composition of Board of Directors

Disclosure of notes on composition of board of directors explanatory

Is there any change in information of board of directors compare to previous quarter

Sr	Title (Mr/ Ms)	Name of the Director	PAN	DIN	Category 1 of directors	Category 2 of directors	Category 3 of directors	Date of appointment in the current term	Date of cessation	Tenure of director (in months)	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee (s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)	Notes
1	Mr	Abhijit Rajan	AAEPR0342J	00177173	Executive Director	Chairperson	MD	17-05-2016			2	0	0	
2	Mr	Ajit B. Desai	ABFPD3990E	00165836	Executive Director	Not Applicable	CEO	18-12-2014			1	0	0	
3	Mr	Digambar Bagde	AFZPB5346Q	00122564	Non-Executive - Non Independent Director	Not Applicable		09-07-2012	11-05-2017		0	0	0	
4	Mr	Rajul Bhansali	AAKPB0505F	00178558	Executive Director	Not Applicable		30-03-2015			1	0	0	

## Annexure I

## Annexure I to be submitted by listed entity on quarterly basis

## I. Composition of Board of Directors

Sr	Title (Mr/ Ms)	Name of the Director	PAN	DIN	Category 1 of directors	Category 2 of directors	Category 3 of directors	Date of appointment in the current term	Date of cessation	Tenure of director (in months)	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee (s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)	Notes
5	Mr	Chandrabas Dayal	AABPD0594P	00178583	Non-Executive - Independent Director	Not Applicable		01-04-2014		60	2	5	4	
6	Mr	Naval Choudhary	ADVPC3724D	00192164	Non-Executive - Independent Director	Not Applicable		01-04-2014		60	2	4	0	
7	Mrs	Urvashi Saxena	AAVPS2424D	02021303	Non-Executive - Independent Director	Not Applicable		01-04-2014		60	3	3	0	
8	Mr	Atul Kumar Shukla	AHBPS7974D	001 1601	Non-Executive - Independent Director	Not Applicable		01-04-2014		60	2	5	1	

Annexure 1					
II. Composition of Committees					
Disclosure of notes on composition of committees explanatory					
Is there any change in information of committees compare to previous quarter					
Sr.	Name Of Committee	Name of Committee members	Category 1 of directors	Category 2 of directors	Name of other committee
1	Audit Committee	Mr. Chandrahas Dayal	Non-Executive - Independent Director	Chairperson	
2	Audit Committee	1. Mrs. Urvashi Saxena 2. Mr. Naval Choudhary 3. Mr. Atul Kumar Shukla	Non-Executive - Independent Director	Member	
3	Nomination and remuneration committee	Mr. Chandrahas Dayal	Non-Executive - Independent Director	Chairperson	
4	Nomination and remuneration committee	1. Mrs. Urvashi Saxena 2. Mr. Naval Choudhary	Non-Executive - Independent Director	Member	
5	Stakeholders Relationship Committee	Mr. Chandrahas Dayal	Non-Executive - Independent Director	Chairperson	
6	Stakeholders Relationship Committee	1. Mr. Naval Choudhary 2. Mr. Atul Kumar Shukla	Non-Executive - Independent Director	Member	
7	Corporate Social Responsibility Committee	2. Mr. Chandrahas Dayal 3. Mrs. Urvashi Saxena 4. Mr. Naval Choudhary	Non-Executive - Independent Director	Member	
8	Corporate Social Responsibility Committee	1. Mr. Abhijit Rajan	Executive Director	Chairperson	
9	Other Committee	1. Mr. Chandrahas C. Dayal 2. Mr. Atul Kumar shukla	Non-Executive - Non Independent Director	Member	Securities Allotment Committee
10	Other Committee	3. Mr. A.B. Desai	Executive Director	Member	Securities Allotment Committee

## Annexure 1

## II. Composition of Committees

Sr	Name Of Committee	Name of Committee members	Category 1 of directors	Category 2 of directors	Name of other committee
11	Other Committee	Mrs. Urvashi Saxena	Non-Executive - Independent Director	Chairperson	Securities Allotment Committee
12	Other Committee	1. Mrs. Urvashi Saxena 2. Mr. Chandrahas C. Dayal	Non-Executive - Independent Director	Member	Review Committee of Independent Directors
13	Other Committee	Mr. Naval Choudhary	Non-Executive - Independent Director	Chairperson	Review Committee of Independent Directors

Annexure 1			
Annexure 1			
III. Meeting of Board of Directors			
Disclosure of notes on meeting of board of directors explanatory			
Sr	Date(s) of meeting (if any) in the previous quarter	Date(s) of meeting (if any) in the current quarter	Maximum gap between any two consecutive (in number of days)
1	15-02-2017		
2	20-02-2017		4
3		11-04-2017	49
4		05-05-2017	23

Annexure 1							
IV. Meeting of Committees							
Disclosure of notes on meeting of committees explanatory							
Sr	Name of Committee	Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (Yes/No)	Requirement of Quorum met (details)	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days)	Name of other committee
1	Audit Committee	11-04-2017	Yes	1. Mr. Chandrabas C. Dayal, 2. Mrs. Urvashi Saxena, 3. Mr. Naval Choudhary, 4. Mr. Atul Kumar Shukla	20-02-2017	49	
2	Audit Committee	05-05-2017	Yes	1. Mr. Chandrabas C. Dayal, 2. Mrs. Urvashi Saxena, 3. Mr. Naval Choudhary, 4. Mr. Atul Kumar Shukla			

<b>Annexure 1</b>			
<b>V. Related Party Transactions</b>			
<b>Sr</b>	<b>Subject</b>	<b>Compliance status (Yes/No/NA)</b>	<b>If status is "No" details of non-compliance may be given here.</b>
1	Whether prior approval of audit committee obtained	NA	
2	Whether shareholder approval obtained for material RPT	NA	
3	Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	NA	



Annexure 1		
VI. Affirmations		
Sr	Subject	Compliance status (Yes/No)
1	The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015	Yes
2	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015 a. Audit Committee	Yes
3	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015. b. Nomination & remuneration committee	Yes
4	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015. c. Stakeholders relationship committee	Yes
5	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015. d. Risk management committee (applicable to the top 100 listed entities)	NA
6	The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.	Yes
7	The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.	Yes
8	This report and/or the report submitted in the previous quarter has been placed before Board of Directors.	Yes

<b>Signatory Details</b>	
Name of signatory	Niki Shingade
Designation of person	Compliance Officer
Place	Mumbai
Date	13-07-2017





28<sup>th</sup> September, 2017

**The National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.

**Scrip Code: GAMMONIND**

**BSE Limited**

1st Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Scrip Code: 509550**

Dear Sir/Madam,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Scheme Circular CFD/DIL3/CIR/2017/21 for the proposed scheme of Arrangement between Gammon India Limited ("GIL") and Gammon Transmission Limited ("GTL") and their respective shareholders and Creditors**

We hereby certify that the draft Scheme of Arrangement involving Gammon India Limited and Gammon Transmission Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sr. no.	Reference	Particulars
1.	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements
2.	Regulation 11 of LODR Regulations	Compliance with securities laws
Requirements of circular no. CFD/DIL3/CIR/2017/21 dated 10 <sup>th</sup> March, 2017		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(2)	Conditions for schemes of arrangement involving unlisted entities
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report

*RL*

92

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com  
CIN: L74999MH1922PLC000997



(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting

Further, the transactions / accounting treatment provided in the draft Scheme of Arrangement involving Gammon India Limited and Gammon Transmission Limited are in compliance with all the Accounting Standards applicable to a listed entity.

For **GAMMON INDIA LIMITED**



**ABHIJIT RAJAN**  
**CHAIRMAN & MANAGING DIRECTOR**

**GAMMON INDIA LIMITED**

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CIN: L74999MH1922PLC000997

93





# BHUTADA JAIN & GATAGAT CHARTERED ACCOUNTANTS

NET WORTH: GAMMON INDIA LIMITED

*Annexure J1*

## 1 Share Capital

(Rs.in Crores)

	Pre Demerger		Post Demerger	
<b>Issued, Subscribed and fully Paid up Capital :</b>				
<b>Issued Capital</b>				
Equity Shares of Rs.2/- each , fully Paid	37,04,27,845	74.09	37,04,27,845	74.09
<b>Subscribed and fully paid up Capital</b>				
Equity Shares of Rs.2/- each, fully Paid	36,88,47,305	73.77	36,88,47,305	73.77
<b>Share Forfeiture Account</b>				
Money received in respect of Right Shares of Rs.10/- each forfeited	170,948	0.34	170,948	0.34
<b>Total</b>		<b>74.11</b>		<b>74.11</b>

## 2 Reserve & Surplus

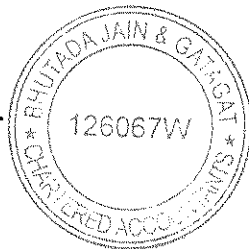
Particulars		
Capital Redemption Reserve	105.00	105.00
Securities Premium Account	1262.20	1262.20
Debenture Redemption Reserves	81.00	81.00
Perpetual Promoter Contribution	100.00	100.00
Capital Reserve	11.53	11.53
General reserve	363.06	363.06
Retained earnings	-1347.15	-1347.15
Other Comprehensive income	-4.48	-4.48
Treasury Shares	-1.69	-1.69
<b>Total</b>	<b>569.47</b>	<b>569.47</b>
Networth	643.58	643.58
Networth ( Excluding Revaluation Reserve )	643.58	643.58

Note: Effect of Transactions, other than under scheme of arrangement for EPC undertaking, is not given in this calculation.

FOR BHUTADA JAIN & GATAGAT  
CHARTERED ACCOUNTANTS

FRN: 126067W

*Rajesh K. Gatagat*  
RAJESH K. GATAGAT  
PARTNER  
M.NO. 118814



DATE: 25.09.2017

94.




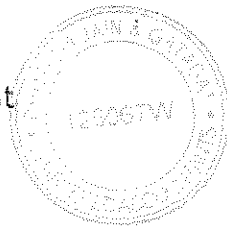
### Net-worth certificate

**Gammon Transmission Limited**  
(Formerly known as SAE Transmission India Limited)

	Pre Scheme (as on March 31, 2017)		Post Scheme	
	Numbers	Amount in INR (in Cr)	Numbers	Amount in INR (in Cr)
<b>1) Share Capital</b>				
Issued Subscribed and Fully paid-up Capital:				
<b>Issued Capital</b>				
Equity shares of Rs. 10 each fully paid	50,000	0.05	16,790,000	16.79
<b>Subscribed Capital</b>				
Equity shares of Rs. 10 each fully paid	50,000	0.05	16,790,000	16.79
<b>2) Reserves and Surplus</b>				
Retained earnings – Surplus / (deficit)		0.45		0.45
<b>Net-worth</b>		<b>0.50</b>		<b>17.29</b>
<b>Net-worth (excluding revaluation reserve)</b>		<b>0.50</b>		<b>17.29</b>

For Bhutada Jain & Gatagat  
Chartered Accountants  
FRN: 126067W

  
Rajesh K. Gatagat  
Partner  
M.No. 118814



Date: 26.09.2017

95.



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF GAMMON INDIA LIMITED HELD ON 20<sup>th</sup> SEPTEMBER, 2017 AT THE REGISTERED OFFICE OF THE COMPANY AT 'GAMMON HOUSE' VEER SAVARKAR MARG, PRABHADEVI, MUMBAI - 400025.**

**APPROVAL TO THE SCHEME OF ARRANGEMENT OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 or any amendment thereof, to the extent applicable and subject to the Memorandum of Association and Articles of Association of the Company and subject to the sanction of the Mumbai Bench of the National Company Law Tribunal ('Tribunal') or such other competent authority and subject to the requisite approvals of BSE Limited and the National Stock Exchange of India Limited and subject to the requisite approval of the members of the Company, and subject to approval of the Lenders (CDR and non-CDR), creditors, Central Government and any other statutory/regulatory authorities as may be required and based on the recommendation of the Audit Committee of the Company, approval of the Board of Directors (hereinafter referred to as the 'Board') be and is hereby accorded to the Scheme of Arrangement between Gammon India Limited ('GIL' or 'Transferor Company' or 'Company') and Gammon Transmission Limited ('GTL' or 'Transferee Company') and their Respective Shareholders and Creditors ('the Scheme'), as per terms and conditions mentioned in the Scheme placed before the Board and initiated by the Executive Director & CEO for the purpose of identification, *inter alia* providing for the following:

- Transfer of the Civil EPC Undertaking (as defined in the Scheme) of GIL into GTL in consideration against issue and allotment of 740,000 (Seven Lakh Forty Thousand) fully paid up equity shares of Rs.10 each of GTL to GIL.

RESOLVED FURTHER THAT the Valuation Report dated September 20, 2017, of M/s. MSKA & Associates, Chartered Accountants as placed before the Board, be and is hereby noted and accepted;

RESOLVED FURTHER THAT the Fairness Opinion Report dated September 20, 2017 of M/s. Saffron Capital Advisors Private Limited, an Independent Category-I Merchant Banker, on the valuation done by M/s. MSKA & Associates, Chartered Accountants, as placed before the Board be and is hereby noted and accepted;

RESOLVED FURTHER THAT the recommendation of the Audit Committee dated September 20, 2017 on the Scheme *inter alia* taking into account the Valuation report prepared by M/s. MSKA & Associates, Chartered Accountants, and the Fairness Opinion of Saffron Capital Advisors Private Limited, an Independent Category - I Merchant Banker, as placed before the Board be and is hereby noted and accepted;

RESOLVED FURTHER THAT the certificate dated 20<sup>th</sup> September, 2017 issued by M/s. Natvarlal Vepari & Co., Chartered Accountants, Statutory Auditors of the Company, certifying *inter-alia* that the Scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013 as placed before the Board be and is hereby noted and accepted;

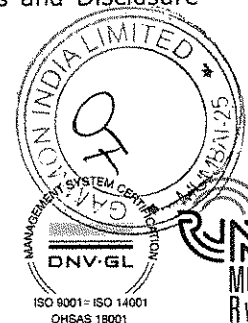
RESOLVED FURTHER THAT Mr. Abhijit Rajan - Chairman & Managing Director, Mr. Ajit Desai- Executive Director and CEO, and Ms. Niki Shingade - Compliance Officer ("hereinafter referred to as Constituted Attorney's) be and are hereby severally authorized to make such amendments and changes in the Scheme as may be expedient or necessary for satisfying the requirements or conditions imposed by the Tribunal, BSE Limited and National Stock Exchange of India Limited, in accordance with the SEBI (Listing Obligations and Disclosure

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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CIN: L74999MH1922PLC000997



96  
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RVA 0024



Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), the applicable SEBI guidelines, or any other regulatory authority;

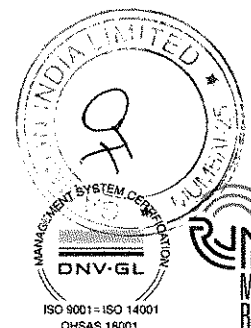
RESOLVED FURTHER THAT Mr. Abhijit Rajan - Chairman & Managing Director, Mr. Ajit Desai - Executive Director and CEO and Ms. Niki Shingade - Compliance Officer be and are hereby severally authorized to do the following:

- (a) Filing the Scheme and/or any other information/details with the concerned stock exchange or any other body or regulatory authority or agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;
- (b) Represent the Company before the Stock Exchanges, SEBI, as required, the Tribunal and such other authorities or bodies for filing and making applications and for that purpose to sign, execute and verify the Scheme, petitions, applications, undertakings, affidavits, all other documents and deeds as may be required for the purpose and to make such modifications/alterations as may be required by the aforesaid authorities or as may be thought fit and expedient by the said authorised persons, severally;
- (c) Filing of applications with the Mumbai Bench of the Tribunal or other appropriate authority seeking directions as to holding/dispensing with the meetings of the shareholders and/ or creditors of the Company, for issuing necessary notices and holding the meeting of the shareholders/creditors of the Company as may be directed by the Tribunal to give effect to the Scheme;
- (d) Finalize and settle the draft of the notices for convening/dispensing with the meetings of the shareholders and/or creditors of the Company and the draft of the explanatory statements under Section 230 of the Companies Act, 2013, SEBI Circulars, or any such applicable provisions under the Companies Act, 2013, in terms of the directions of the Tribunal, or effect any other modification or amendment as they may consider necessary or desirable to give effect to the Scheme;
- (e) Filing of petitions for confirmation of the Scheme by the Tribunal or such other competent authority;
- (f) Filing affidavits, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants and other professionals and to sign and execute vakalatnama wherever necessary, and sign and issue public advertisements and notices;
- (g) To sign all applications, petitions, affidavits, pleadings, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;
- (h) Obtaining approval from such other authorities and parties including the shareholders, term loan lenders, financial institutions, creditors as may be considered necessary, to the Scheme;
- (i) To apply for and obtain requisite approval of the Central Government and any other authority or agency, whose consent is required including those of any Lenders/ Creditors;
- (j) To appoint the merchant bankers, Scrutineers, Registrars and such others professionals/agencies as may be required to give effect to the Scheme;

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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CIN: L74999MH1922PLC000997



97  
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RVA C024

- (k) To settle any question or difficulty that may arise with regard to the implementation of the Scheme, and to give effect to the above resolution;
- (l) To convene general meeting of the shareholders and/or Creditors of the Company, as may be directed by the Tribunal, with regard to implementation of the Scheme;
- (m) To do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- (n) Decide upon, make modifications, changes, variations, amendments, revision in and bring into effect the Scheme from time to time or give such directions as they may consider necessary to settle any question or difficulty arising thereunder or in regard to and of the meaning or interpretation thereof or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law) or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or they may *suo moto* decide in their absolute discretion and to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the Scheme as they may deem fit in their absolute discretion.

RESOLVED FURTHER THAT National Stock Exchange of India Limited ('NSE') be and is hereby chosen as the Designated Stock Exchange ('DSE') in terms Regulation 37 of the SEBI (LODR) Regulations, 2015 read with SEBI Scheme Circular;

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to the relevant documents in terms of the provisions of the Articles of Association of the Company;

RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors;

RESOLVED FURTHER THAT any one of the following persons viz: Mr. Abhijit Rajan - Chairman and Managing Director, Mr. Ajit Desai - Executive Director & CEO and Ms. Niki Shingade - Compliance Officer be and are hereby severally authorized to sign a copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.

**CERTIFIED TO BE TRUE COPY  
For GAMMON INDIA LIMITED**

**NIKI SHINGADE  
COMPLIANCE OFFICER**

**Date: 29<sup>th</sup> September, 2017**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com  
CIN: L74999MH1922PLC000997



# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF GAMMON TRANSMISSION LIMITED HELD ON 20<sup>TH</sup> SEPTMEBER, 2017 AT THE REGISTERED OFFICE OF THE COMPANY AT 501 A,B,C,E FORTUNE 2000, BLOCK G, BANDRA KURLA COMPLEX, MUMBAI - 400051.**

## **APPROVAL OF THE SCHEME OF ARRANGEMENT OF THE COMPANY:**

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 or any amendment thereof, to the extent applicable and subject to the Memorandum of Association and Articles of Association of the Company and subject to the sanction of the Mumbai Bench of the National Company Law Tribunal constituted under the provisions of the Companies Act, 2013, or such other competent authority and subject to the requisite approval of the members of the Company, and subject to approval of the creditors and any other statutory /regulatory authorities as may be required, approval of the Board of Directors (hereinafter referred to as 'the Board') be and is hereby accorded to the Scheme of Arrangement between Gammon India Limited ('GIL') and Gammon Transmission Limited ('GTL') and their Respective Shareholders and Creditors ('the Scheme'), as per the terms and conditions mentioned in the Scheme placed before the Board and initialed by the Chairman for the purpose of identification, inter alia providing for the following:

- Transfer of the Civil EPC Undertaking (as defined in the Scheme) of GIL into GTL in consideration against issue and allotment of 740,000 (Seven Lakh Forty Thousand) fully paid up equity shares of Rs.10 each of GTL to GIL.

RESOLVED FURTHER THAT, based on the valuation report of an independent valuer M/s. MSKA & Associates dated September 20, 2017 and Fairness Opinion report of M/s. Saffron Capital Advisors Private Limited, Category I Merchant Banker dated September 20, 2017, approval of the Board be and is hereby given for the issue of 740,000(Seven Lakh Forty Thousand) fully paid-up equity shares of Rs. 10 each of the Company to GIL against the Civil EPC Undertaking transferred to the Company by GIL;

RESOLVED FURTHER THAT Mr. Digambar Bagde -Director and Mr. Rajesh Neelkanthan - Authorised Representative of the Company be and are hereby severally authorized to make such alteration and changes in the Scheme as may be expedient or necessary for satisfying the requirement or conditions imposed by the National Company Law Tribunal, BSE Limited or any regulatory authority provided prior approval of Board of Directors shall be obtained for making any material changes in the said Scheme as approved in the Board meeting;

- (a) Filing the Scheme and/or any other information/details with the concerned stock exchange or any other body or regulatory authority or agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;
- (b) Represent the Company before the Stock Exchanges, SEBI, as required, National Company Law Tribunal and such other authorities or bodies for filing and making applications and for that purpose to sign, execute and verify the Scheme, petitions, applications, undertakings, affidavits, all other documents and deeds as may be required for the purpose and to make such modifications/alterations as may be required by the aforesaid authorities or as may be thought fit and expedient by the said authorized persons, severally;

CIN : U45204MH2009PLC195888

**Registered Office:** 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

- (c) Filing of applications with the National Company Law Tribunal or other appropriate authority seeking directions as to holding/ dispensing with the meetings of the shareholders and/ or creditors of the Company, for issuing necessary notices and holding the meeting of the shareholders/creditors of the Company as may be directed by the National Company Law Tribunal to give effect to the Scheme;
- (d) Finalize and settle the draft of the notices for convening/dispensing with the meetings of the shareholders and/or creditors of the Company and the draft of the explanatory statements under Section 230 of the Companies Act, 2013, SEBI Circulars, or any such applicable provisions, in terms of the directions of the National Company Law Tribunal, or effect any other modification or amendment as they may consider necessary or desirable to give effect to the Scheme;
- (e) Filing of petitions for confirmation of the Scheme by the Mumbai Bench of National Company Law Tribunal or such other competent authority;
- (f) Filing affidavits, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants and other professionals and to sign and execute vakalatnama wherever necessary, and sign and issue public advertisements and notices;
- (g) To sign all applications, petitions, affidavits, pleadings, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;
- (h) Obtaining approval from such other authorities and parties including the shareholders, term loan lenders, financial institutions, creditors as may be considered necessary, to the Scheme;
- (i) To apply for and obtain requisite approval of the Central Government and any other authority or agency, whose consent is required including those of any Lenders/Creditors;
- (j) To appoint the merchant bankers, Scrutinizers, Registrars and such others professionals/agencies as may be required to give effect to the Scheme;
- (k) To settle any question or difficulty that may arise with regard to the implementation of the Scheme, and to give effect to the above resolution;
- (l) To convene general meeting of the shareholders and/or Creditors of the Company, as may be directed by the Tribunal, with regard to implementation of the Scheme;
- (m) To do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- (n) Decide upon, make modifications, changes, variations, amendments, revision in and bring into effect the Scheme from time to time or give such directions as they may consider necessary to settle any question or difficulty arising thereunder or in regard to and of the meaning or interpretation thereof or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent

CIN : U45204MH2009PLC195888

**Registered Office:** 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

permissible under law) or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or they may *suo moto* decide in their absolute discretion and to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the Scheme as they may deem fit in their absolute discretion.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to the relevant documents in the presence of any of the Directors in terms of the provisions of the Articles of Association of the Company;

RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors;

RESOLVED FURTHER THAT all the Directors of the Company be and are hereby authorized to sign a copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

**CERTIFIED TO BE TRUE COPY**  
**For GAMMON TRANSMISSION LIMITED**



**DIRECTOR**

Date: 26<sup>th</sup> September, 2017  
Place: Mumbai

CIN : U45204MH2009PLC195888

Registered Office: 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

101





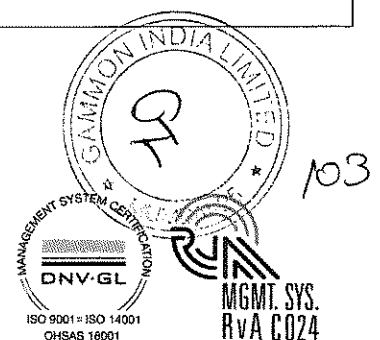
**Brief particulars of Gammon India Limited ('GIL' or 'Transferor Company') and  
Gammon Transmission Limited ('GTL' or 'Transferee Company')**

Particulars	GTL (Transferee Company)	GIL (Transferor Company)
Name of the company	Gammon Transmission Limited	Gammon India Limited
Date of Incorporation & details of name changes, if any	18/09/2009  The Company was incorporated as "SAE Transmission India Limited. The name of the Company was changed to Gammon Transmission Limited effective from 31 <sup>st</sup> August, 2015	15/06/1922
Registered Office	501 A,B,C,E Fortune 2000, Block G, Bandra Kurla Complex, Mumbai - 400051	Gammon House, Veer Savarkar Marg, Prabhadevi Mumbai - 400025.
Brief particulars of the scheme	<p>The salient features of the draft Scheme are as under:</p> <p>(a) The Scheme provides for Transfer of Civil EPC Undertaking ('EPC Undertaking) of GIL to GTL, in consideration for 7,40,000 fully paid equity shares of Rs.10 each of GTL.</p> <p>(b) As part of the undertaking to be transferred, all assets and liabilities of the undertaking including the performance qualifications are being transferred;</p> <p>(c) Appointed date of the Scheme is fixed as October 1, 2017;</p> <p>(d) The Scheme shall be effective from the last of the dates on which all the following conditions / matters are fulfilled:</p> <p>i. The requisite consent, approval or permission of the Central Government including Stock Exchange and Securities and Exchange Board of India.</p> <p>ii. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as may be directed by the National Company Law Tribunal, Mumbai Bench or any other competent authority, as may be applicable.</p> <p>iii. The Scheme being sanctioned by the Mumbai Bench of the National Company Law Tribunal or any other authority under Sections 230 to 232 of the Companies Act, 2013.</p> <p>iv. Certified copy of the Order of the Mumbai Bench of the National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by the Transferor Company and the Transferee Company.</p>	

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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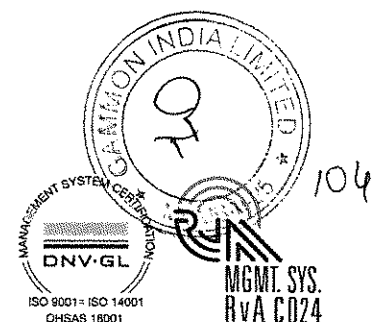


Rationale for the scheme	Transfer of the Civil EPC Undertaking by GIL to GTL would help in achieving the desired operating structure and shall inter alia have the following benefits:  1. To enable investment by strategic investor; and  2. Deleverage the balance sheet of GIL.	
Date of resolution passed by the Board of Director of the company approving the scheme	20 <sup>th</sup> September, 2017	20 <sup>th</sup> September, 2017
Date of meeting of the Audit Committee in which the draft scheme has been approved	N.A	20 <sup>th</sup> September, 2017
Appointed Date	1 <sup>st</sup> October, 2017	1st October, 2017
Name of Exchanges where securities of the company are listed	Unlisted	BSE Limited and The National Stock Exchange of India Limited.
Nature of Business	Gammon Transmission Limited ("GTL" or "the Company") incorporated on 18 <sup>th</sup> September, 2017 [formerly known as SAE Transmission India Limited]. GTL was formed for undertaking Transmission and Distribution business. The Company has executed certain projects in FY 11 and FY 12 for laying of high voltage lines. The Company proposes to enter into the EPC business.	Gammon India Limited ("GIL" or "the company") incorporated on 15th June, 1922 is a Civil Engineering Company engaged in the business of engineering, procurement and construction ("EPC") Company with presence across all sectors of civil engineering, design and construction. It has been one of the largest physical infrastructure construction companies in India. GIL has a track record of building iconic landmark structures. GIL's area of operations include civil engineering, procurement and construction in transportation (highways, railways, metro rail, ports, bridges & flyovers), power generation (thermal, industrial and cogeneration plants, nuclear and hydro energy, cooling towers and chimney), Transmission & Distribution

## GAMMON INDIA LIMITED

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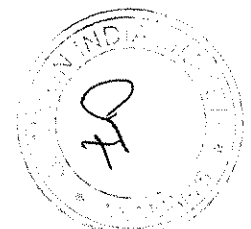


		<p>(design, engineering and manufacturing of high voltage transmission towers, high mast/poles manufacturing) and environmental engineering (water treatment). The Company recently demerged its Transmission and Distribution business into Transrail Lighting Limited and part of its identified Civil EPC business into Gammon Engineers and Contractors Private limited as part of its overall restructuring.</p> <p>GIL's 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 &amp; gas, power generation and industrial sectors. Sofinter S.p.A., Ansaldo Caldaie S.p.A., ITEA and Europower are some companies under the Group. The overseas transmission and distribution projects are executed by GIL's international subsidiary, SAE Powerlines S.r.L, Italy. The Company also has a substantial stake in Puma Oil Block in the Oriente basin in Ecuador.</p>
Capital before the scheme (as on the date of filing the Scheme)	Paid-up Capital : Rs. 5,00,000/-	Paid up Capital : Rs. 739,146,210/- (Paid up Capital as on 30 <sup>th</sup> June, 2017)
No. of shares to be issued	Upon coming into effect of the Scheme, GTL shall issue and allot 7,40,000 (Seven Lakh Forty Thousand) fully paid up equity shares of Rs.10/- each to the GIL.	

**GAMMON INDIA LIMITED**

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105

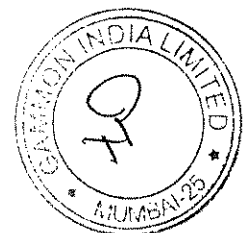


Cancellation of shares on account of cross holding, if any	There is no cancellation happening pursuant to the Scheme of Arrangement	
Capital after the scheme	Rs. 167,900,000/-	Rs. 739,146,210/- (* Subject to change pursuant to the "Conversion of Loan by Lenders" into equity shares , if such option is exercised in future by any of the lenders)
Net Worth Pre Post	<b>(Refer Annexure J1 and J2)</b>	
Valuation by independent Chartered Accountant – Name of the valuer/valuer firm and Regn no.	M/s. MSKA & Associates, Chartered Accountants having Firm Registration no. 105047W. <b>(Refer Annexure B)</b>	
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	There are three generally accepted approaches to valuation – a. "Cost" approach b. "Income" approach c. "Market" approach	
Fair value per shares	Rs.10	
Exchange ratio	Upon coming into effect of the Scheme, GTL shall issue and allot 7,40,000 (Seven Lakh Forty Thousand) fully paid up equity shares of Rs.10/- each to the GIL.	
Name of Merchant Banker giving fairness opinion	M/s. Saffron Capital Advisors Private Limited <b>(Refer Annexure D)</b>	

**GAMMON INDIA LIMITED**

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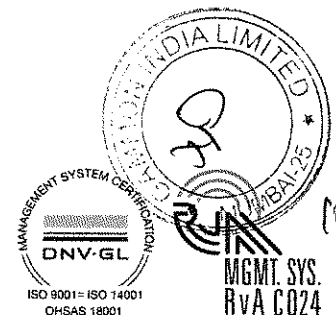


Shareholding pattern (as on the date of filing the Scheme)	Pre (GTL)		Post (GTL)	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	50,000	100	1,67,90,000	100
Public	-	-	-	-
Custodian	-	-	-	-
<b>TOTAL</b>	<b>50,000</b>	<b>100</b>	<b>1,67,90,000</b>	<b>100</b>
No of shareholders	7		9	
Shareholding pattern (as on 16 <sup>th</sup> March, 2017)	Pre (GIL)		Post (GIL)	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	42,657,154	11.54	42,657,154	11.54
Public	*326,915,951	88.46	*326,915,951	88.46
Custodian	-	-	-	-
<b>TOTAL</b>	<b>369,573,105</b>	<b>100</b>	<b>369,573,105</b>	<b>100</b>
	*(includes 7,25,800 equity shares held in abeyance).			
	On the Scheme becoming effective, there will be no change in the shareholding pattern of the Transferor Company (save as and when the lenders exercise their right of Conversion of Loan into Equity) as no shares will be issued by the Transferor Company pursuant to the Scheme.			
No of shareholders (approx.)	45,679		45,679	
Names of the Promoters	Gammon India Limited (being the ultimate holding company).		1. Mr. Abhijit Rajan 2. Mr. Jagdish Rajan 3. Ellora Organic Industries Private Limited 4. Devyani Estate & Properties Private Limited 5. Nikhita Estate Developers Private Limited 6. Pacific Energy Private Limited 7. Masayor Enterprise Limited  (As disclosed in the Shareholding Pattern under Regulation 31 (1)(b) of	

**GAMMON INDIA LIMITED**

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MGMT. SYS.  
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		the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Names of the Board of Directors	<ol style="list-style-type: none"> <li>1. Mr. Digambar Bagde (Director)</li> <li>2. Mr. Kailash Kumar Agarwal (Director)</li> <li>3. Mr. Naval Choudhary (Non-Executive and Independent Director)</li> </ol>	<ol style="list-style-type: none"> <li>1. Mr. Abhijit Rajan (Chairman &amp; Managing Director)</li> <li>2. Mr. Ajit Desai (Executive Director and Chief Executive Officer)</li> <li>3. Mr. Rajul Bhansali (Executive Director)</li> <li>4. Mr. Chandahas Dayal (Non - Executive Director &amp; Independent Director)</li> <li>5. Mr. Naval Choudhary (Non - Executive Director &amp; Independent Director)</li> <li>6. Mrs. Urvashi Saxena (Non - Executive Director &amp; Independent Director)</li> <li>7. Mr. Atul Shukla (Non - Executive Director &amp; Independent Director)</li> </ol>
Details regarding change in management control if any	There will be change in management control as mentioned in the post shareholding pattern at Annexure E2 post investment by strategic investor/s.	No change in management control.

For **GAMMON INDIA LIMITED**



**NIKI SHINGADE**  
**COMPLIANCE OFFICER**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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108

29<sup>th</sup> September, 2017

**The National Stock Exchange of  
India Limited**

Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.

**Scrip Code: GAMMONIND**

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Scheme Circular CFD/DIL3/CIR/2017/21 for the proposed Scheme of Arrangement between Gammon India Limited ("GIL") and Gammon Transmission Limited ("GTL") and their respective Shareholders and Creditors**

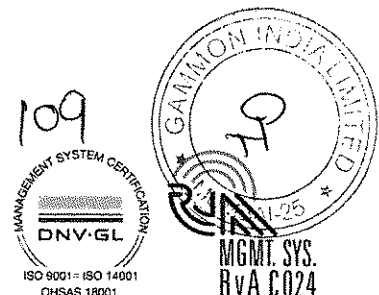
In connection with the above application, we hereby confirm that:

- a) Mrs. Urvashi Saxena was an Independent Director on the Board of M/s. Winsome Diamonds and Jewellery Limited. Mrs. Saxena is no longer associated with the said Company as she has resigned as a Director w.e.f. 15th May, 2013. As informed by Mrs. Saxena, Punjab National Bank (PNB) have vide their letter dated July 6, 2016 advised Reserve Bank of India (RBI) that Mrs. Saxena's name stands deleted from the list of willful defaulters and they have also advised that due care will be taken not to include her name in the list of willful defaulters which will be forwarded to Credit Information Companies. Mrs. Saxena was an Independent Director on the Board of Orbit Corporation Limited. She is no longer associated with the said Company as she has resigned as a Director w.e.f. 14th February, 2015 and as informed by her, she has not received any notice against her as a willful defaulter.
- b) Adjudication Order No. PB/AO-15/2011 dated 28.02.2011 passed against Mr. Naval Choudhary under rule 5 of SEBI (Procedure for Holding Inquiry and

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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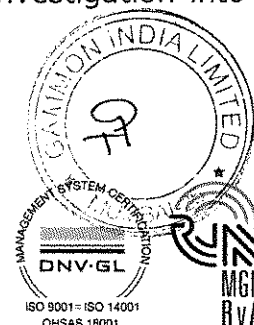
Imposing Penalties by Adjudicating Officer) Rules, 1995 in respect of violation of the provisions of SEBI (Procedure of Insider Trading Regulations), 1992 in terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 imposing penalty of Rs. 50,000/-. Mr. Choudhary paid the penalty on 9<sup>th</sup> March, 2011.

- c) Mr. Atul Kumar Shukla was appointed as the Independent Director in Horizon Infrastructure Limited ("HIL") w.e.f. 9<sup>th</sup> May, 2008 and resigned from HIL on 29<sup>th</sup> June, 2009. SEBI issued a Show Cause Notice dated 20<sup>th</sup> January, 2014 under Rule 4(1) of Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 for Non-Compliance of the Listing Agreement. Mr. Shukla filed a reply on 26<sup>th</sup> March, 2014 making a prayer to close the inquiry on the basis of the submissions made therein. Mr. Shukla appeared for the personal hearing before the Adjudicating Officer on 4<sup>th</sup> August, 2015 and made additional written submission/documents were taken on records and he was also asked to provide certain additional documents. As was directed, the documents with the appeal to close the inquiry against him were sent by him to Adjudicating Officer on 5<sup>th</sup> August, 2015 by courier which was delivered on 6<sup>th</sup> August, 2015. No further communication has been received by Mr. Shukla from SEBI in this matter.
- d) An Order No. WTM/GA/113/ISD/12/2006 dated December 21, 2006 under Section 19 read with Section 11 and 11B of the SEBI Act, 1992 was passed which was restraining Gammon India Limited, Mr. Abhijit Rajan-Chairman and Managing Director of GIL ("Promoter), Nikhita Estate Developers Pvt. Ltd and Devyani Estate & Properties Pvt. Ltd (both Promoter Group Companies and Shareholders of GIL) from accessing the Capital Market directly or indirectly for period of one year from the date of order.
- e) An order was passed against Mr. Abhijit Rajan, Ex-Chairman and Managing Director of Gammon Infrastructure Projects Limited (currently Chairman and Managing Director of Gammon India Limited) with respect to investigation into

## GAMMON INDIA LIMITED

An ISO 9001 Company

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CIN: L74999MH1922PLC000997



MGMT. SYS.  
RvA C024

possible insider trading in the scrip of Gammon Infrastructure Projects Limited (GIPL):

- i. Interim Ex-parte Order No. WTM/RKA/ISD/71/2014 dated July 17, 2014 under Section 19 read with Section 11(1), 11(4) and 11B of the SEBI Act, 1992 restraining Mr. Abhijit Rajan from buying, selling or dealing in securities and accessing the securities markets, either directly or indirectly, in any manner whatsoever, till further directions.
  - ii. Order No. WTM/RKA/ISD/22/2015 dated March 23, 2015 under Section 19 read with Section 11(1), 11(4) and 11B of the SEBI Act, 1992 confirming the directions issued in respect of Mr. Abhijit Rajan vide ex-interim ex-parte order dated July 17, 2014 to be in force till further directions.
  - iii. Order no. WTM/PS/193/IVD/MAR/2016 dated March 21, 2016 under Section 19 read with Section 11(1), 11(4) (d) and 11B of the SEBI Act, 1992 impounding a sum of Rs. 1, 44, 37,670/- (including interest), jointly and severally to Mr. Abhijit Rajan and Consolidated Infrastructure Company Pvt. Ltd (CICPL) for unauthorized dealing of securities under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.
- f) The Company, its promoters or Directors do not have direct or indirect relation with the companies, its promoters and whole time directors, which are compulsorily delisted by any recognized stock exchange.

**For GAMMON INDIA LIMITED**



**NIKI SHINGADE  
COMPLIANCE OFFICER**

**GAMMON INDIA LIMITED**

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# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

29<sup>th</sup> September, 2017

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

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Scheme Circular CFD/DIL3/CIR/2017/21 for the proposed Scheme of Arrangement between Gammon India Limited ("GIL") and Gammon Transmission Limited ("GTL") and their respective Shareholders and Creditors**

In connection with the above application, we hereby confirm that:

- a) The Company, its promoters or Directors have never been declared as wilful defaulter as per RBI Circular Ref. No. RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16 dated July 1, 2015 by the Banks.
- b) Adjudication Order No. PB/AO-15/2011 dated 28.02.2011 passed against Mr. Naval Choudhary under rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in respect of violation of the provisions of SEBI (Procedure of Insider Trading Regulations), 1992 in terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 imposing penalty of Rs. 50,000/-. Mr. Choudhary paid the penalty on 9th March, 2011.
- c) An Order No. WTM/GA/113/ISD/12/2006 dated December 21, 2006 under Section 19 read with Section 11 and 11B of the SEBI Act, 1992 was passed which was restraining Gammon India Limited (Promoter of GTL) from accessing the Capital Market directly or indirectly for period of one year from the date of order.
- d) The Company, its promoters or Directors do not have direct or indirect relation with the companies, its promoters and whole time directors, which are compulsorily delisted by any recognized stock exchange.

For GAMMON TRANSMISSION LIMITED

  
DIRECTOR

CIN : U45204MH2009PLC195888

**Registered Office:** 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051





29<sup>th</sup> September, 2017

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

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Scheme Circular CFD/DIL3/CIR/2017/21 for the proposed Scheme of Arrangement between Gammon India Limited ("GIL") and Gammon Transmission Limited ("GTL") and their respective Shareholders and Creditors**

In connection with the above application, we hereby confirm that:

- The proposed Scheme of Arrangement to be presented to the Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 2013, the rules, regulations and guidelines made under these Acts, the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the requirements of SEBI circulars and Stock Exchanges.
- The draft Scheme of Arrangement together with all documents mentioned in Para I(A)(7)(a) of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 will be disseminated on company's website as per Website link given hereunder:  
[www.gammonindia.com](http://www.gammonindia.com)
- The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- The company shall obtain shareholders' approval by way of special resolution passed through postal ballot/ e-voting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

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 E-Mail : [gammon@gammonindia.com](mailto:gammon@gammonindia.com) • Website : [www.gammonindia.com](http://www.gammonindia.com)  
 CIN: L74999MH1922PLC000997



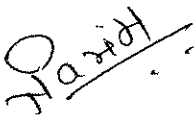
113

- e) The Company shall include the applicable information pertaining to the unlisted entity/ies (Gammon Transmission Limited) involved in the scheme in the format specified for abridged prospectus, certified by a SEBI Registered Merchant Banker, as provided in Part D of Schedule VIII of the ICDR Regulations, in the explanatory statement or notice or proposal accompanying resolution to be passed sent to the shareholders while seeking approval of the scheme and the same shall be submitted to Stock Exchanges.

The percentage of shareholding of pre-scheme public shareholders of the Company shall not be less than 25%. Further, there are no Qualified Institutional Buyers (QIBs) of the unlisted entity and the question of their shareholding being less than 25% in the post scheme capital does not arise.

- f) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filed by the Company with Registrar of Companies/ SEBI/ Reserve Bank of India, wherever applicable.

**For GAMMON INDIA LIMITED**

  
**NIKI SHINGADE**  
**COMPLIANCE OFFICER**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com  
CIN: L74999MH1922PLC000997





Annexure 17.

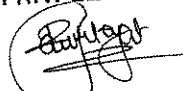
# BHUTADA JAIN & GATAGAT CHARTERED ACCOUNTANTS

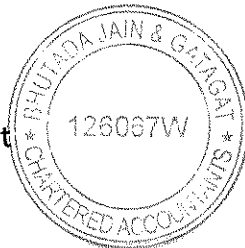
GAMMON INDIA LIMITED. EPC Business  
Statement of Assets & Liabilities under Scheme as at 31.03.2017

Rs. In Crore

Particulars	Amount	
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' Funds</b>		6.10
Net worth		
		70.00
<b>Borrowings</b>		
<b>Current Liabilities</b>	24.25	
Trade Payables	6.45	
Other Long Term Liabilities	3.27	
Other Current Liabilities	-	
Provisions		33.98
	<b>TOTAL</b>	<b>110.08</b>
<b><u>ASSETS</u></b>		
		8.03
Fixed Assets (Net)		
Investments		
	21.89	
Inventories	71.15	
Trade Receivables	-	
Cash and Cash Equivalents	9.01	
Other Assets	-	
Loan and Advances		102.05
	<b>TOTAL</b>	<b>110.08</b>

For Bhutada Jain & Gatagat  
Chartered Accountants  
FRN: 126067W

  
Rajesh K. Gatagat  
Partner  
M.No. 118814



Date: 25.09.2017

115

'Sai Tejus', Maiguaripura, Wardha-442001  
Ph.: 07152-250700  
Mob.: 9822111288

10, Ground Floor, Diwan Plaza,  
Lokmat Square, Ramdaspath, Nagpur-12.  
Ph.: 0712-6612333, Mob.: 9890479299

Near Mahesh Bhavan, Innani Jin,  
Karanja (Lad), Dist : Washim - 444105  
M.: 9890479299

Website : www.cabjg.com

E-mail : bhutadajaingatagat@yahoo.co.in

# CGS & Associates

Chartered Accountants

18, Jai Hind Estate, Bldg. No 1  
Dr. A M Road, Bhuleshwar,  
Mumbai – 400002

M : +91-9594487203  
Tel.: 022-66355226  
E-mail:- vivek@cgsassociates.in

No. GTL/17-18/001

29 September 2017

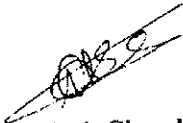
## TO WHOMSOEVER IT MAY CONCERN

We have been requested by the management of M/s. Gammon Transmission Limited ('the Company') to issue this certificate.

We certify below mentioned Statement of assets and liabilities of the Company as on 31 March 2017:

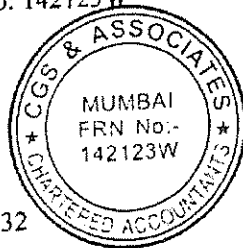
Particulars	Amount (In Rs.)	Amount (In Rs.)
<b>Equity and Liabilities</b>		
<b>Shareholder's fund</b>		
Net worth		5,048,976
<b>Current liabilities</b>		
Trade payables	99,353	
Other financial liabilities	62,562	
Provisions	1,600,000	1,761,915
<b>Total</b>		<b>6,810,891</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Trade receivables	472,944	
Others	1,826,777	2,299,721
<b>Current assets</b>		
Cash and cash equivalents	3,347,446	
Others	1,163,724	4,511,170
<b>Total</b>		<b>68,10,891</b>

For CGS & Associates  
Chartered Accountants  
Firm's Registration No: 142123W

  
Vivek Chandan

Partner

Membership No: 163532





# BHUTADA JAIN & GATAGAT CHARTERED ACCOUNTANTS

## CERTIFICATE OF PERCENTAGE TURNOVER & PROFITABILITY

1. We have verified the documents and information relating to Gammon India Limited ('GIL or 'the Company') with a view to certify the net worth, percentage turnover and profitability of the division being transferred i.e. "EPC Division" vis-à-vis the other divisions of the Company.

In this regard, we have relied upon the audited financial statements of GIL as on March 31, 2017, March 31, 2016 & September 30, 2014 the Scheme of Arrangement between Gammon India Limited and Gammon Transmission Ltd. and their Respective Shareholders and Creditors (the 'Scheme').

2. On the basis of such verification and information and explanation given to us, we certify the net worth, percentage turnover and profitability of EPC Division vis-à-vis the other divisions of the Company as set out in the following tables :

Rs. In crore

As on March 31, 2017						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
EPC Undertaking under BTA & Scheme i.e. Transferred division	6.10	0.95	51.13	7.18	(0.27)	0.02
Other divisions	637.48	99.05	660.89	92.82	(1,661.68)	99.98
<b>Total</b>	<b>643.58</b>	<b>100.00</b>	<b>712.02</b>	<b>100.00</b>	<b>(1,661.95)</b>	<b>100.00</b>

Rs. In crore

As on March 31, 2016						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
EPC Undertaking under BTA & Scheme i.e. Transferred division	6.10	0.26	160.15	2.68	26.09	26.12
Other divisions	2,299.61	99.74	5,824.11	97.32	73.81	73.88
<b>Total</b>	<b>2,305.71</b>	<b>100.00</b>	<b>5,984.26</b>	<b>100.00</b>	<b>99.90</b>	<b>100.00</b>

Rs. In crore

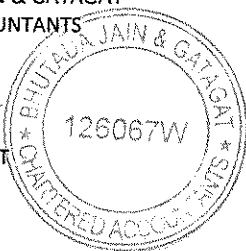
As on September 30, 2014						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
EPC Undertaking under BTA & Scheme i.e. Transferred division	6.10	0.56	83.17	2.80	(0.95)	(1.40)
Other divisions	1,085.94	99.44	2,885.22	97.20	68.75	101.40
<b>Total</b>	<b>1,092.04</b>	<b>100.00</b>	<b>2,968.39</b>	<b>100.00</b>	<b>67.80</b>	<b>100.00</b>

Notes:

- As per Section 133 of the Companies Act, March 2017 accounts are prepared as per IndAS and as per the requirement to give comparative figures, March 2016 figures have been reworked as per IndAS.
- The aforesaid computation has been made solely as per the requirements of stock exchange for filing in connection with obtaining its "No Objection Certificate" to the Scheme and is not to be used for any other purposes.
- Compliance with the requirements of the stock exchanges of India is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy stated in the certificate. For the purpose of this certificate, we conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special purpose issued by the Institute of Chartered Accountants of India.

FOR BHUTADA JAIN & GATAGAT  
CHARTERED ACCOUNTANTS  
FRN: 126067W

RAJESH K. GATAGAT  
PARTNER  
M.NO. 118814



DATE: 25.09.2017

'Sai Tejus', Malgularipura, Wardha-442001  
Ph.: 07152-250700  
Mob.: 9822111288

10, Ground Floor, Diwan Plaza,  
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M.: 9890479299

Website : www.cabjg.com

E-mail : bhutadajaingatagat@yahoo.co.in

117

Annexure P



29<sup>th</sup> September, 2017

**The National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.

**Scrip Code: GAMMONIND**

**BSE Limited**

1st Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Scrip Code: 509550**

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CFD/DIL3/CIR/2017/21 for the proposed Scheme of Arrangement between Gammon India Limited ("GIL") and Gammon Transmission Limited ("GTL") and their respective shareholders and Creditors**

With reference to the requirements of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Scheme Circular"); the Board in its meeting held on 20<sup>th</sup> September, 2017 has resolved that National Stock Exchange of India Limited ('NSE') be and is hereby chosen as the Designated Stock Exchange ('DSE') in terms of Regulation 37 of the SEBI (LODR) Regulations, 2015 read with SEBI Scheme Circular.

**For GAMMON INDIA LIMITED**

Handwritten signature of Niki Shingade in black ink.

**NIKI SHINGADE  
COMPLIANCE OFFICER**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com  
CIN: L74999MH1922PLC000997

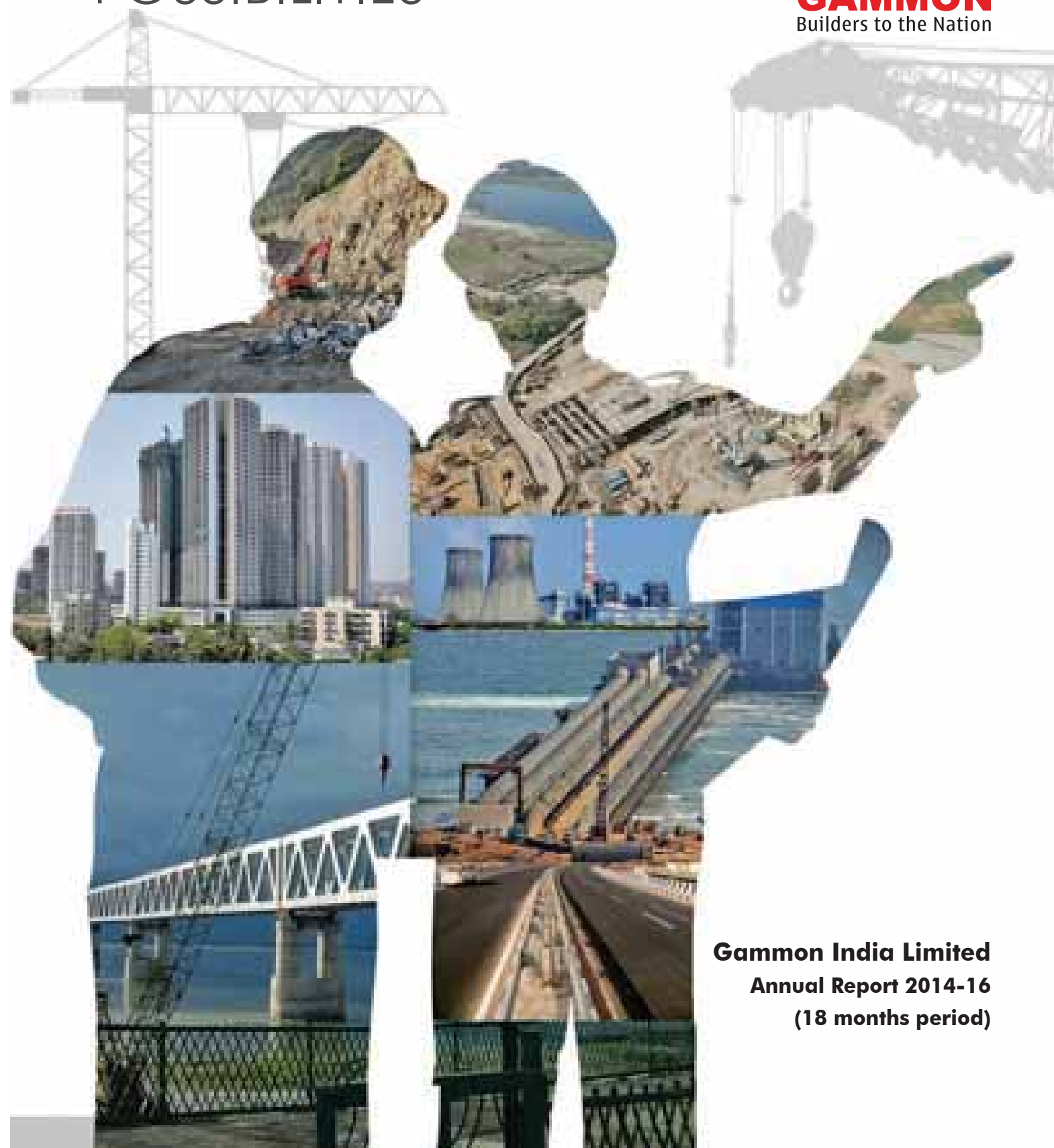


118

# BUILDING **FUTURE** POSSIBILITIES



**GAMMON**  
Builders to the Nation



**Gammon India Limited**  
**Annual Report 2014-16**  
**(18 months period)**

# CONTENTS

CORPORATE INFORMATION	01
ABOUT GAMMON GROUP	02
REGION-WISE PAN INDIA PRESENCE	07
CHAIRMAN'S STATEMENT	08
KEY PROJECTS – EPC	12
T&D KEY PROJECTS	14
PUBLIC PRIVATE PARTNERSHIP PROJECTS	16
OVERSEAS PRESENCE	18
AWARDS AND ACCOLADES	20
MANAGEMENT DISCUSSION & ANALYSIS	22
DIRECTORS' REPORT	42
REPORT ON CORPORATE GOVERNANCE	98
FINANCIAL STATEMENTS	117
CONSOLIDATED ACCOUNTS	199





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Abhijit Rajan**

Chairman & Managing Director

**Mr. Rajul A. Bhansali**

Executive Director - International Operations

**Mr. Digambar C. Bagde**

Deputy Managing Director  
(Transmission & Distribution Division)

**Mr. Ajit Desai**

Executive Director & Chief Executive Officer

**Mr. Chandrahas C. Dayal**

Independent Director

**Mr. Naval Choudhary**

Independent Director

**Mrs. Urvashi Saxena**

Independent Director

**Mr. Jagdish C. Sheth**

Independent Director

**Mr. Atul Dayal**

Independent Director

**Mr. Atul Kumar Shukla**

Independent Director

## COMPANY SECRETARY

**Ms. Gita G. Bade**

## PRESIDENT FINANCE & CHIEF FINANCIAL OFFICER

**Mr. Vardhan Dharkar**

## AUDITORS

**M/s Natvarlal Vepari & Co.**

## REGISTERED OFFICE

'Gammon House', Veer Savarkar Marg,

Prabhadevi, Mumbai – 400 025.

Tel: +91 22 6115 3000 / 6111 4000 / 2430 6761

Fax: +91 22 2430 0221 / 2430 0529

E-mail: [investors@gammonindia.com](mailto:investors@gammonindia.com)

Website: [www.gammonindia.com](http://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

Central Bank of India

Karnataka Bank

Indian Bank

DBS Bank

Life Insurance Corporation of India

General Insurance Corporation of India

United India Insurance

## REGISTRAR & SHARE TRANSFER AGENT

**M/s. Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound

LBS Road, Bhandup (West)

Mumbai 400 078

Telephone: 022-2596 3838

Facsimile: 022- 2594 6969


e-mail : [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)



# ABOUT GAMMON GROUP

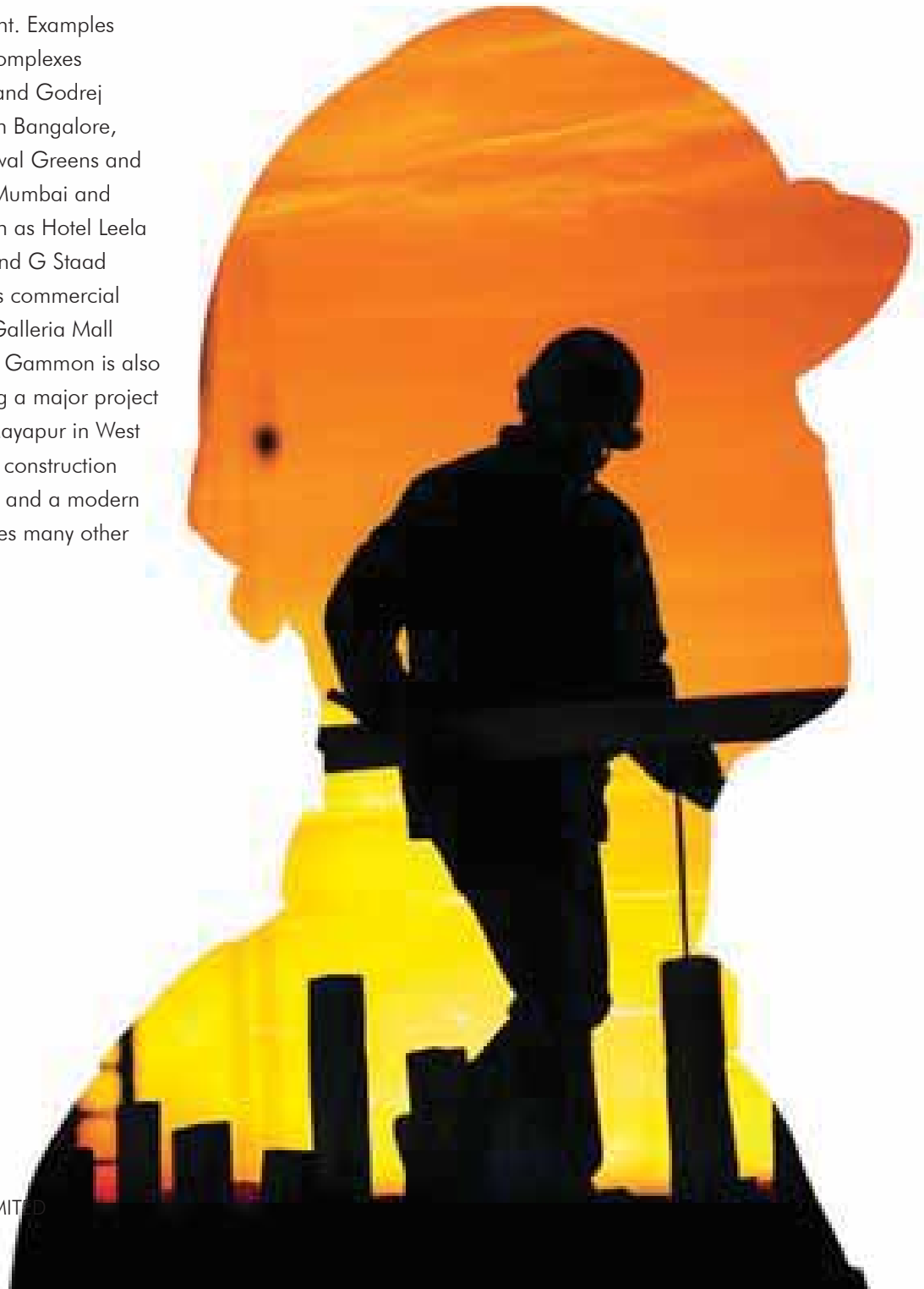
Gammon India Limited ("GIL" or "the company") incorporated in 1922, is a Civil engineering, procurement and construction company with presence across all sectors of civil engineering, design and construction. It has been amongst the largest physical infrastructure construction companies in India with a prominent presence across all sectors of civil engineering, design and construction. With specific expertise in roads, flyovers & bridges and power projects, GIL is the leader in construction and turnkey engineering projects.

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.



We are one of the few companies in India qualified to participate and are present in all the areas of construction. We have made concrete contribution to India's infrastructure sector by executing multifarious civil engineering works, designing and constructing of ports, harbours, hydro, thermal and nuclear power stations, cooling towers & chimneys, bridges, roads, dams, high-rise structures, chemical and fertilizer complexes in India and abroad.

Besides its large scale of operations in the Construction and Infrastructure domain, GIL also has presence in energy business in which it operates in the hydro, nuclear and thermal power sectors. GIL's expertise also covers the design, financing, construction and operation of modern bridges, flyovers, viaducts and metro rail, both on a Build-Operate-Transfer (BOT) basis as well as contract execution. GIL is in the fore front of India's Nuclear program and has been involved in designing of civil packages of Kalpakkam Nuclear projects. 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, Runwal Greens and Nathani Heights in Mumbai and hotel complexes such as Hotel Leela Palace in Chennai and G Staad in Bangalore besides commercial complexes such as Galleria Mall (INXS) in Bangalore. Gammon is also presently undertaking a major project for ISKCON at Sri Mayapur in West Bengal involving the construction of a temple complex and a modern cultural centre besides many other large projects.



## 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 AnsaldoCaldai 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 Ecuador.

## Infrastructure Development

In addition to the above, GIL invests in infrastructure development projects through its subsidiary, Gammon Infrastructure Projects Ltd. (GIPL) by participating in Build, Operate & Transfer ('BOT') projects such as roads, ports and hydropower. GIPL's major subsidiaries are SPVs (special purpose vehicles) formed for the execution of specific projects.





Ganga Bridge, Kanpur



Runwal Greens, Mumbai

## Area of Operations:

### Engineering, Procurement and Construction - Civil

- › Transportation (highways, railways, ports, bridges & flyovers),
- › Power Generation (thermal, industrial and cogeneration plants, nuclear and hydro energy, cooling towers and chimneys)
- › Transmission & Distribution (design, engineering and procurement)
- › Environmental engineering (water treatment, transmission and distribution)
- › PPP Projects (Roads, Ports, Power)
- › Irrigation
- › High-rise buildings

### Design, Construction and Operation

Infrastructure Investment and Development (toll roads, expressways, bridges, bulk and container port projects and hydro/thermal power projects)

### Oil Exploration and Production

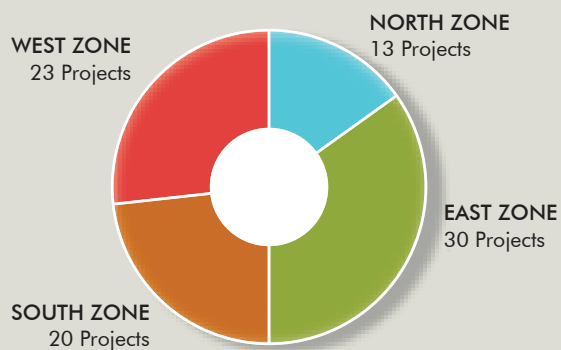
### Real Estate Development



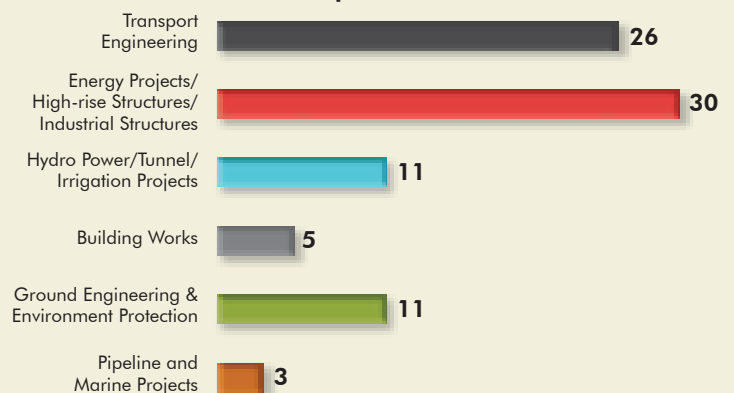
# REGION-WISE PAN-INDIA PRESENCE



## Zonewise Projects



## Area of Specialization



# CHAIRMAN'S STATEMENT



The air of confidence is slowly returning to the country's infrastructure and construction sectors and is quite visible in the number of broad-based sectoral developments announced in the recent months.

Dear Shareholders,

The financial period under consideration covers a span of 18-months ending 31st March, 2016.

During this period, the construction industry in India continues to be plagued by inadequate capital, slow and delayed projects, sticky receivables, lack of speedy and proper dispute resolution mechanism, slow moving or stalled projects, bureaucratic delays in awarding projects, delays in land acquisition and higher working capital cycles and highly leveraged balance sheets. Almost all the players in the industry are affected by the slow-down.

Though 2015 continued to remain challenging for the Indian construction sector, the industry has been on a revival path supported by the government's avowed seriousness about the infrastructure development to accelerate economic growth.

Hence, even in a fiscally challenged situation, the Union Budget outlay for the infrastructure sector, which

is the main supporter of construction industry has been sharply increased from ₹ 1,63,885 crores in 2015-16 (revised Budget estimates) to ₹ 2,02,121 crores for 2016-17 (Budget estimates), indicating a growth of over 23%. The budgetary allocation is being leveraged many times over, indicating a new line of thinking that should progressively ensure off-budgetary funding and financial support to sustain the developmental lifecycle of the infra projects.

The air of confidence is slowly returning to the country's infrastructure and construction sectors and is quite visible in the number of broad-based sectoral developments announced in the recent months.

The country's roads sector is poised for a big leap with the government anticipating the award of 25,000-km of highway projects during the current year consistent with the overall target of achieving 30-km of road construction per day. The Ujwal Discom Assurance Yojana (UDAY) and the ambitious target of reaching 100 GW of solar power by 2021 through the



Jawaharlal Nehru National Solar Mission augur well for the country's renewable energy scenario. With ports and airports forming a significant part of the cycle of priorities, investments in these sectors are bound to pick-up as the country moves forward.

The Indian Railways is poised to be a big investment driver with its own Five-Year Plan. Investments in Railways will have a dramatic impact. Investments in rural roads, rural electrification, irrigation and rural housing could be transformational for India's vast rural landscape. The government also plans to develop coastal economic regions as part of plans to revive the country's Sagarmala project which will give a boost to the port sector.

The Smart City project and consistent investments in upgrading transportation and social infrastructure is

expected to rejuvenate urban space.

However the recovery of the construction sector will depend upon the speedy implementation of the plans and addressing issues at macro as well as the micro level.

### Performance review

During the 18 months period ended 31st March, 2016 the Turnover of the Company on a standalone basis stood at ₹ 6,077 crores, as compared to ₹ 2,909 crores during the previous 9 month period ended 30th September, 2014. The Company posted a Net Profit after Tax of ₹ 14.64 crores during the period ended 31st March, 2016, as against a Net profit after Tax of ₹ 67.80 crores during the previous period ended 30th September, 2014.

Hinduja Power Project, Vizag



Signature Bridge, New Delhi

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at ₹ 7,949 crores as compared to ₹ 3,763 crores for the previous 9 month period ended 30th September, 2014. The Group posted a Net Loss after Tax of ₹ 502.51 crores during the period ended 31st March, 2016 as against a Net Loss after Tax of ₹ 775.32 crores during the previous 9 month period ended 30th September, 2014

The Company continued to reel under financial stress. Though the Corporate Debt Restructuring in June 2013 gave the Company the much needed breather to streamline its operations, subsequently the mounting interest burden, non availability of timely finance and subsequent delays in execution of projects, apart from low order intake, eroded profits. The working capital cycle of the Company was also stretched due to non-achievement of milestones and elongated recovery of receivables. Monetization of assets as envisaged under the CDR package has been slow due to the slowdown in economies, both in India and overseas.

The severe liquidity crunch was sought to be arrested by the invocation of Strategic Debt Restructuring in the Company by the lenders with effective date of 17th November, 2015. Sixteen lenders have converted part of their outstanding debts aggregating

to ₹ 277.12 crore into equity shares acquiring 63.07% of the Company's equity capital.

## Building Future Possibilities

### Carving out of T&D business and Civil EPC business

The Company, as part of its revival plan, carved out Transmission & Distribution business in two phases viz, a slump sale through process of Business Transfer Agreement (BTA) and Scheme of Arrangement. In the first phase, two manufacturing facilities viz the conductor division at Silvassa and the Tower manufacturing facility at Deoli have been transferred to Transrail Lighting Limited (TLL) effective from 1st January, 2016 and a Scheme of Arrangement has been filed in the Mumbai High Court for transfer of the EPC Business relating to the transmission and distribution sector. The Investor, Ajanma Holdings Private Limited (formerly Bilav Software Private Limited) acquired a stake of 75% in TLL at a cost of ₹ 2.33 crores from the Company. The investor will further invest ₹ 47.70 crores approximately in TLL. As a part of proposal of carving out of the T&D business CDR Debt aggregating to ₹ 3580 crores (both funded and non-funded) has been transferred to TLL.

The Company has also proposed to carve out its Civil EPC business in two phases to its wholly owned



Cooling Towers and Chimneys, Tuticorin



Wazirabad Bridge, New Delhi

subsidiary Gammon Engineers and Contractors Pvt Ltd ("GEPL") by way of slump sale on a going concern basis effective from 1st July, 2016. GP Group of Thailand, the Investor, shall be investing ₹ 150 crores, in the EPC Business being carved out in GEPL in tranches. As a part of the proposal of carving out of the EPC Business CDR Debt of approximately ₹ 6,512 crores (both funded and non-funded) will be transferred to GEPL. The EPC carve out shall be subject to approval of members, lenders and the Court and other regulatory approvals.

We will continue to execute the EPC projects retained in the Company with reduced debt levels. In parallel, we are also looking to monetize our non-core assets including our investments in domestic and overseas subsidiaries, that will not only consolidate management focus but also create debt reduction and liquidity avenues. We are streamlining our business processes and additionally, we are also engaging in active discussions with clients for overcoming bottlenecks in the timely execution of existing projects to enhance cash flows and also look to augment the order book that stood at ₹ 11,000 crores at the close of March, 2016. With these steps, we are confident of initiating a sustainable growth across our businesses.

## Acknowledgements

I extend my gratitude to all our stakeholders, our lenders, partners, employees and shareholders for their continued support and the faith reposed in us during these tough times.

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

With best wishes

**Abhijit Rajan,**

Chairman & Managing Director



# KEY PROJECTS – EPC



New Brahmaputra Bridge, Guwahati, Assam

## (a) Jobs under progress

Project Name	Location	Client	Scope of Work	Value
Road Project in Jammu & Kashmir	Jammu & Kashmir	National Highways Authority of India	Four-laning of Udhampur-Ramban section of NH - 1A in the state of Jammu and Kashmir	₹ 1,710 crore
Elevated Road-cum-Flyover	Goa	Goa PWD	Construction, operation and maintenance of balance works for elevated road-cum-flyover-cum-ROB in the state of Goa	₹ 397 crore
Gomti River Project	Lucknow	PWD, Lucknow	Channelization of Gomti River from Harding Bridge to Weir	₹ 517 crore
Water Treatment and Distribution projects	Rajasthan	Rajasthan PHED	5 nos. water supply projects at different locations	₹ 1,397 crore
Bajoli Holi Hydro Electric Project	Himachal Pradesh	GMR Bajoli Holi Hydropower Ltd	Civil works for Bajoli Holi Hydro-electric project	₹ 826 crore
Cooling Tower & CW System	Rajasthan	Nuclear Power Corporation of India Ltd	Natural draught cooling towers and cooling water pump house package for RAPP 7 & 8 including allied works	₹ 733 crore
Elevated Road Corridor	Bihar	Bihar State Road Development Corporation Ltd	Construction of elevated road corridor from AIMS (on NH-98) to Digha (on Ganga path) (11.90 km) at Patna in the State of Bihar on Engineer Procurement and Construction (EPC) mode	₹ 905 crore
Signature Bridge	New Delhi	Delhi Tourism and Transport Development Corp Ltd	Construction of bridge and its approaches in River Yamuna downstream of existing bridge at Wazirabad, Delhi	₹ 407 crore
Nathani Heights Building	Maharashtra	Nathani Builders	Construction of a high-rise 72-storied residential tower in Mumbai	₹ 301 crore
Mangdechhu Hydroelectric Project	Bhutan.	Mangdechhu Hydroelectric Project Authority	Construction of head race tunnel	₹ 432 crore
Brahmaputra Bridge	Assam	Ministry of Road, Transport & Highways (MORTH)	Construction of New Brahmaputra Bridge on EPC basis in the state of Assam	₹ 324 crore



Iskon Temple, Mayapur, West Bengal

**(b) Recently completed jobs/ Nearing completion**

Project Name	Location	Client	Scope of Work	Value
Kolkata Metro Stations	West Bengal	Rail Vikas Nigam Ltd	Construction of viaducts for the Kolkata metro project	₹ 234 crore
Runwal Greens Project	Mulund, Mumbai	Runwal Homes Pvt Ltd	Civil and structural works for building 1 to 8 (basement + 5 podium + stilt + 41 habitable floors)	₹ 250 crore
Rail-cum-Road Bridge	Bihar	East Central Railway	Construction of steel superstructure and other ancillary works of rail- cum-road bridge across the River Ganga at Munger, Bihar	₹ 447 crore
Thermal Power Project	Visakhapatnam	Hinduja National Power Corporation Ltd	Civil, structural, architectural and allied works of the sea water intake outfall system along with all associated works	₹ 303 crore
Road Project, Bihar	Bihar	National Highways Authority of India	Widening and strengthening to 4-lane of existing carriageway of NHAI in the state of Bihar	₹ 514 crore
Kanpur Bridge	Kanpur, U.P	National Highways Authority of India	Elevated viaduct and bridge across ganga at Kanpur	₹ 254 crore
Bhutan tunnel project	Bhutan	Punatsangchhu – Hydroelectric Project Authority (PHPA)	Construction of Head race Tunnel in Punatsangchhu, Bhutan	₹ 435 crore
Wazirabad Bridge Project	Wazirabad, Delhi	Delhi Tourism & Transportation Development Corporation Ltd.,	Construction of bridge and its approaches over river Yamuna downstream of existing bridge at Wazirabad, Delhi	₹ 415 crore

# KEY PROJECTS – TRANSMISSION & DISTRIBUTION



400 Kv Transmission Towers

## DOMESTIC

Sr. No.	Name of Project	Client	Line Length (Km)	Scope of Work	Location	Order Value (₹ Crores)
1	765 kV Nagapatnam-Salem Transmission Line	Power Grid Corporation of India Ltd. (PGCIL)	199	Survey, Foundation, Erection & Stringing	Tamilnadu	126
2	765 kV Raipur-Wardha Transmission Line	PGCIL	190	Supply, Survey, Foundation, Erection & Stringing	Chhattisgarh	377
3	765 kV Jharsuguda-Dharamjaygarh Transmission Line	PGCIL	103	Supply, Survey, Foundation, Erection & Stringing	Orissa & Chhattisgarh	301
4	220 kV Alusteng-Drass Transmission Line	PGCIL	70	Supply, Survey, Foundation, Erection & Stringing	Jammu & Kashmir	205
5	765KV S/C & D/C Transmission Lines associated with Additional System Strengthening for SIPAT STPS	Adani (Sipat Transmission Limited)	182	Tower Design & Testing, Supply, Survey, Foundation, Erection & Stringing	Chhattisgarh	235
6	765KV D/C Transmission Lines associated with Additional System Strengthening for CHHATTISGARH IPPs (Part-B)	Adani (Raipur - Rajnandgaon - Warora Transmission Limited)	302	Tower Design & Testing, Supply, Survey, Foundation, Erection & Stringing	Chhattisgarh & Maharashtra	405
7	765KV S/C & D/C and 400KV D/C Transmission Lines associated with Additional System Strengthening for IPPs in CHHATTISGARH and other Generation Projects in Western Region (Part-A)	Adani (Chhattisgarh - WR Transmission Limited)	293	Tower Design & Testing, Supply, Survey, Foundation, Erection & Stringing	Chhattisgarh, Maharashtra & M.P	332



765 KV Dc Type Testing Tower, Deoli, Maharashtra



765 KV DC Wardha-Raipur Transmission Line

## INTERNATIONAL

Sr. No.	Name of Project	Client	Line Length (Km)	Scope of Work	Location	Order Value (₹ Crores)
8	500kV S/C OHL Aqina to Sheberghan-99.10 km and 220kV D/C OHL Sheberghan to Mazar-e-Sharif(OHL) - 151 Km	Da Afghanistan BreshnaSherkat "DABS"	250	Supply, Survey, Foundation, Erection & Stringing	Afghanistan	346
9	Supply and Extension of LV single Phase lines and service cables in Elgeyo Marakwet, Baringo, Nandi, Uasin Gishu, Trans Nzoia, Turkana And West Pokot Counties – 2756 Kms	Kenya Power & Lighting Company Limited	2756	Supply, Survey, Foundation, Erection & Stringing	Kenya	173
10	400 kV Punatsangchhu - Sunkosh	Bhutan Power Corporation	86	Supply, Survey, Foundation, Erection & Stringing	Bhutan	290

# PUBLIC PRIVATE PARTNERSHIP PROJECTS



## INDIRA CONTAINER TERMINAL PRIVATE LIMITED (ICTPL)

**Location:** Mumbai

**Client:** The Board of Trustees of the Port of Mumbai

**Project Details:** Construction of offshore container berths and development of container terminal (OCT) on BOT basis in Mumbai Harbour and Operation of Ballard Pier Station Container Terminal (BPS).

- a) Manage, maintain & operate the BPS container terminal for a period upto 5 years from the date of award of License or 2 year from commissioning of OCT, whichever is earlier.
- b) Develop, design, finance, construct, equip, operate, maintain Offshore Container berth to handle vessels of 6000 TEUs and above and quay length of not less than 700m in first stage and further 350 m length later.

**Value:** ₹ 1,233 cr



## PATNA HIGHWAY PROJECTS LIMITED (PHPL)

**Location:** Hazipur, Bihar

**Client:** National Highways Authority of India

**Project Length:** 63.17 Kms

**Project Details:** Upgradation of Hajipur - Muzaffarpur section of the existing NH-77 to four lane dual carriageway configuration of the section starting from Km 0.000 (Ramashish Chowk) to Km 46.300 and construction of 16.870 km new bypass starting at Km 46.300 and connecting NH-28 of East-West Corridor at Km 515.045 in the state of Bihar on BOT (Annuity) basis under NHDP Phase III.

**Value:** ₹ 1,284 cr



## PRAVARA RENEWABLE ENERGY LIMITED (PREL)

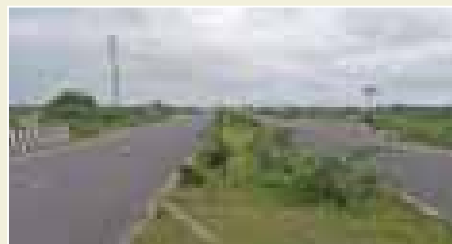
**Location:** Paravara Nagar, Maharashtra

**Client:** Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd.

**Project Capacity:** 30 MW Bagasse Based Cogeneration Power Project

**Project Details:** The project has signed the power purchase agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the tenure of 13 years. The project has commissioned and achieved the commercial operation date (COD) on 6th November 2015. The project has generated around 6.52 Crore Electrical Units and Exported 5.87 Crore Electrical units to Grid and Sugar Plant.

**Value:** ₹ 274 cr



## RAJAHMUNDRY GODAVARI BRIDGE LIMITED (RGBL)

**Location:** Rajahmundry, Andhra Pradesh

**Client:** Andhra Pradesh Road Development Corporation

**Project Length:** 14.49 Kms

**Project Details:** The Design, Construction, Finance, Operation and Maintenance of major bridge across river Godavari starting at Km 82/4 of Eluru – Gundugolanu – Kovvur side and joining NH-5 on Rajahmundry side under BOT/PPP Basis.

**Value:** ₹ 1,071 cr





### SIKKIM HYDRO POWER VENTURES LTD.

**Location:** West District of Sikkim

**Client:** State Government of Sikkim

**Project Length:** Project Components are spread in Hilly Terrain connected by roads of more than 32 km length.

**Project Details:** 66 MW Rangit Hydroelectric Project Stage – II (Run-of-the-River) is located on river RimbiKhola, at about 1.5 km upstream of lower Rimbi village, 21 km from Geyzing and Power House is located on the left bank of Kalej-Khola, near village Chungjong. The surge shaft is located near village Lingchom which is about 7 km from Geyzing. The nearest rail head is New Jalpaiguri (130 km) and nearest airport is Bagdogra (145 km) from Geyzing.

**Value:** ₹ 496 cr



### SINDHI SINGRAULI ROAD PROJECT LIMITED

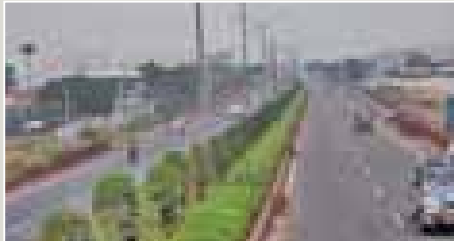
**Location:** Sindhi Singrauli, Madhya Pradesh

**Client:** Madhya Pradesh Road Development Corporation

**Project Length:** 102.60 Kms

**Project Details:** Four Lanning of Sidhi Singrauli section of NH-75E from Km 82+400 to KM 194+800 in the state of Madhya Pradesh.

**Value:** ₹ 1,094 cr



### VIJAYWADA-GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED

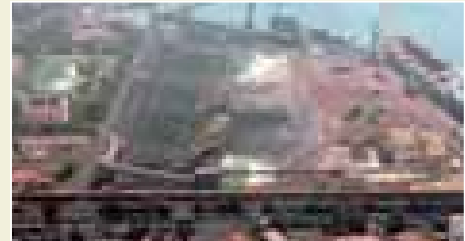
**Location:** Vijaywada, Andhra Pradesh

**Client:** National Highways Authority of India

**Project Length:** 103.59 Kms

**Project Details:** Six-Laning of Vijayawada-Gundugolanu Section of NH-5 from Km 1076.48 to Km 1022.48 including 6-lane Hanuman Junction bypass (Length 6.72 Km) and 4-lane Vijayawada bypass (Length-47.88 Kms. [Total Length: 103.59 Km] in the State of Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on DBFOT basis - Project under execution.

**Value:** ₹ 2,085 cr



### VIZAG SEAPORT PRIVATE LIMITED

**Location:** Vishakhapatnam, Andhra Pradesh

**Client:** Vishakhapatnam Port Trust

**Project Details:** Modern deep drafted Panamax Compatible Mechanised Cargo Handling Terminal to handle bulk and break bulk cargo at EQ 8 and EQ 9 berths of Visakhapatnam Port under BOT method.

**Value:** ₹ 345 cr

# OVERSEAS PRESENCE



## 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 2 manufacturing divisions - Macchi and SWS.

- a) 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.
- b) SWS is saline water treatment specialist having end to end capabilities in raw water treatment, BFW dearators,

seawater thermal desalination units, desalinated water and condensate treatment.

## AC Boilers S.p.A. (formerly Ansaldo Caldaie 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 specialised 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 & 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 pressurisation in an innovative manner and satisfies 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 coal technology.

Benefits of 'clean coal' combustion technology:

- Lowest cost of energy solution for clean coal technologies
- Cleanest fuel gas emissions
- Most inert and benign slag in the form of "glass like" substance

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

## 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

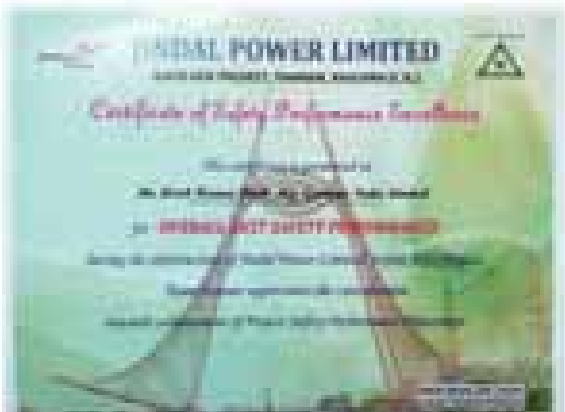
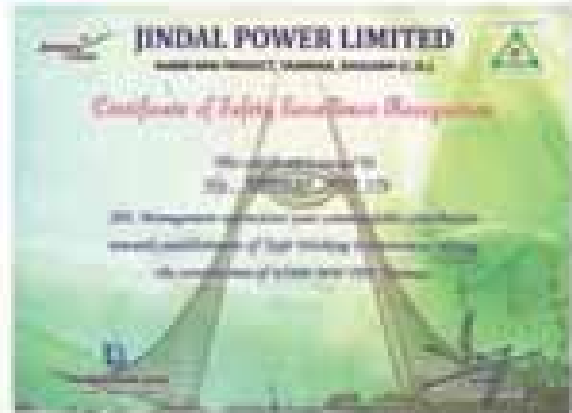
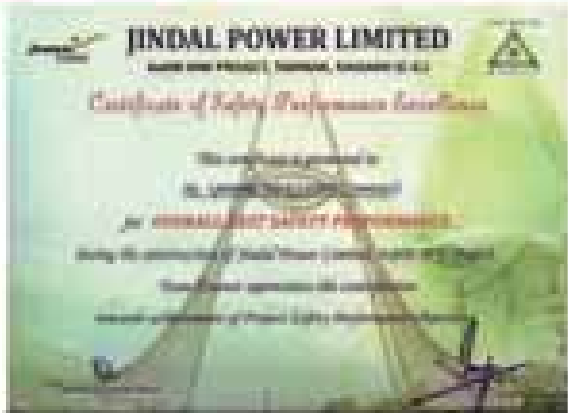
162 Kms. The Block was part of the second international marginal field bidding round and the contract was signed in March 2008 for a 20 year term with Consorcio Pegaso comprising two Companies, namely Campo Puma Oriente S.A.(CPO) with 90% share and Joshi Technologies Inc. with the balance 10%. Gammon 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 14.5 million barrels, excluding probable and possible reserves.

## SAE Powerlines S.r.L

SAE Powerlines, Italy, S.r.L. is engaged in the design and construction of tower transmission line and high and medium voltage sub-station. Power transmission & distribution is historically the most important business for SAE. The activities of this Company are rooted since 1926, when SAE was established and through changes in its organisation and ownership it became SAE Powerlines S.r.L. on March 1, 2005. The Company is presently operating in Ghana, Tanzania, Ethiopia, Mozambique, Benin and Togo and Ireland.



# AWARDS AND ACCOLADES





# MANAGEMENT DISCUSSION AND ANALYSIS



## INDIAN ECONOMY

India's GDP growth is projected at 7.6% in 2015-16 against 7.2% in 2014-15 catalysed by a superior performance of the manufacturing sector (projected at a 9.5% growth in 2015-16 against 5.5% in 2014-15), according to the CSO. The growth in the manufacturing sector is attributed to a significant fall in input costs following the decline of global commodity prices. India's economic recovery is also expected to be facilitated by other factors including:

- A large gain in terms of trade (about 2.5% of GDP)
- Positive policy action by the Government
- Reduced external vulnerabilities

The RBI (Reserve Bank of India) policies has helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation.

## INDIAN INFRASTRUCTURE & CONSTRUCTION SECTOR

The infrastructure sector, a key driver of the Indian economy directly co-related with propelling the country's overall development, is a priority focus area of the central government. Towards this extent, it has focused on establishing policies that will ensure the time-bound creation of world-class infrastructure. The infrastructure sector principally includes power, bridges, dams, roads and highways and urban infrastructure, among others.

In spite of the infrastructure sector being a key driver, the construction sector in India continued to decline steadily due to a host of problems ailing the industry. The Construction industry continues to suffer from shortage of funds, slow government and other statutory clearances, uncertainties and delays in land acquisition, problems relating to project delays, delays in land acquisition, inadequacy and limited ability of construction companies to raise long term funds, high debt burdens and slow dispute resolution.

The recovery of the construction sector is thus slow given the fact that most companies continue to reel under the burden of heavy debt, stalled and slow moving projects and overdue sticky receivables.

There has been revival of the stalled projects since the second half of 2015, though the pace has been very slow. The Government of India has set up a special monitoring group for examining and resolving the problems of stalled projects. Also with the enactment of the Arbitration and Conciliation Act of 2015, dispute resolution may be expected to be faster.

During the second half of 2015 due to the new government's initiatives, some of the stalled projects have been revived, though the pace is slow.

The need of the hour however is that funds are made available to cash strapped companies to enable them to overcome the liquidity crisis so as to ensure smooth execution of projects and also that all arbitration awards

are settled and paid so that contractors are able to recover the moneys from stalled projects.

A report by the India Brand Equity Foundation (IBEF) has indicated that the country needs USD 454.83 billion to be spent on infrastructure development over the next five years with 70% of the funds needed for power, roads and urban infrastructure segments. The Indian power sector itself has an investment potential of USD 250 billion in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment, according to the Ministry of Coal, Power and Renewable Energy. Besides, foreign direct investment (FDI) received in the construction development sector from April 2000 to December 2015 stood at USD 24.18 billion, according to the Department of Industrial Policy and Promotion (DIPP).

With the central government's concerted efforts towards ensuring the resumption of existing projects that are stuck due to various reasons as well as the start of new ones, the emphasis is on railways, rural infrastructure, urban rejuvenation, solar power and electricity transmission and distribution and the recent Union budgetary outlays reflect these priorities.

While the roads sector retains its numerouno position, the step-up in allocation in the other areas reveals the government's serious intention pushing sectors largely neglected in the past. In this context, some identifiable observations can be made that will give a strong leg-up to the country's infrastructure industry:

- One, the government is serious about its mantra of public expenditure-led investment in the infrastructure sector to kick-start the economy. Even in a fiscal-deficit challenged situation, the Finance Ministry has proposed a 23% increase in outlay, over and above the 27% increase of last year.
- Two, budgetary allocation is being leveraged many times over by off-budgetary funding. The National Investment and Infrastructure Fund epitomises this new line of thought. Hence, the railways sector is set to raise capital from the Life Insurance Corporation of India and the World Bank and the roads ministry wants to securitise tolls and garner substantive funding under the toll-operate-transfer (TOT) scheme.
- Three, the railways is poised to be a big investment

driver with its own Five-Year Plan that envisages a massive capital outlay of ₹ 8.56 lakh crore. This works out to ₹ 1.71 lakh crore per annum.

- Four, rural infrastructure is clearly an area of focus with planned investments in the development of rural roads, rural electrification, irrigation and rural housing, among others, and the necessary schemes and policies to support this development.
- Five, the significant re-setting of discom (distribution companies) finances under the Ujwal Discom Assurance Yojna (UDAY) is largely being managed by bond placements. The 100% electrification of villages and revamping of urban distribution networks is being done through funding from the Power Grid Corporation of India, REC Power Distribution Company and Power Finance Corporation, among others. It is evident that the emphasis has shifted to revamping the nation's transmission and distribution networks.
- Six, the 2022 target of 1,00,000 MW of solar power under the central government's National Solar Mission has been widely publicised and is getting much traction.

## INDUSTRY OUTLOOK

With the growing recognition of the importance of world-class infrastructure as a prerequisite to economic growth and a necessity to enhance the quality of life of the citizens, the Government of India has framed several sustainable and enabling policies that seek to rejuvenate infrastructure development in the country. Overall, the Twelfth Plan envisages a USD 1 trillion investment in the infrastructure sector, which is a 137% jump over the Eleventh Plan achievement. Further the government's policy to ensure that all necessary formalities are completed before floating tenders will reduce project delays to a great extent. The "Make in India" initiative will lead to new investment in the manufacturing sector, thereby increasing the demand for power and other infrastructure. Some of the other major infrastructure initiatives/projects expected to be launched include the following:

- The Maharashtra state government plans to launch infrastructure projects worth USD 10.78 billion in



Mumbai and neighbouring areas in 2016, which include coastal road, trans-harbour link, metro rail, airport and road projects.

- The Government of India has earmarked USD 7.34 billion to develop 100 'Smart Cities' across the country. The first list of 98 cities for the smart cities project was released in August 2015.
- The Construction Industry Development Board (CIDB) of Malaysia has proposed to invest USD 30 billion in urban development and housing projects in India (such as a mini-smart city adjacent to New Delhi Railway Station, a green city project in Uttar Pradesh and the Gangaclean-up projects).
- The Asian Development Bank (ADB) and the Indian government have signed a loan agreement of USD 80 million, which is the third tranche of a USD 200 million financing facility under the North Eastern Region Capital Cities Development Investment Programme and will be invested for improving water supply, solid waste management and sanitation in the cities of Agartala and Aizwal.
- The landmark Real Estate Act and the constitution of the real estate regulator is bound to usher in a new wave of reforms in the country's real estate sector. As per IBEF's estimates, the Indian real estate market is expected to touch USD 180 billion by 2020. In the period FY08-20, the sector's market size is expected to surge at an 11.2% CAGR.
- The Government of India has announced highway projects worth USD 93 billion, which include government flagship National Highways Building Project (NHDP) with total investments of USD 45

billion over the next three years.

- The Union Ministry of Urban Development has approved an investment of USD 72 million under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 2015-16, which will be used for water supply, sewerage networks and sewage management, storm water drains, urban transport and provision of green spaces in 13 cities spread over six states.
- The recent Maritime India Summit in Mumbai garnered investment commitments that reportedly add up to USD 12 billion with another USD 60 billion potentially in the pipeline. The plan is to shore-up India's port capacity from 1,400 million tonnes per annum (MTPA) to 3,000 MTPA by 2025 and to mobilise ₹ 1 lakh crore for the purpose.
- The Government of India plans to award 100 highway projects under the public-private partnership (PPP) mode in 2016 with expectations that recent amendments in regulations would revive investor sentiments in PPP projects in the infrastructure sector.

As a frontline construction company with an expansive portfolio and rich competencies, Gammon India hopes to capitalise on the unfolding prospects of the Indian construction industry.

## ABOUT GAMMON INDIA LIMITED

Gammon India Limited ('Gammon') is among the largest infrastructure construction companies in India and an EPC contractor associated with several landmark projects developed across the country. With specific expertise in roads, flyovers and bridges and power



Bogibeel Bridge, Assam



projects, Gammon is a leader in construction and turnkey engineering projects. We have made concrete contribution to India's infrastructure sector by executing multifarious civil engineering works, designing and constructing of ports, harbours, hydro, thermal and nuclear power stations, cooling towers and chimneys, bridges, roads, metro rail stations, dams, high-rise structures, chemical and fertilizer complexes in India and abroad. We also possess full-fledged EPC and manufacturing capabilities for power equipment and power transmission and distribution businesses.

## REVIEW OF FINANCIAL PERFORMANCE

The year under review is an eighteen (18) months period commencing from 1st October, 2014 and ending on 31st March, 2016.

During the period under review the Turnover of the Company on a standalone basis stood at ₹ 6,077 crores, as compared to ₹ 2,909 crores during the previous 9 month period ended 30th September, 2014. The Company posted a Net Profit after Tax of ₹ 14.64 crores during the period ended 31st March, 2016, as against a Net profit after Tax of ₹ 67.80 crores during the previous period ended 30th September, 2014.

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at ₹ 7,949 crores as compared to ₹ 3,763 crores for the previous 9 month period ended 30th September, 2014. The Group posted a Net Loss after Tax of ₹ 502.51 crores during the period ended 31st March, 2016, as against a Net Loss after Tax of ₹ 775.32 crores during the previous 9 month period ended 30th September, 2014.

The overall slowdown in the construction industry over the past few years has greatly impacted the Company's performance. The construction industry in India continues to be plagued by inadequate capital, slow and delayed projects, sticky receivables, lack of proper dispute resolution mechanism, slow moving or stalled projects, bureaucratic delays in awarding projects, delays in land acquisition, higher working capital cycles, highly leveraged balance sheets, policy indecisiveness of the previous government which has adversely affected the construction industry. Almost all the companies in the construction industry have been affected by the slow-down.

The Company has been continuously growing in the past, but due to elongated recessionary pressures after the slowdown in global and Indian economy post FY 2008, the Company has been experiencing reduction in revenues and negative growth in Net Profit. However in spite of the slow down, the Company has posted a Net Profit of ₹ 14.64 crores during the financial period (18 months) ended 31st March, 2016.

The major reasons for the inadequate profits are primarily due to delay in receiving payments from clients in respect of completed jobs, thereby resulting in liquidity crisis leading to increased debt and subsequently higher interests costs which have eroded the profits, delays in project execution primarily due to delay in getting approvals from various authorities and non availability of timely finances, slowdown in the construction industry and aggressive bidding resulting in reduced order booking, increase in outstanding receivables due to non settlement of legitimate claims for works completed, decline in revenues and operating margins, delayed and sticky receivables, delays in land acquisition, approval of design etc. by client, scarcity in availability of labour & materials and other operational issues. The working capital cycle of the Company was also stretched due to non-achievement of milestones and elongated recovery of receivables. Also expansion in the overseas operations in the previous years and slowdown in the European economies largely increased the interest burden on the Company.

The Company has been focusing on realising long pending receivables, arbitration awards and retention moneys. The Company has been successful in recovering certain arbitration claims. The Company is also concentrating on efficient completion and execution of existing projects and has also successfully completed several stalled projects. The receivables from these completed projects are expected to be received in the current financial year. The Company has also been optimizing working capital and establishment costs and is concentrating on faster project execution and priorities have been set with improved systems. The Company is also focusing on reinforcing job selection filters and procedures to ensure positive cash flows and generate quality EBIDTA margins with higher bottom line contribution. Moreover, some prolonged job-related

issues are being addressed with speed to close them at the earliest. The Company continues to negotiate with vendors for settlement, improved commercial terms and better credit facility and is in process of arranging additional working capital finance to improve short term liquidity position. The Company is evaluating and exploring various courses of action for raising funds for Company's operations, including options for strategic restructuring.

The Company has undertaken several measures for re-structuring the Company's businesses with a view to attract strategic investors, reduce debt levels, derisk the businesses to make them more sustainable and ensure its growth in the interests of all stakeholders. The Company is also taking efforts for disposing of its non-core assets to ensure liquidity in the system.

The Company has outstanding arbitration claims of more than ₹ 5,000 crores as on 31st March, 2016 and is focusing on recovering these claims. The Company also hopes to recover retention moneys currently outstanding with the clients. Recovery of these long outstanding claims and receivables will ease liquidity pressure.

Also with the various restructuring exercises presently being undertaken by the Company, the operations will be streamlined. As specified above the Company's performance has been greatly affected by external factors. The Company hopes that the various initiatives taken by the present government in reviving the infrastructure and construction sector will give a boost to the Company's efforts in improving its performance. In our efforts to re-structure the business and its operations the Company's lenders have been extending their support. The order book of the Company as on 31st March, 2016 was ₹ 11,000 crores.

## SECTOR PERFORMANCE REVIEW

It is heartening to note that despite the very difficult times faced by the entire construction industry in the country, we were able to complete some important projects for our clients and maintain onsite productivity.

The Company has also focused on the removal of blockages and deadlocks with regards to project execution and priorities have been set with improved systems. Besides, right-sizing the organisation and

operational consolidation are also some initiatives under progress. We are also focusing on reinforcing our job selection filters and procedures to ensure positive cash flows and generate quality EBITDA margins with higher bottomline contribution. Moreover, some prolonged job-related issues are being addressed with speed to close them at the earliest. With these initiatives in place, we expect to emerge stronger over the coming years.

## Roads

India has the second largest road network in the world at 4.7 million km. This network transports more than 60% of all goods in the country and 85% of the nation's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country.

In India sales of automobiles and movement of freight by roads is growing at a rapid rate. Cognizant of the need to create an adequate road network to cater to the increased traffic and movement of goods, the government of India has earmarked 20% of the investment of USD 1 trillion reserved for infrastructure during the 12th Five-Year Plan (2012-17) to develop the country's roads.

Concurrently, the value of roads and bridges infrastructure in India is projected to grow at a 17.4% CAGR over FY12-17. The country's roads and bridges infrastructure, which was valued at USD 6.9 billion in 2009 is expected to touch USD 19.2 billion by 2017. Moreover, the plan outlay for 2015-16 stepped up budgetary support for road transport and highways to ₹ 42,912 crore. Resultantly, the length of national highways is expected to grow from 92,850-km in 2013-14 to 100,000-km by the end of 2017 (Source [www.ibef.org](http://www.ibef.org)).

Gammon India is actively engaged in developing India's core infrastructure by building a robust roads network across the country. We have also established ourselves as a strong player in the execution of several pride-enhancing highway projects whether two-lane or four-lane or rigid or flexible.

Even though the past two-three years witnessed a general amount of sluggishness in the award of highway projects by the nodal body NHAI (National Highways

Authority of India), the incumbent central government has pressed the accelerator in terms of highways development by emphasising on the construction of 20-km of roads every day, which has been scaled-up to 40-km a day. To achieve this target, projects to the tune of 25,000-km are expected to be awarded in the current financial year (2016-17), which is 2.5 times of the last year's award of 10,000-km. Moreover to support this vision, the government has also rolled-out many project models anchored on viability including DBFOT (design, build, finance, operate, transfer), annuity, hybrid and EPC (engineering, procurement, construction). Our main focus is on the EPC business which is 100% funded by the central government. These projects are implemented by the NHAI, MORTH and NHIDCL and we believe this will be the golden period for the highways sector in the country.

The cumulative market size of the roads sector in the country is estimated at over ₹ two lakh crore. At Gammon India, we possess strong and demonstrated capabilities to bag a sizable portion of this share. Some of our other strengths in the segment include:

- Strong brand Cutting-edge equipment base that enables the execution of large road projects spread across various geographies
- Robust bidding capacities (even on a standalone basis) and pre-qualification for almost all the projects in sector
- Well-networked procurement team with strong negotiation capabilities
- Accumulated experience and unparalleled skills amassed in the sector
- Execution of projects under various commercial terms such as DBFOT, annuity, EPC and item-rate contracts (mainly EPC of DBFOT and annuity projects)
- Execution of projects in all the states in India, therefore possessing strong terrain experience and detailed understanding of the micro-markets
- Strong and dedicated manpower resources to take large and complex projects
- Robust EPC capabilities with captive design strength, therefore enhancing project viability
- Effective HSE (health, safety and environment) policies with stringent focus on adherence

As an endorsement of the credibility and strength of our highways business, we bagged a major highway project of ₹ 1,710 crore in September 2015, the Udhampur-Ramban highway in the state of Jammu and Kashmir. This project consists of 43-km of four-lane flexible pavement with major and minor bridges along with a 900-m long tunnel. We also completed a state highway project in Bihar, the 150-km SH-69 flexible road project that was dedicated to the citizens by the Chief Minister of Bihar on 27 March, 2016.

We are actively participating in tenders to bag select, large highway projects that are not only margins-accretive but also enable us to grow our brand. In the current financial year, we are actively participating in the bidding of highway projects issued by the NHAI, MORTH and NHIDCL. Even though the market is characterised by high competitive intensity, we are confident to have an order booking of ₹ 4,000 crore by the close of 2016-17. To further sharpen our competitiveness, we have embraced several initiatives including:

- Bidding for projects in the North East where competition is less and also we could leverage our existing establishments in Arunachal Pradesh and Assam
- Adopting design-led value engineering initiatives during the tender stage itself
- Conducting comprehensive pre-tender surveys

Moreover, with augmented execution capabilities, we have a target of completing projects to the tune of ₹ 800 crore in the current financial year and have close monitoring mechanisms and proper support structures to achieve this ambitious target.

## Our landmark highway projects

At Gammon India, we have completed a total of 2,500 lane-km so far that includes a showcase of path-paving projects:

### Vadape-Gonde highway

- Positioning: A vital link of Maharashtra connecting Mumbai with Nasik
- Client: National Highways Authority of India (NHAI)
- Engagement: 100-km length four-laning of the existing highway using flexible pavement rock-cutting of 1.5

million m<sup>3</sup> and the adoption of the unique rock fill embankment construction technique

#### **Gazole-Hilli highway project**

- › Positioning: A link connecting the city Gazole and Hilli in state of West Bengal
- › Client: Govt of West Bengal
- › Engagement: 108-km length strengthening & improvement of existing road to two lane carriageway including 1.54-Km bypass and 6.00-Km four lane.

#### **Agra-Makhanpur highway**

- › Positioning: A critical link connecting the city of the Taj Mahal (Agra) with Makhanpur
- › Client: National Highways Authority of India (NHAI)
- › Engagement: 60-km length with the development of four-lanes out of the existing road using flexible pavement

#### **Tumkur-Haveri Highway**

- › Positioning: Western Transport Corridor connecting the cities Harihar and Haveri in the state of Karnataka, India
- › Client: National Highways Authority of India (NHAI)
- › Engagement: 75-Km four lane divided carriageway with flexible pavement and balance work of 42-Km. Major structures includes 2 nos. ROB.

#### **Shergati Highway (NH-02)-PKG V-A**

- › Positioning: An important road project in the state of Bihar, India
- › Client: National Highways Authority of India (NHAI)
- › Engagement: 15-km, 8.5-m wide, four-lanes (2 x 8.5 m) comprising the first concrete road project by Gammon India. Special automated paver was used for the project (which was also challenging to execute on account of security issues)

#### **Orissa Road project package OR-V**

- › Positioning: An important road project in the state of Orissa, India
- › Client: National Highways Authority of India (NHAI)
- › Engagement: 138-Km 4/6 lane carriageway with Flexible pavement including 40 bridges, 6 flyovers and 1 ROB

#### **Gorakhpur Bypass**

- › Positioning: An economically-important bypass project in Gorakhpur, Uttar Pradesh
- › Client: National Highways Authority of India (NHAI)
- › Engagement: Design, construction, finance, operations and maintenance of 0.00 km to 32.27 km of the Gorakhpur bypass on NH-28 on an annuity basis. The bypass has a high embankment and the quantity per km is 2.5 lakh cu<sup>3</sup>, which is 5x the average quantity per km

#### **Rajahmundry-Dharmavaram highway-AP 15**

- › Positioning: An important highway connecting Dharmavaram with the industrial city of Rajahmundry in Andhra Pradesh, India
- › Client: National Highways Authority of India (NHAI)
- › 57-km roadway with flexible pavement completed before time with a bonus entitlement. The highway also has state-of-the-art toll plazas

#### **Khurda-Bhubaneswar, Odisha**

- › Positioning: Roadways in the upcoming city of Bhubaneswar in Odisha
- › Client: National Highways Authority of India (NHAI)
- › Engagement: Development of flexible pavements including a number of roadways with a long and tall 9-km long reinforced earth wall, deploying the newly-launched RE wall technique

#### **Dumariya-Ranitalab Package 2**

- › Positioning: Dumariyato Ranitalab road project in the state of Bihar
- › Client: Bihar State Road Development Corporation Limited
- › Engagement: 153-Km 2-lane (7.0 m BT & 5.0 m earthen shoulder) road work of 135-Km Flexible pavement and 18-Km Rigid pavement

#### **Gaya-Rajauli Road work**

- › Positioning: Gaya to Rajauli road project in the state of Bihar
- › Client: Bihar State Road Development Corporation Limited
- › Engagement: 58-Km 2-lane road work with Flexible pavement

### **Bihar Forbesganj BR-3 highway project**

- Positioning: East West Corridor under NHDP, Phase-II in the state of Bihar, India
- Client: National Highways Authority of India (NHAI)
- Engagement: 40-Km 4 lane carriageway of NH-57 with Flexible pavement.

### **Ongoing Projects**

#### **Seppa-Chayangtajo Road project**

- Positioning: Roadway project in the state of Arunachal Pradesh, India
- Client: PWD, Government of Arunachal Pradesh
- Engagement: 81-Km road project of construction and improvement with Flexible pavement of 7.5 m under NEC.

#### **Hajipur-Muzaffarpur highway project**

- Positioning: Hajipur to Muzaffarpur highway project in the state of Bihar, India
- Client: National Highways Authority of India (NHAI)
- Engagement: 63-Km four lane dual carriageway with flexible pavement including construction of 16.87-Km new bypass. Project includes 1 Major bridge, 3 ROB, 1 Flyover, 18 Minor bridges, 7 VUP, 51 Box culverts

#### **Bihar SH-91 highway project**

- Positioning: Birpur to Udaikishangunj project in the state of Bihar, India
- Client: Bihar State Road Development Corporation Ltd. (BSRDC)
- Engagement: 102 Km of improvement/upgradation for SH-91 road.

#### **Udhampur-Ramban Highway project**

- Positioning: Udhampur to Ramban highway project in the state of Jammu & Kashmir, India
- Client: National Highways Authority of India (NHAI)
- Engagement: 40-Km four laning hilly terrain road with 0.88 km tunnel, 8 No. major bridges and 60 minor bridges

### **Bridges/ Flyovers/ Metro Rail**

The increasing attractiveness of India's roads and highways sector can be gauged from the fact that many projects, especially under Phase-III of the NHDP

(National Highways Development Programme) to the tune of USD 19.41 billion, are expected to be awarded on a BOT (Build-Own-Transfer) basis. Out of the above projects, normally 40% account for structures particularly bridges, culverts, underpasses, elevated corridors and flyovers. As FDI (Foreign Direct Investment) of up to 100% (under the alternative route) is allowed for support services in road transport, cargo handling and construction and maintenance of roads, bridges etc., roads and highways are expected to benefit as a subsequent fallout. The value of roadways and bridge infrastructure in India is expected to grow at a robust 17.4% CAGR until 2017 to reach a size of USD 10 billion.

Some of the other areas with potential investment opportunities in railways 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
- Various metro rail projects currently under development across the cities of Delhi, Mumbai, Bengaluru, Chennai, Hyderabad, Kolkata, Kochi and Jaipur. Some of the other cities where metro projects have been approved include Ahmedabad, Nagpur, Pune, Lucknow and Guwahati.

Thus, there exists tremendous opportunity to grow in these sectors.

The bridges/flyovers/metro rail sector has been one of the flagship divisions of Gammon India. The Company has been a pioneer in introducing the latest construction practices and technologies in the country and bridge-building in India has come to become synonymous with the progression of Gammon India. We are perhaps the only Company to have bridged all the major rivers and tributaries in the country.

This has been made possible due to our core engineering strengths including our in-house Technical Management Section (TMS) and Systems Management Section (SMS). However over the last few years, we have witnessed attrition of key resources and we are going

all-out in our efforts of bringing back the lost talent and develop and nurture this intellectual pool through organising regular in-house through training and development programmes.

In one of the significant highlights of the period under report, the Company completed a rail-road project at Munger, Bihar, for the Eastern Railways, and at this single location it achieved a turnover of over ₹ 100 crore.

Continuing with our focus on capitalising on prevailing opportunities, we bagged some major projects during the financial year 2015-16 including:

- Jammu-Udhampur project of around ₹ 1,729 crore where structures account for ₹ 600 crore. Elevated structure project at Goa valued at ₹ 397 crore.

During the period under review the Kanpur Bridge, Godavari Bridge at Rajahmundry and Wazirabad approaches were commissioned to traffic. Besides, the Bogibeel Bridge contract at Dibrugarh for the railways was also completed. We are also in the implementation stage for a part of the prestigious Mumbai-Delhi freight corridor.

The Chennai Metro Rail Project which the Company was executing in joint venture with OJSC Msmetrostroy for the Chennai Metro Rail Corporation ("CMRL") was terminated by the client CMRL, since the joint venture partner abandoned the project. Though the Company offered to complete the project, CMRL terminated the contract. The matter is now under arbitration.

Interestingly, most projects in the sector are awarded on an EPC (engineering, procurement and construction) basis. Gammon India is traditionally a design and build contractor and as such, our engineering department is anchored on the expertise of permanent structural and construction process designs (including enabling structure designs) that help us build customer and project value through innovative engineering. This enhances our prospects to bid for and bag contracts in a highly competitive environment and also helps enhance to the bottomline.

### Ongoing Projects

The following projects are under execution

- Signature Bridge in Delhi with a slanted Namaste-

posed pylon extended to a height of 154-m, representing a one-of-its-kind structure in the world. The project is 60% executed and is likely to be completed by March 2017.

- Brahmaputra Bridge in Guwahati for the NHAI, a 1.5-km single girder bridge with a span combination of 120-m and 150-m. The project is likely to be completed by December 2016.
- Bridge on the Brahmaputra River in Tezpur, representing a 3-km structure to be made of 120-m span hoisted by the cantilever construction method with a 9-m diameter well-foundation embedded into the ground by 55-m.
- The prestigious Elevated Road Corridor from AIIMS (NH-98) to Digha (on Ganga Path) (10.5 Kms) at Patna.

### Marine Sector

India has a long coastline spanning over 7,516-km along the western and eastern shelves of the mainland, constituting one of the largest peninsulas in the world. The country is serviced by 13 major ports (12 government and one corporate) and 187 notified minor and intermediate ports. The latest addition to the list of major ports is the Port Blair port (established in June 2010), the 13th port in the country.

With this infrastructure, India ranks 16th among maritime countries and has one of the largest merchant shipping fleets in the world. According to the Ministry of Shipping, approximately 95% of the country's trade by volume and 70% by value moves through maritime transport, highlighting the importance of ports and their contribution in sustaining the growth and development of the Indian economy. The country's cargo traffic was recorded at 1,052 million metric tonnes (MMT) in 2015, which is expected to reach 1,758 MMT by 2017.

The country's ports sector is on a high-priority for the government as it is one of the critical components of national infrastructure, directly aiding international competitiveness. Being a focus area for development and refurbishment, Indian ports are increasingly becoming an attractive investment option for investors scouting for opportunities in India's infrastructure sector. The current opportunities in the country's ports



sector offer a huge scope for expansion of international maritime transport and trade, both for passengers and cargo handling.

The Indian Government plays an important role in supporting the ports sector. It has allowed FDI (Foreign Direct Investment) of up to 100% under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports. Moreover, the Ministry for Shipping, Road Transport and Highways has announced a massive investment in India's ports sector, which is likely to help boost the country's economy. While unveiling plans worth ₹ 10 trillion in the highway and shipping sectors by 2019, India's current Union Minister for Road Transport and Highways and Shipping stated that the country's basic infrastructure is forecast to change in the next five years.

The Ministry of Shipping also plans to launch the National Perspective Plan (NPP) which aims at comprehensive and integrated development of Indian coastline by identifying potential geographical regions to be called Coastal Economic Zones (CEZs) extending 300-500 km along the coast and 200-300 km inland. The Union Minister also stated that the Government of India has set an ambitious target to convert 101 rivers across the country into waterways to promote water transport and propel economic growth.

Besides, the Indian government also plans to develop 10 coastal economic regions as part of plans to revive the country's Sagarmala (string of ports) project. Under the same initiative, the government plans to invest ₹ 70,000 crore in 12 major ports in the next five years. The zones would be converted into manufacturing hubs, supported by port modernisation projects. The government is also looking to develop the inland waterway sector as an alternative to road and rail routes to transport goods to the nation's ports and hopes to attract private investment in the sector.

The increasing trend of Western countries moving their manufacturing functions to low-cost countries and the likely prospect of India emerging as a manufacturing outsourcing hub (the ambitious 'Make in India' initiative is a part of this), is expected to contribute to the growth of the country's marine industry.

During the 12th Five-Year Plan (2012-2017) about ₹ 1,80,626 crore is expected to be invested in the ports sector, according to revised estimates of the Planning Commission of India.

The Company is credited with completing a significant number of sea intake works for power plants in record timeframes over the last couple of years. Some of our current works in progress include the following:

- Construction of an offshore container terminal at the Mumbai Port, worth ₹ 400 crore



Intake Well, Kalpakkam, Tamil Nadu

- Sea water intake outfall system for TPP Vishakhapatnam, valued at ₹ 300 crore
- Vizagsea water intake and outfall system, a project worth ₹ 270 crore, is 98% complete

With the Central Government's plans to invest in major ports in the next five years the outlook for the marine sector continues to remain optimistic.

## Power and Industrial Sector (Including Cooling Towers and Chimneys)

The Indian 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. However for the current year reformed energisation of the power sector is widely anticipated as the central government is focused on ushering its ambitious 'Power for all' by 2022 programme and other schemes to ensure that the country's power sector achieves its full potential.

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 with a view to free-up capacities for future projects. We also worked towards enhancing collection of receivables and retention, minimizing costs and adding to our revenues.

However with intense competition in the power segment, we expect margins to continue to remain under pressure even as we focus on offsetting this to some extent through a larger order book.

Some of our ongoing projects in the thermal, cooling towers and chimney projects space include the following:

- NDCT and CWPH package for RAPP 7&8 in Kota, Rajasthan
- NDCT and chimney works for 2x687.5 MW for GMR at Raipur, Chhattisgarh
- NDCT and chimney works for 4x600 MW for O.P. Jindal STPP, Raigarh, Chhattisgarh
- NDCT and chimney works for 1x500 MW RTPP in Andhra

Some of the major projects completed during the period under review include:

- NDCT and chimney works at Khandwa (Malwa), Madhya Pradesh
- NDCT and chimney works at KTPP (500 MW), Telangana
- Chimney works at Kawai, Rajasthan
- Chimney works at Sagardighi, West Bengal
- NDCT and chimney works at Tuticorin, Tamil Nadu
- General civil works and chimney at Sasan UMPP, Madhya Pradesh
- Chimney works for AdityaAluminium Ltd at Lapanga (Odisha)

In a principal showcase of its expertise in the sector, we completed 660 MW five units at Tiroda in record time, despite the slowdown in the sector. During the period under review, we also submitted quality bids worth around ₹ 2,000 crore for cooling towers/chimneys. However most of the bids are yet to be opened and finalized and we look positively towards bagging some of these projects, going into the future.

## Hydropower

Though the long-term prospects of the Indian hydropower sector continues to remain robust on account of the environmental benefits and cost-effectiveness of hydropower, the Company continued to struggle for fresh orders, which was an industry-wide phenomena. Besides, new projects continued to remain stuck due to ecological concerns and other clearances and no fresh order could be secured during this period.

During the period under review, the Company focused on completing its existing projects which included

- Koldam H.E. project, Himachal Pradesh (800 MW)
- Parbati H.E. project, stage-III, Himachal Pradesh (520 MW)
- Rampur H.E. project, Himachal Pradesh (412 MW)
- Punatsangchhu H.E. project, stage-I, Bhutan (1200 MW)
- Parbati Stage II ( 800 MW)

Koldam, Parbati III and Rampur projects commenced power generation and overall, a cumulative 1,750



MW green power capacity was incorporated onto the national grid, contributing to meeting the country's peak power demand.

The Company is currently executing the following projects:

Project	Scope
GMR Bajoli Holi	LOT I – Construction of coffer dams, diversion tunnel and concrete dam including spillway, power intake, part HRT and construction adits
GMR Bajoli Holi	LOT II – Construction of HRT of about 9.63-km length, surge shaft, valve chamber, pressure shaft including steel liner, surface power house, TRC, construction adits and pothead yard
Vyasi Dam	Execution of civil works related to concrete dam, diversion works, intake and 1.35-km HRT of Vyasi H.E. project (120 MW) in District Dehradun, Uttarakhand
Parbati 2A (joint venture with CMC, Italy)	Construction of balance civil works of HRT by TBM (Lot PB 2A) of Parbati H.E. project, stage-II
Punatsangchhu HEP II, Bhutan	Punatsangchhu-II H.E. project (990 MW) contract package C-2 construction of head race tunnel from adit-I and adit-II
Mangdechhu Hydroelectric Project	Construction of headrace tunnel including construction of adits (I, II, III and IV) and associated works of HRT Mangdechhu H.E. project, Bhutan

The Company with its JV partner CMC Limited succeeded in overcoming geological challenges at Parbati Stage II where the TBM (Tunnel Boring Machine) was on a virtual standstill for almost four years. With innovative design and strong engineering skills, the 4-km tunnel lining along with boring was completed to advance the commissioning schedule of the project. Similarly, more than 6-km tunnelling was completed at the Bajoli Holi project and at Vyasi Dam. With its technical expertise, team of dedicated engineers and a fleet of world-class tunnelling equipment and other

construction assets, the Company is well-placed to explore opportunities in tunnelling projects for roads and railways as well.

Overall, the hydro sector continues to remain promising due to abundance of un-exploited hydro potential available in India as well as neighbouring countries. Further the the Indian government is taking substantial effort in reviving the sector. Currently, it is concentrating on restarting stalled projects as well as clearing all stuck project proposals the effect of which would be visible in the near future. Moreover, with normalcy returning to Nepal, the Company is hopeful of bagging some projects in the overseas markets of Bhutan and Nepal.

### Building Construction

Due to the stagnation in the real estate sector, the Company has decided to go slow on bidding for private development projects. As a concerted and future-facing strategy, we are concentrating on existing projects in hand. The Company has not undertaken any new project in the building sector .

Ongoing projects include:

1. Nathani Heights a 72-storey residential tower at Mumbai Central, Mumbai
2. The iconic ISKCON temple at Mayapur, Kolkatta.

Due to the slow down in the real estate sector and problems of delayed payment, the Company has not bid for any real estate projects.

### Water and Environment

Fresh water is becoming an increasingly scarce resource the world over. Ironically, this is despite the fact that almost 67% of the Earth's surface is covered by water. However, the challenge is that 97.2% of this water is contained in the five oceans and 2.7% only is fresh water, again out of which 2.05% is locked in ice caps and glaciers, leaving less than 0.7% as the quantity available for human use.

With almost 16% of the global population and 4% of its fresh water resources, India is not an exception even as the country faces various challenges, especially in areas of water distribution and sanitation. According to the Census 2011, only 31% of the 167 million rural households in India have access to tap water and

domestic toilets. This is despite some longstanding efforts organized by the Government, local bodies and others to augment potable water capacities and create sanitation infrastructure. The scenario in urban India is no different and the problem will only aggravate as the country's urban population is projected to increase to a massive 600 million by 2031 (with its share estimated to surge from 31% of the total population to about 40% by then).

Thus, sustained migration from rural to urban areas (rapid urbanization) is posing as a huge challenge in terms of creation and maintenance of a minimum level of infrastructure and services that can be accessed by all. It is evident that there exists an urgent need to upgrade urban infrastructure such as water supply, sewerage treatment, solid waste management, urban roads and storm water drains, among others. To be sure, over the last five years, the central and various state governments have increased investments in several water supply schemes at an annual rate of about 10%, partially assisted by the JNNURM (Jawaharlal Nehru National Urban Renewal Mission).

The water and environment infrastructure space in India is widely estimated to be a USD 30 billion business opportunity, largely embedded in the agricultural and residential sectors since they are the top consumers of water. Both these sectors represent an attractive opportunity for Gammon India.

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. The Company possesses a dedicated in-house design team for structural, hydraulic and electromechanical design, representing core advantage in a competitive industry landscape. The Company also has the capability to integrate design and execution across turnkey water supply projects starting from sourcing raw water to raw water transmission and storage to purification and storage of clear water and distribution, right up to meeting end-user requirements, along with the requisite electromechanical works.

Gammon India has successfully executed several challenging water and environment projects in the past

and this strength and experience enables it to continue with the momentum to meet the future challenges of this sector.

During the year under review, the Company completed the design and construction of a new 107-MLD capacity, potable water supply infrastructure project on turnkey basis for Guwahati city (south Guwahati).

Ongoing Projects:

The following water supply projects are currently under various stages of execution:

1. Narmada Gudhamalani water supply project for 263 villages involving the construction of RWR, water treatment plant and related civil, mechanical, electrical and instrumentation works at various pumping stations on a turnkey basis.
2. Supply, installation, construction and commissioning of rising and transmission mains for Guwahati city (gravity and pressure mains) reservoirs for South Central Zone
3. Tank water supply project for 436 villages in Rajasthan for PHED, Rajasthan
4. Regional water supply scheme for 267 villages of Chaksu and eight villages of Phagi tehsil in Rajasthan for PHED, Rajasthan
5. Pokharan water supply scheme for 152 villages for PHED, Rajasthan
6. Jawai water supply scheme for 133 villages for PHED, Rajasthan

## Transmission and Distribution

The Company's transmission and distribution (T&D) business comprised of manufacturing facilities at Deoli and Silvassa as well as the Design Engineering and procurement business in the transmission and Distribution Sector. The Company also has a state-of-the-art tower testing station at Deoli, Wardha (Maharashtra), capable of testing towers of up to 1,200-kV. As an endorsement of the cutting-edge best practices embraced at this facility, it has been globally-acclaimed by customers from the US, Canada, Malaysia, Mexico, Thailand and Indonesia, among others. The Company's tower testing facility in Deoli is recognized by the Ministry of Science and Technology as a full-fledged research and development (R&D) centre.

The Company also has a global foothold in such quality-conscious markets as those of the US and Canada and other emerging nations like Algeria, Kenya, Afghanistan, Ethiopia, Bhutan, Nigeria, Rwanda, Botswana, Tanzania, Mozambique and Benin-Togo etc. The Company's conductor business is registered with global utility companies across Europe, the US, Africa and Asia and is technically qualified to support customers in the US, Canada, Latin America, Europe and Australia.

During the period under report, your Company achieved substantial progress by completing six projects of 765 kV and 400 kV transmission lines worth ₹ 980 crore. We have also planned to complete eight more projects with a cumulative value ₹ 1,225 crore by March 2017.

The Company's T&D business has been awarded a 500/ 220 kV transmission line contract in Afghanistan worth USD 51 million and a distribution line contract in Kenya totaling USD 25 million in addition to various 765 DC/ SC and 400 kV DC transmission line projects awarded by Adani Transmissions Ltd worth ₹ 930 crore. Thus, the order book of the T&D business is pegged at about ₹ 2,750 crore, of which about 25% of the orders comprise exports to be executed across international markets. Unfortunately, a contract awarded by the Yemeni authorities worth USD 61 million did not take off and is kept on hold due to the adverse political situation in the country.

## STRATEGIC DEBT RESTRUCTURING ("SDR")

During the FY 2012 and FY 2013, the Company's financial performance suffered on account of slowdown in the economy, delay in award of new projects and project execution delays. The working capital cycle of the Company was also stretched due to non-achievement of milestones and elongated recovery of receivables. 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 at the CDR EG meeting held on June 24, 2013. The Master Restructuring Agreement pursuant to the package was signed on September 24, 2013.

However the mounting interest costs and the liquidity crunch continued due to industry wide issues viz;

- Bottlenecks on new infrastructure projects, postponement of investments and new projects in the industrial sector (as Indian manufacturing experienced a slowdown) contributed significantly to this lack of growth.
- Policy paralysis, delayed clearances and poor financial health of infrastructure companies have impacted investments in key infrastructure sectors like roads and power.
- Major construction players are experiencing liquidity crunch because of longer recovery timeframes from their customers and tightening funding norms being employed by institutional financiers.
- Increasing labour costs, commodity prices and aggressive tendering have put pressure on company margins over the past 2-3 years.
- Delays in completion of projects due to delay in approvals, issues relating to land acquisition and changes in project scope.
- Delays in claims settlement/payment across different Government employers has resulted into severe liquidity issues for the EPC Companies.

The Company's project execution was severely impacted 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 is slow. Due to the severe cash crunch and inability of the existing promoters to infuse additional funds the Lenders invoked Strategic Debt Restructuring 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 ₹ 277.12 crores into 233,072,637 equity shares in the Company acquiring 63.07% of the total equity capital. The Company was the first to implement SDR successfully.

## CORPORATE RESTRUCTURING

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 estate/ non-core assets so as to realize amounts totaling to INR 2000 crore over a period of time. However, due to the slow down 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 and Distribution 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. The carve out will ensure the right sizing of debt in the core EPC and T&D entities allowing creation of maximum value for the existing stake holders.

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. Fulfil its debt servicing obligation as per the CDR repayment schedule
- vii. Expedite sale of non-core assets in a phased and more focused manner

### A. CARVE OUT OF THE TRANSMISSION AND DISTRIBUTION BUSINESS

The Board of Directors in its meeting held on 27th October, 2015 approved the first phase of transfer of the

transmission and distribution business viz; fixed assets pertaining to conductor manufacturing facility at Silvassa and tower fabrication facility (excluding tower testing station) situated at Deoli, Wardha together with the current assets and contracts of the T&D manufacturing division along with proportionate debt aggregating to ₹ 3,580 crores) ("Identified Business") to its then wholly owned subsidiary Transrail Lighting Limited ("TLL") by way of a slump sale on a going concern basis by executing a Business Transfer Agreement with TLL and for a consideration of ₹ 4,37,25,000 which was discharged by TLL by issue of 2,75,000/- optionally fully convertible debentures of ₹ 159/-. The effective date of the Business Transfer is 1st January, 2016.

Further an Investment cum Shareholders Agreement as duly approved by the Board on 27th October, 2015 was executed with Ajanma Holdings Pvt Limited ("formerly Bilav Software Private Limited") ("Investor") pursuant to which the Investor acquired 75% of the Company's stake in TLL for a consideration of ₹ 2,32,50,000/- and for investing balance of ₹ 47.70 crores by the Investor in TLL, wherein the transmission and distribution business is transferred. The slump sale and the investment by the Investor was approved by the Lenders and also by the shareholders vide a postal ballot on 18th December, 2015 .

The Board also approved a Scheme of Arrangement between the Company ("Transferor") and TLL ("Transferee") and their respective shareholders and creditors for transfer of 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 with appointed date as 1st January, 2016 or such other date as may be approved by the High Court. On approval of the Scheme of Arrangement between Gammon India Limited ("GIL") and Transrail Lighting Limited ("TLL"), TLL will issue 7,25,000 equity shares of ₹ 10 each to GIL against the fair value of the T&D Undertaking. The said Scheme is subject to all necessary approvals .

Post the carve out of the transmission and distribution business into TLL as aforementioned, Gammon will continue to hold 25% of the total equity of TLL.

## **B. CARVE OUT OF CIVIL EPC BUSINESS**

The Board in its meeting held on 21st July, 2016 has approved the carve out of the Civil EPC business to its wholly owned subsidiary "Gammon Engineers and Contractors Private Limited" ("Gammon Engineers") in two phases i.e a part of the the Civil EPC Business of the Company essentially comprising of the Civil Engineering, Procurement and Construction ("EPC") business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. including without limitation the execution capabilities in relation to the Civil EPC Business pertaining to "Identified Contracts" (including all contracts, agreements, licenses, engagements, financial instruments, commitments, other contractual arrangements and warranties thereunder including obligations under contracts which are surviving, relating exclusively to or in connection or forming a part of the Civil EPC Business and which are getting sub-contracted under the slump sale and which will be transferred under a proposed Scheme of Arrangement, (but excluding the Retained EPC Business) ("Identified Business") along with all the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, licenses and all liabilities, debts, obligations of all nature related to the Identified Business by way of a slump sale on a going concern basis with effect from 1st July, 2016.

Accordingly a Business Transfer Agreement was executed on 21st July, 2016 between the Company and Gammon Engineers and Contractors Private Limited. The consideration for transfer of the Civil EPC Undertaking is ₹ 8,05,00,000 (Rupees Eight Crores Five Lakhs only) which will be discharged by Gammon Engineers by issue of 23,00,000 equity shares at a price of ₹ 35/- per share.

The Board in its meeting held on 21st July, 2016 also approved investment by GP Group of Thailand("Investor") into the Company's civil EPC Business wherein GP Group will invest in Gammon Engineers and Contractors Pvt Limited where the EPC Business is proposed to be transferred. Accordingly an Investment cum Shareholders Agreement was executed

between the Company, Investor and Gammon Engineers on 21st July, 2016 pursuant to which G P Group will invest ₹ 150 crores into Gammon Engineers in different tranches.

The Board in its meeting held on 21st July also approved a Scheme of Arrangement between the Company ("Transferor Company") and Gammon Engineers and Contractors Private Limited ("Transferee Company") for transfer and vesting of the balance of the Company's Civil EPC Undertaking (as defined in the Scheme) viz; 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 (as defined in the Scheme) into Gammon Engineers against issue and allotment of equity shares by Gammon Engineers to GIL. The appointed date of the Scheme is 1st July, 2016 or such other date as may be approved by the High Court. On approval of the Scheme by the Court, Gammon Engineers will issue 1,18,85,714 fully paid up equity shares of ₹ 10 each to GIL against the fair value of the Civil EPC Undertaking.

The EPC Carve out through slump sale and the Scheme of Arrangement is subject to the approval of the members, lenders, the Court and all other approvals.

Post the restructuring, the Company will continue to hold 25% equity in Gammon Engineers and Contractors Private Limited.

GIL will continue 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 in the infrastructure sector. GIL will continue to hold 25% stake in EPC and T&D businesses post carve out. The Company expects that post carve out the businesses will be viable and have potential for growth. Further almost 80% of the Lenders exposure in the Company will be transferred to the new entities post



the carve out, thereby ensuring stability of the Company. Pursuant to the invocation of the SDR in the Company, a change of management will have to be effected in Gammon within 18 months from the reference date.

## 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 timely collections to meet liquidity issues, meeting payment obligations, timely completion of projects in hostile conditions, high working capital requirements, changing labour regulations, price variations, litigations, settlement of claims, employee attrition and so on. 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. 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.

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 regularly reviews its business processes to strengthen its project management capabilities, tighten contract management, improve information flow and manpower retentions and enhance client relationship.

In addition, the process of estimation is continuously reviewed with a view to make the bid realistic. This is of special significance in the light of the severe competition prevailing in the industry today which is exerting immense pressure on margins.

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 adequate and comprehensive insurance cover for all its assets, people and projects, to minimise 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 adequately equipped with necessary mandates at the operating level.
5. The internal audit department of the Company has in place a comprehensive 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. Further, a Centralised Certification Unit (CCU) has been formed under the aegis of the Internal Audit Department, to ensure consistent documentation across the Company's project sites, to minimise site non-compliance with statutory requirements and stipulations and to ensure that site liabilities are recorded in the books of account with timeliness and accuracy.
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.

Persistent efforts in implementing the mitigation plan will ultimately drive the Company to evolve a mature and sustainable Enterprise Risk Management (ERM) solution. The evolution of ERM will normally follow the path of Compliance, loss minimisation, risk management and measurement, strategic integration to optimisation of returns.

## MANAGEMENT SYSTEMS

The Company has established management systems to comply with the applicable requirements, standards and legal requirements, related to quality, occupational health, safety and environment. Through the management system, the Company aims to:

- Assure customers that Gammon India's services will meet their specified requirements
- Ensure that personnel working on-site, members of the public and visitors to the site are adequately protected from risk of injury or illness
- Ensure that appropriate environmental protection measures are implemented on works undertaken within work areas

Our robust management systems ensure that all the operations that directly affect quality, safety and

environment are identified and planned to ensure that they are carried out under planned and controlled conditions. It establishes a framework to identify risks, control risks, assess effectiveness of these controls and improve management of quality, occupational health and safety (OH&S) and environment. This includes processes to identify, control and review OH&S and environmental risks over which it has control or influence. The process identifies safety controls and environment protection measures that must be put in place to minimise the identified risks.

The controls and measures are developed in consultation with the site personnel and represent the safest and most practical way of carrying out work activity and fulfilling any specific project safety requirements or environmental aspects. The project management team is responsible for the development of such operational control procedures. Existing operational control procedures and method statements are amended or additional procedures issued, as may be necessary, to address changes in the risk portfolio. Similarly, registers of applicable legal requirements are compiled and their compliance tracked on an electronic database centrally accessible by the concerned personnel.

For processes that cannot be measured directly for their acceptance (for instance concreting, welding, complex computer-programs and use of ground anchors etc.), the project head along with the customer, defines the process of qualification of product, i.e. the personnel, workmen and processes of execution. The results of these validations are kept as a record so that it can be referred to at a later stage.

The management system also incorporates provisions for product identification and traceability and to positively indicate the conformance or non-conformance of a product and/or process with regards to inspection and tests performed.

The organisation implements provisions to ensure that all employees of Gammon India shall be made aware on how to respond to an emergency situation. Necessary information in this regard is readily available and posted at appropriate locations in the office and at project sites. The Company conducts emergency drills

at regular intervals, at all its premises, including project sites, with the aim of periodically reviewing its emergency preparedness and response.

The Company monitors conformity to its established benchmarks for process performance. These benchmarks are based on standards required by customers, as well as industry standards. Compliance to requirements of contracts, standards, law, statutes, regulations and other requirements related to projects and OH&S and environment are evaluated periodically by the concerned HODs and project managers. Our leadership and other designated personnel ensure that elements related to the following areas are monitored at pre-defined intervals:

- Significant hazards, environmental aspects and legal requirements
- Process efficiency
- Product quality
- Customer satisfaction
- Monitoring agency, methods and instruments
- System compliance

These involve internal audits, management reviews, inspections, tests, calibrations, performance assessments of employees and sub-contractors, audits by external agencies, incident reporting and customer satisfaction surveys. The results of the monitoring, decisions and actions are duly recorded.

## INTERNAL CONTROLS

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.

At Gammon India, internal audit 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 an ERP environment, authentication of IT security and rights to operate and review are periodically addressed by the internal audit team and observations are submitted to the management on a case-to-case basis.

The internal audit department constitutes of professionally-qualified accountants, management graduates and engineers, located at its Corporate Office and elsewhere in the country, who regularly review the planning and conduct of internal audits of major construction and transmission line project sites. In addition to the in-house team, a firm of Chartered Accountants has been appointed to carry out internal audits of various functional areas at the Head Office.

Your Company's internal audit function has a documented process that is in conformity with ISO quality standards. In addition to the traditional 'post-audit', i.e., a review of historical transactions, your Company has also introduced in its internal audit methodology a concept of 'pre-audit' where a separate Centralised Certification Unit has been established to verify all liabilities that are generated at the site level.

Our audit committee consists of Independent Directors and is headed by experienced professionals. The committee meets periodically to review the 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.

## HUMAN RESOURCE POLICY

The Company's Human Resource Policy lays emphasis on recruitment, training and retention of employees. Employee retention has been a problem due to the liquidity crisis in the Company. At Gammon we continue to enhance our HR services to resolve and address employee issues on a continual basis. To create a culture of high performance and constant coaching and feedback, we have aligned the organizational goals with



the departmental and individual goals. Goals have been communicated in a cascading method of What - How - When and Where. During the period under review, to enhance employee performance we have introduced a team based incentive scheme wherein the employees will be paid a certain percentage of the overall cash collections, with a purpose of ensuring faster recoveries of receivables as well as regarding employees. The Company's HR policy continues to focus on both onsite as well as offsite training covering various aspects of project execution. Based on periodic reviews on rationalization of employees manpower, the organization has reduced the employee cost. As on 31st March, 2016, the total numbers of employees was 2,885.

## HEALTH, SAFETY & ENVIRONMENT

The Company has a well-defined health, safety and environment (HSE) policy which emphasises 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.

The Company is proactive on health and safety issues and is certified as per ISO-9001, ISO-14001 and OHSAS-18001. It also embraces well-defined procedures for dealing with safety and health hazards and evaluates hazardous risks before taking up any work. HSE is a critical component in our operations as we strive to create a healthy, safe and energetic work

environment, firmly anchored on our '10 safety resolves' that include the following:

- Acceptance of 'zero deviation' in safety
- Prevention of even a single mistake which could lead to an accident
- Risk Assessments, provision of controls and adequate safety protection
- Responsibility and accountability in safety
- Compliance to accident causation theory
- Detection of large number of SRDs
- Near-miss incident identification, reporting and correction
- Analysis of first-aid cases and minor injuries
- Maintaining safe access, egress and working platforms
- Ensuring electrical safety, traffic safety and safety with material handling

Thanks to our stringent levels of compliance with our mandated safety protocols, performance of our safety are well within industry standards. The Company's projects has won several safety awards a few which have been highlighted in the beginning of the report.

## 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.



## DIRECTORS' REPORT

To,

The Members of Gammon India Limited

The Directors have pleasure in presenting their 94<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the 18 months period ended 31<sup>st</sup> March, 2016.

### 1. REVIEW OF FINANCIAL & OPERATIONAL PERFORMANCE

(₹ in Crore)

Particulars	Standalone		Consolidated	
	18 months ended 31.03.2016	9 months ended 30.09.2014*	18 months ended 31.03.2016	9 months ended 30.09.2014*
<b>Profit before Other Income, Depreciation &amp; Interest</b>	879.99	(96.45)	1510.01	143.74
<b>Add:</b>				
Other Income	434.96	708.46	132.73	58.32
<b>Less:</b>				
Depreciation	254.16	81.85	681.73	275.17
Interest	1038.29	452.72	1478.86	699.25
<b>Profit/(Loss) before Tax</b>	22.50	77.44	(517.85)	(772.36)
<b>Less:</b>				
Provision for Taxation	7.86	9.64	22.51	(12.14)
<b>Profit/(Loss) after Taxation</b>	14.64	67.80	(540.36)	(760.22)
Transferred to Minority Interest	Nil	Nil	37.85	31.34
<b>Profit/(Loss) for the year</b>	14.64	67.80	(502.51)	(728.88)
<b>Add:</b>				
Profit brought forward from the previous year	(775.32)	(843.12)	(2591.25)	(1,913.86)
<b>Available for Appropriation</b>	(760.68)	(775.32)	(3093.76)	(2,642.74)
<b>Appropriations:</b>				
Transfer from General Reserve	Nil	Nil	31.09	Nil
Transfer to Debenture Redemption Reserve	Nil	Nil	Nil	Nil
Transfer from Debenture Redemption Reserve	Nil	Nil	Nil	Nil
Dividend from Own Shares	Nil	Nil	Nil	Nil
Transfer from Capital Reserve	Nil	Nil	40.37	Nil
Transfer to Foreign Currency Translation Reserve	Nil	Nil	14.33	45.71
Adjustments to Minority Interest	Nil	Nil	0.09	5.64
Dividend (Proposed) Equity Shares	Nil	Nil	Nil	Nil
Tax on Dividend	Nil	Nil	Nil	Nil
Other Adjustments	Nil	Nil	(0.37)	0.14
<b>Balance carried to Balance Sheet</b>	(760.68)	(775.32)	(3008.25)	(2,591.25)

\*Figures for the previous period have been regrouped.

The year under review is an eighteen (18) months period commencing from 1<sup>st</sup> October, 2014 and ending on 31<sup>st</sup> March, 2016.

During the period under review the Turnover of the Company on a standalone basis stood at ₹ 6,077 Crores, as compared to ₹ 2,909 crores during the previous 9 month period ended 30<sup>th</sup> September, 2014. The Company posted a Net Profit after Tax of ₹ 14.64 Crores during the period ended 31<sup>st</sup> March, 2016, as against a Net profit after Tax of ₹ 67.80 Crores during the previous period ended 30<sup>th</sup> September, 2014.

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at ₹ 7,949 Crores as compared to ₹ 3,763 Crores for the previous 9 month period ended 30<sup>th</sup> September, 2014. The Group posted a Net Loss after Tax of ₹ 502.51 Crores during the period ended 31<sup>st</sup> March, 2016, as against a Net Loss after Tax of ₹ 775.32 Crores during the previous 9 month period ended 30<sup>th</sup> September, 2014.

The overall slowdown in the construction industry over the past few years has greatly impacted the Company's performance. The construction industry in India continues to be plagued by inadequate capital, slow and delayed projects, sticky receivables, lack of proper dispute resolution mechanism, slow moving or stalled projects, bureaucratic delays in awarding projects, delays in land acquisition, higher working capital cycles, highly leveraged balance sheets, policy indecisiveness of the previous government which

has adversely affected the construction industry. Almost all the companies in the construction industry have been affected by the slow-down.

The Company has been continuously growing in the past, but due to elongated recessionary pressures after the slowdown in global and Indian economy post FY 2008, the Company has been experiencing reduction in revenues and negative growth in Net Profit. However inspite of the slow down the Company has posted a Net Profit of ₹ 14.64 Crores during the financial year (18 months) ended 31<sup>st</sup> March, 2016.

The major reasons for the inadequate profits are primarily delay in receiving payments from clients in respect of completed jobs thereby resulting in liquidity crisis leading to increased debt and subsequently higher interest costs which have eroded the profits, delays in project execution primarily due to delay in getting approvals from various authorities and non availability of timely finances, slowdown in the construction industry and aggressive bidding resulting in reduced order booking, increase in outstanding receivables due to non settlement of legitimate claims for works completed, decline in revenues and operating margins, delayed and sticky receivables, delays in land acquisition, approval of design etc. by client, scarcity in availability of labour & materials and other operational issues. The working capital cycle of the Company was also stretched due to non-achievement of milestones and elongated recovery of receivables. Also expansion in the overseas operations in the previous years and slowdown in the European economies largely increased the interest burden on the Company.

The Company has been focusing on realising long pending receivables, arbitration awards and retention moneys. The Company has been successful in recovering certain arbitration claims. The Company is also concentrating on efficient completion and execution of existing projects and has also successfully completed several stalled projects. The receivables from these completed projects are expected to be received in the current financial year. The Company has also been optimizing working capital and establishment costs and is concentrating on faster project execution and priorities have been set with improved systems. The Company is also focusing on reinforcing job selection filters and procedures to ensure positive cash flows and generate quality EBIDTA margins with higher bottom line contribution. Moreover, some prolonged job-related issues are being addressed with speed to close them at the earliest. The Company continues to negotiate with vendors for settlement, improved commercial terms and better credit facility and is in process of arranging additional working capital finance to improve short term liquidity position. The Company is evaluating and exploring various courses of action for raising funds for it's operations, including options for strategic restructuring.

The Company has undertaken several measures for re-structuring the Company's businesses with a view to attract strategic investors, reduce debt levels, derisk the businesses to make them more sustainable and ensure its growth in the interests of all stakeholders. The Company is also taking efforts for disposing of its non-core assets to ensure liquidity in the system.

The Company has outstanding arbitration claims of more than ₹ 5,000 Crores as on 31<sup>st</sup> March, 2016 and is focusing on recovering these claims. The Company also hopes to recover retention moneys currently outstanding with the clients. Recovery of these long outstanding claims and receivables will ease liquidity pressure.

Also with the various restructuring exercises presently being undertaken by the Company, the operations will be streamlined. As specified above the Company's performance has been greatly affected by external factors. The Company hopes that the various initiatives taken by the present government in reviving the infrastructure and construction sector will give a boost to the Company's efforts in improving its performance. In our efforts to re-structure the business and its operations the Company's lenders have been extending their support. The order book of the Company as on 31<sup>st</sup> March, 2016 was ₹ 11,000 Crores.

### **STRATEGIC DEBT RESTRUCTURING ("SDR")**

During the FY 2012 and FY 2013, the Company's financial performance suffered on account of slowdown in the economy, delay in award of new projects and project execution delays. The working capital cycle of the Company was also stretched due to non-achievement of milestones and elongated recovery of receivables. 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 at the CDR EG meeting held on June 24, 2013. The Master Restructuring Agreement pursuant to the package was signed on September 24, 2013.

However the mounting interest costs and the liquidity crunch continued due to industry wide issues viz;

- Bottlenecks on new infrastructure projects, postponement of investments and new projects in the industrial sector (as Indian manufacturing experienced a slowdown) contributed significantly to this lack of growth.



- Policy paralysis, delayed clearances and poor financial health of infrastructure companies have impacted investments in key infrastructure sectors like roads and power.
- Major construction players are experiencing liquidity crunch because of longer recovery timeframes from their customers and tightening funding norms being employed by institutional financiers.
- Increasing labour costs, commodity prices and aggressive tendering have put pressure on company margins over the past 2-3 years.
- Delays in completion of projects due to delay in approvals, issues relating to land acquisition and changes in project scope.
- Delays in claims settlement/payment across different Government employers has resulted into severe liquidity issues for the EPC Companies.

The Company's project execution was severely impacted 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 is 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 8<sup>th</sup> June, 2015, with reference date as 17<sup>th</sup> November, 2015. On the invocation of SDR, the lenders converted part of their outstanding loan and interest aggregating to ₹ 277.12 Crores into 233,072,637 equity shares in the Company acquiring 63.07% of the total equity capital. The Company was the first to implement SDR successfully.

## **CORPORATE RESTRUCTURING**

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 estate / non-core assets so as to realize amounts totaling to ₹ 2000 Crores over a period of time. However, due to the slow down 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. The carve out will ensure the right sizing of debt in the core EPC and T&D entities allowing creation of maximum value for the existing stakeholders.

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

- To create sector focused companies;
- To enable investments by strategic investor;
- De-risk businesses from each other;
- Deleverage balance sheet of the company;
- Maintain the PQs including profitability and net worth criteria for bidding in new projects;
- Fulfil its debt servicing obligation as per the CDR repayment schedule;
- Expedite sale of non-core assets in a phased and more focused manner.

### **A. CARVE OUT OF THE TRANSMISSION AND DISTRIBUTION BUSINESS**

The Board of Directors in its meeting held on 27<sup>th</sup> October, 2015 approved the first phase of transfer of the transmission and distribution business viz. fixed assets pertaining to conductor manufacturing facility at Silvassa and tower fabrication facility (excluding tower testing station) situated at Deoli, Wardha together with the current assets and contracts of the T&D manufacturing division along with proportionate debt aggregating to ₹ 3580 crores)("Identified Business") to its then wholly owned subsidiary Transrail Lighting Limited ("TLL"). Accordingly a Business Transfer Agreement was entered into between the Company and Transrail Lighting Limited on 27<sup>th</sup> October, 2015 for transfer of the Identified Business by way of a slump sale on a "Going Concern Basis" which was further amended on 12<sup>th</sup> February, 2016, for a consideration of ₹ 4,37,25,000 which was discharged by TLL by issue of 2,75,000/- optionally fully convertible debentures of ₹ 159/- each. The effective date of the Business Transfer is 1<sup>st</sup> January, 2016.

Further an Investment cum Shareholders Agreement as duly approved by the Board on 27<sup>th</sup> October, 2015 was executed with Ajanma Holdings Pvt Limited (" formerly Bilav Software Private Limited") ("Investor") pursuant to which the Investor acquired 75% of the Company's stake in TLL for a consideration of ₹ 2,32,50,000/- and for investing balance of ₹ 47.70 Crores by the Investor in TLL, wherein the transmission and distribution business is transferred. The Slump sale and the Investment by the Investor was approved by the Lenders and also by the shareholders vide a postal ballot on 18<sup>th</sup> December, 2015.

The Board also approved a Scheme of Arrangement between the Company ("Transferor") and TLL ("Transferee") and their respective Shareholders and Creditors for transfer of 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 with appointed date as 1<sup>st</sup> January, 2016 or such other date as may be approved by the High Court. On approval of the Scheme of Arrangement between Gammon India Limited ("GIL") and Transrail Lighting Limited ("TLL"), TLL will issue 7,25,000 equity shares of ₹ 10 each to GIL against the fair value of the T&D Undertaking. The said Scheme is subject to all necessary approvals.

Post the carve out of the transmission and distribution business into TLL as aforementioned, Gammon will continue to hold 25% of the total equity of TLL.

## **B. CARVE OUT OF CIVIL EPC BUSINESS**

The Board in its meeting held on 21<sup>st</sup> July, 2016 has approved the carve out of the Civil EPC business to its wholly owned subsidiary "Gammon Engineers and Contractors Private Limited" ("Gammon Engineers") in two phases i.e a part of the Civil EPC Business of the Company essentially comprising of the Civil Engineering, Procurement and Construction ("EPC") business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc including without limitation the execution capabilities in relation to the Civil EPC Business pertaining to "Identified Contracts" (including all contracts, agreements, licenses, engagements, financial instruments, commitments, other contractual arrangements and warranties thereunder including obligations under contracts which are surviving, relating exclusively to or in connection or forming a part of the Civil EPC Business and which are getting sub-contracted under the slump sale and which will be transferred under a proposed Scheme of Arrangement, (but excluding the Retained EPC Business)("Identified Business") along with all the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, licenses and all liabilities, debts, obligations of all nature related to the Identified Business by way of a slump sale on a going concern basis with effect from 1<sup>st</sup> July, 2016.

Accordingly a Business Transfer Agreement was executed on 21<sup>st</sup> July, 2016 between the Company and Gammon Engineers and Contractors Private Limited. The consideration for transfer of the Civil EPC Undertaking is ₹ 8,05,00,000 (Rupees Eight Crores Five Lakhs only) which will be discharged by Gammon Engineers by issue of 23,00,000 equity shares at a price of ₹ 35/- per share.

The Board in its meeting held on 21<sup>st</sup> July, 2016 also approved investment by GP Group of Thailand ("Investor") into the Company's Civil EPC Business wherein GP Group will invest in Gammon Engineers and Contractors Private Limited where the EPC Business is proposed to be transferred. Accordingly an Investment cum Shareholders Agreement was executed between the Company, Investor and Gammon Engineers on 21<sup>st</sup> July, 2016 pursuant to which G P Group will invest ₹ 150 Crores into Gammon Engineers in different tranches.

The Board in its meeting held on 21<sup>st</sup> July, 2016 also approved a Scheme of Arrangement between the Company ("Transferor Company") and Gammon Engineers and Contractors Private Limited ("Transferee Company") for transfer and vesting of the balance of the Company's Civil EPC Undertaking (as defined in the Scheme) viz. 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 (as defined in the Scheme) into Gammon Engineers against issue and allotment of equity shares by Gammon Engineers to GIL. The appointed date of the Scheme is 1<sup>st</sup> July, 2016 or such other date as may be approved by the High Court. On approval of the Scheme by the Court, Gammon Engineers will issue 1,18,85,714 fully paid up equity shares of ₹ 10 each to GIL against the fair value of the Civil EPC Undertaking.

The EPC Carve out through slump sale and the Scheme of Arrangement is subject to the approval of the members, lenders ,the Court and all other approvals.



Post the restructuring, the Company will continue to hold 25% equity in Gammon Engineers and Contractors Private Limited.

GIL will continue 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 in the infrastructure sector. The Company expects that post carve out, the businesses will be viable and have potential for growth. Further almost 80% of the Lenders exposure in the Company will be transferred to the new entities post the carve out, thereby ensuring stability of the Company.

## INFRASTRUCTURE DEVELOPMENT BUSINESS

Gammon Infrastructure Projects Limited (GIPL), the Company's subsidiary 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. GIPL also provide services in other areas of project development such as operations & maintenance and project advisory services.

GIPL posted a total income of ₹ 137,509.79 Lacs on a consolidated basis (₹ 40,847.77 Lacs on a standalone basis) for the 18 month period ended 31<sup>st</sup> March, 2016. It posted a Net Loss of ₹ 1,693.72 lacs on a consolidated basis (Net Profit of ₹ 5,815.38 lacs on a standalone basis) as on 31<sup>st</sup> March, 2016.

### GIPL Projects Commissioned and Under Operation

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

### Projects Under Construction

- Patna Highway Projects Limited (PHPL)
- Indira Container Terminal Private Limited (ICTPL)
- 66 MW Rangit II Hydro Electric Project (SHPVL)
- Vijayawada Gundugolanu Road Project Private Limited (VGRPPL)

### Projects Under Development

- Sidhi Singrauli Road Project Limited (SSRPL)
- Youngthang Power Ventures Limited (YPVL)
- Tidong Hydro Power Limited (THPL)

Name of the Company (SPV)	Location	Client	Project Length	Revenue Model	Annual Annuity (₹ in Crore)	Concession Period	Project Cost (₹ in Crore)	Project Stage
Patna Highway Projects Limited	Bihar	NHAI	63.17 Kms	Annuity	189.2	15 years	1284	Under Construction
Rajahmundry Godavari Bridge Limited	Andhra Pradesh	APRDC	14.49 Kms	Toll	NA	25 years	1071	Operational
Vijayawada Gundugolanu Road Project Pvt. Ltd.	Andhra Pradesh	NHAI	103.59 Kms	Toll	*57.57 (premium payment)	30 years	2,085	#Under Construction
Sidhi Singrauli Road Project Limited	Madhya Pradesh	MPRDC	102.6 Kms	Toll	NA	30 years	1,094	Under Construction

Name of the Company (SPV)	Location	Client	Project Length	Revenue Model	Annual Annuity (₹ in Crore)	Concession Period	Project Cost (₹ in Crore)	Project Stage
Vizag Seaport Private Limited	Andhra Pradesh	VPT	9 MMTPA Capacity	Rev Share 17.11%	NA	30 years	345	Operational
Indira Container Terminal Private Limited	Maharashtra	MBPT	1.2 Million TEUs Capacity	Rev Share 35.064%	NA	30 years	1,233	Under Construction (trial run been carried out)
Pravara Renewable Energy Limited	Maharashtra	Sahakari Sakhar Karkhana (PDVVKSKL)	30 MW Capacity	Sale of power, steam to client; surplus power to MSEDCL	NA	25 years post COD	274	Operational
Sikkim Hydro Power Ventures Limited	Sikkim	Energy & Power Dept. of Govt. of Sikkim	66 MW Capacity	IPP	NA	35 years post COD	496	Under Construction

\*Incremental at 5% p.a.

#The project SPV has commenced tolling on the 4 lanes & 4 to 6 laning works are under progress.

#### **DIVESTMENT BY GIPL**

GIPL signed a Share Purchase Agreement on 27<sup>th</sup> August, 2015 for divestment of nine project companies (6 road projects and 3 power projects) to a consortium comprising funds managed by Brookfield Asset Management and its affiliates ("Brookfield") and Core Infrastructure India Fund Pte Ltd ("CIIF") (collectively the "Consortium") under the name BIF India Holdings Pte Ltd. ("BIF").

Key terms of the divestment transaction are as follows:

- The consideration towards equity comprises of cash consideration of approx. ₹ 192 Crore and a waiver of advances to GIPL of ₹ 285 Crore;
- Repayment of inter corporate deposits of approx. ₹ 371 Crore given by GIPL to the divested Project SPVs;
- Aggregate cash inflows into GIPL on account of divestment would be approx. ₹ 563 Crore subject to closing adjustments;
- Additional cash inflow of upto ₹ 100 Crore may be realized by GIPL upon crystallization of certain milestones in future;
- Outstanding liabilities to the tune of ₹ 87 Crore will stand reduced and 75% of past contingent receivable may also be received by GIPL when realized.

The divestment transaction was segregated in two tranches of which the first tranche comprising six project companies out of the total nine project companies has been successfully completed with BIF India Holdings PTE. Ltd. on 29.02.2016. The second tranche of the divestment transaction is yet to be concluded subject to certain condition precedents being fulfilled. Of the six Companies which BIF acquired, five were operational and one was under development. Post the transaction the consolidated debt of GIPL stands reduced from ₹ 3,947 Crore to ₹ 2,229 Crore which is expected to improve the gearing at a consolidated level and make GIPL net cash surplus.

The Board of GIPL on 27<sup>th</sup> August, 2016 resolved to divest by way of sale, transfer or disposal of part of the equity shareholding held by GIPL in Vizag Seaport Private Limited (VSPL), subsidiary of the Company, to the extent of 50% of Paid up Equity Share Capital of VSPL, to Lastin Infrastructure Projects Limited ('Buyer'), being Affiliate of Lastin Holdings Limited for an aggregate consideration of ₹ 62.50 Crores and upon such other terms and conditions, if any, mutually agreed to by and between GIPL and the said Buyer whereby GIPL would continue to hold balance 24% equity shareholding in VSPL. However, the deal is yet to be consummated.





## OVERSEAS SUBSIDIARIES

### GROUP SOFINTER

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. The eighteen (18) month period upto 31<sup>st</sup> March, 2016 was characterized by a significant upswing in the economic performance of the Group over the previous period largely on account of a significantly higher backlog in AC Boilers S.p.A with signing of three large contracts in Egypt viz South Helwan, Shabab and West Damietta for over Euro 500 Million. Additionally negotiations with the Unions were successfully concluded due to which the manufacturing costs especially in Gioia del colle were reduced. Also global procurement processes were fully implemented leading to cost saving in overall procurement. Consequently, Group Revenues improved to Euro 538 Million during this period vs Euro 127 Million recorded in the 9 months of the previous year. The EBIT was however negative at Euro 20.20 Million vs Negative Euro 20.39 Million in the previous 9 months. This is however due to an extraordinary write off of Euro 21.46 Million in the last quarter of 2014 and otherwise would have significantly been positive during this period.

At the end of March, 2016, the order backlog of the Group was approx. Euro 550 Million which is a backlog of one and half years. In addition, the Group consolidated upon its new operating model with integration of some of the business functions with the aim to exploit synergies, bring in flexibility within the organization to deal with fluctuating volumes and improve cost competitiveness, given the constantly changing market dynamics. The model also featured a timebound relocation of production activities to the low cost countries including the Group's facilities in Romania and other such low cost but quality conscious countries by gradually reducing the production plant near Rome. The impact of all these initiatives have started in 2015 and will be fully realised by 2018.

The Macchi Division engaged in the manufacture of industrial boilers mainly for the oil, gas and petrochemical industry has consolidated its presence as envisaged in the previous year in the shale gas producing countries led by the United States while also growing in its traditional markets. During the 18 month period 31<sup>st</sup> March, 2016, the Macchi Order intake remained at 250 Million. The sluggish demand for Macchi equipment was largely on account of low crude prices which ultimately impacted the Capex in oil & gas segment which is one of the largest end users of the same.

AC Boilers S.p.A. engaged in EPC of utility power plants had robust order booking during the period especially from the Egypt Market. This helped the Company to clock significantly improved economic results. To overcome fluctuating order bookings and its consequential impact, the Company continued to consolidate on the streamlining measures undertaken by it since 2014 leading to lower per hour costs. The pipeline orders are in excess of Euro 1.5 Billion and it is expected that during 2016 this would translate into new orders of about Euro 250 Million.

Itea S.p.A. the R&D company engaged in flameless pressurized oxycombustion technology had, as reported last year, consolidated its technology leadership position in applications using industrial waste, municipal solid waste and low grade coal and is set to roll these out commercially in the coming year.

Europower S.p.A. which is engaged in the EPC of waste-to-energy plants and their operation and maintenance has successfully ventured outside its traditional market in Italy to neighboring countries in the region. The company continues to improve its revenues and profitability and has an order book of approximately Euro 56 Million.

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

The Commissioner in charge of selling the operating business of the Company and thereafter the non-core assets has entered into an Agreement to transfer the operating business to Bruno Prezezi S.p.A in August, 2015, through a bidding process. Consequent upon the disposal, the new owner has returned all the live Bank Guarantees posted by the Company against the Corporate Guarantee of Gammon and taken over the operational projects in Congo. The projects in Nicaragua did not get transferred under the procedure resulting in the devolvement of Euro 17.8 Million Bank guarantees posted by the Company against the Corporate Guarantee of Gammon. With this transfer complete and operational in all respects the Commissioner has obtained the second phase of disposing off the non-core assets of the Company. These comprise primarily appx 60 acres of land in Leganano, Milan and some equipments. Considering the quantum of these assets and the present market situation for disposal of property in Italy no time frame for the sale of the same is fixed. As and when these are sold the proceeds thereof shall be utilized to pay the creditors in order of ranking and the amount, if any remaining after this payment shall be disbursed to the shareholders.



No financial statements of the Company for the year ending December, 2015, are prepared. However a statement of Assets and Liabilities prepared in mid 2015 prior to disposal of the operating business was received from the Commissioner in terms of the procedure. No further updates to this document are available as on the date of this Report.

**Campo Puma Oriente S.A.**

The 11 operational wells during the eighteen months period ended 31<sup>st</sup> March, 2016 were producing an average of 750 barrels of oil per day at a per barrel service fee of \$21.50 approx. It was programmed to increase the flow above 2000 barrels during 2014/2015 with timely interventions and enhanced recovery techniques including water injection, acid stimulation artificial lift etc. which entailed capex from both partners as also an upward revision in service fee to approximately \$29 per barrel. However, due to the stringent conditions imposed under the CDR on Gammon, the entire work program has been put on hold. Meanwhile, the well pressures continued to decline and the average monthly production in the first quarter of 2016 is 700 barrels. We are in the process of identifying a strategic partner to remedy the situation apart from pursuing complete divestment of the asset.

**SAE POWERLINES, ITALY**

SAE Powerlines Milan Italy, an international recognized brand in the T&D market founded in 1926, has progressed positively in the restructuring path during the period. We believe that SAE could be seen again as a further point of strength for your Company with its Engineering and Project Management capabilities, its presence in the T&D market particularly in Africa and, last but not least, its remarkable heritage. SAE is currently executing Transmission line projects in Mozambique, Tanzania, Ghana, Togo and Benin. Current order backlog of SAE is approximately ₹ 300 Crores.

**2. DIVIDEND**

Though the Company has earned profits during the period ended 31<sup>st</sup> March, 2016, since it is under a Corporate Debt Restructuring ("CDR") the Directors have not recommended any dividend as it is necessary to conserve resources for meeting payment obligations to lenders .

**3. RESERVES**

No amount was transferred to the reserves for the period ended 31<sup>st</sup> March, 2016.

**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. The Company continued to get financial assistance and support from its CDR lenders within the overall facilities sanctioned under the CDR package to meet the working capital requirements.

Further pursuant to a Novation Agreement dated 26<sup>th</sup> February, 2016 executed with the lenders, debts aggregating to ₹ 3580 Crores (₹ 230 Crores Fund Based and ₹ 3350 Crores of non fund based) are transferred to the Company's associate, Transrail Lighting Limited ("TLL") as part of the slump sale vide a Business Transfer Agreement ("BTA") dated 27<sup>th</sup> October, 2015 read with First Amendment to BTA dated 12<sup>th</sup> February, 2016 entered into between the Company and TLL for transfer of part of the Transmission and Distribution undertaking of the Company effective from 1<sup>st</sup> January, 2016. The CDR Debts of the Company stand reduced to the extent of the debts transferred as part of the aforementioned slump sale.

The Joint Lenders comprising of the CDR lenders and DBS Bank Limited, invoked Strategic Debt Restructuring ("SDR") pursuant to RBI circular dated 8<sup>th</sup> June, 2015 with reference date as 17<sup>th</sup> November, 2015. Pursuant to the invocation of SDR, 16 lenders converted part of their outstanding loan and interest aggregating to ₹ 277.12 Crores into 233,072,637 equity shares of the face value of ₹ 2/- each at a price of ₹ 11.89 per equity share (including premium of ₹ 9.89 per equity share) to acquire 63.07 % of the total equity capital of the Company.



Sr.No	Name of Lenders/ Banks	No. of Shares allotted under SDR	%age to total capital post conversion	Amount of loan converted alongwith interest into equity shares of the Company (₹ in Crore)
1.	ICICI Bank	39,696,547	10.74	47.20
2.	Punjab National Bank	24,209,101	6.55	28.78
3.	Allahabad Bank	19,582,216	5.30	23.28
4.	Bank of Baroda	22,104,507	5.98	26.28
5.	Syndicate Bank	22,696,508	6.14	26.99
6.	Oriental Bank of Commerce	12,389,240	3.35	14.73
7.	Union Bank Of India	5,803,088	1.57	6.90
8.	Bank of Maharashtra	3,635,106	0.98	4.32
9.	Central Bank of India	4,39,017	0.12	0.52
10.	Indian Bank	3,92,490	0.11	0.47
11.	Karnataka Bank	2,48,264	0.07	0.30
12.	IDBI Bank	1,40,53,827	3.80	16.71
13.	UCO Bank	45,21,203	1.22	5.38
14.	Canara Bank	5,28,14,769	14.29	62.80
15.	United Bank of India	63,62,258	1.72	7.56
16.	DBS Bank Limited	41,24,496	1.12	4.90
	<b>Total</b>	<b>23,30,72,637</b>	<b>63.07</b>	<b>277.12</b>

Pursuant to the above allotment the paid up capital of the Company is ₹ 737,694,610 divided into 368,847,305 equity shares of ₹ 2/- each.

## 5. DEBENTURES

The Company in its Extra-Ordinary General Meeting held on 26<sup>th</sup> May, 2015 had approved the issue of 100 Unsecured Zero Coupon Compulsory Convertible Debentures (Zero Coupon "CCDs") of face value of ₹ 10,000,000/- (Rupees one crore) each aggregating to ₹ 100 crores to the Promoter, Promoter group and Affiliate of promoter on private placement basis against the "promoter contribution" of ₹ 100 crores made by them in the Company's CDR package. The Zero Coupon CCDs were convertible into 395,256 equity shares of ₹ 2/- each at a price of ₹ 25.30 (including ₹ 23.30/- premium). However no allotment has been made to the promoters since BSE has not granted its in principle approval for issue and has directed the Company to change the "Relevant Date" with reference to the determination of price of the zero coupon CCD's.

During the period under review Non Convertible Debentures ("NCD'S") held by the lenders aggregating to ₹ 10.57 Crores have been novated/ transferred as part of the CDR debt pursuant to the Novation Agreement dated 26<sup>th</sup> February, 2016 entered into between the Company, the lenders and Transrail Lighting Limited, such debt being novated as part of the slump sale of part of the Transmission and Distribution Undertaking.

## 6. PUBLIC DEPOSITS

The Company did not invite or accept deposits from public during the year under review.

## 7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016, the Company has transferred unclaimed dividend for the financial year 2007 - 08 amounting to ₹ 228,685/- to the Investor Education and Protection Fund (IEPF) in compliance of Section 125 of the Companies Act, 2013, which was due and payable and remained unclaimed and unpaid for a period exceeding seven years from its due date.

## 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

As mentioned above, the Board of Directors in its meeting held on 21<sup>st</sup> July, 2016 approved the carve out of the Civil Engineering and Procurement (“EPC”) Undertaking of the Company essentially comprising of the Civil Engineering, Procurement and Construction business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the Civil EPC Undertaking to its wholly owned subsidiary Gammon Engineers and Contractors Private Limited through a combination of “Slump Sale” and a Scheme of Arrangement. Details of the same have been given under the heading “Strategic Debt Restructuring and Corporate Restructuring” above.

Turnover of the EPC Division to be carved out and as percentage to the Total Turnover as on 31<sup>st</sup> March, 2016:

Particulars	Amt (₹ In crores)	%age to Total Turnover as on 31 <sup>st</sup> March, 2016
EPC Turnover -BTA	657.18	11%
EPC Turnover -Scheme	3,005.12	49%
<b>Total Turnover</b>	<b>6,147.00</b>	

## 9. CHANGE IN NATURE OF BUSINESS

Post completion of restructuring of business as mentioned above, the Company, will continue to carry on execution of its retained Civil EPC projects, bidding for newer projects, monetizing its investments and real estate assets.

## 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

There are no significant and material orders passed by the regulators or courts or Tribunals which will impact the going concern status and company’s operations in future.

## 11. DIRECTORS’ RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 (“hereinafter referred to as the “Act”), your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the selected accounting policies were applied consistently and judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the Profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are operating effectively;
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

## 12. EXTRACT OF ANNUAL RETURN

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



### 13. SUBSIDIARY / ASSOCIATES AND JOINT VENTURE COMPANIES

During the period under review the following changes have taken place with respect to the Company's subsidiaries;

1. Transrail Lighting Limited – Ceased to be a subsidiary of the Company effective from 26<sup>th</sup> February, 2016 pursuant to sale of 75% of its holding to Ajanma Holdings Private Limited (formerly "Bilav Software Private Limited") in terms of a Shareholders cum Investment Agreement dated 27<sup>th</sup> October, 2015.
2. The following subsidiaries (SPVs of Gammon Infrastructure Projects Ltd [GIPL]- subsidiary of the Company) ceased to be subsidiaries effective from 29<sup>th</sup> February, 2016, pursuant to divestment by GIPL through sale of its shareholding in these SPVs to BIF Holdings Pte. Ltd:

S.No	Name of the step-down subsidiary
1	Aparna Infraenergy India Private Limited
2	Andhra Expressway Limited
3	Rajahmundry Expressway Limited
4	Kosi Bridge Infrastructure Company Limited
5	Gorakhpur Infrastructure Company Limited
6	Mumbai Nasik Expressway Limited

3. The following SPV's of Gammon Infrastructure Projects Ltd [GIPL, a subsidiary of the Company] have ceased to be subsidiaries of the Company effective from 31<sup>st</sup> March, 2016:

S.No	Name of the step-down subsidiary
1	Patna Buxar Highways Limited
2	Mormugao Terminal Limited
3	Patliputra Highway Limited

4. Gammon Engineers and Contractors Private Limited ("Formerly Nikias Metals Private Limited ") has become a step down wholly owned subsidiary on 11<sup>th</sup> July, 2016.

The Company has 57 subsidiaries including step-down subsidiaries, 5 Associates and 4 Joint venture companies as on 31<sup>st</sup> March, 2016.

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

### 14 CONSOLIDATED FINANCIAL STATEMENTS

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Consolidated Financial Statements of the Company and its subsidiaries form part of the Annual Report. Pursuant to Section 129 (3) of the Act, 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.

### 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Abhijit Rajan – Chairman and Managing Director, whose term of office expired on 16<sup>th</sup> May, 2016 was re-appointed as the Chairman and Managing Director of the Company for a period of 3 (three) years effective from 17<sup>th</sup> May, 2016 by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee in their

respective meetings held on 13<sup>th</sup> May, 2016, subject to the approval of the Central Government and all other necessary approvals.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the following personnel of the Company are designated as “Key Managerial Personnel”

Sr.No	Name of the Key Managerial Personnel	Designation of Key Managerial Personnel
1.	Mr.Abhijit Rajan	Chairman and Managing Director
2.	Mr. Ajit B.Desai	Executive Director and Chief Executive Officer
3.	Mr. Raju Bhansali	Executive Director – International Operations
4	Mr. Digambar Bagde	Deputy Managing Director- Transmission and Distribution Business
5.	Mr. Vardhan Dharkar	President Finance & Chief Financial Officer
6.	Ms. Gita G. Bade	Company Secretary

Pursuant to Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr.Ajit Desai – Executive Director and Chief Executive Officer retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

## 16.AUDITORS

### (A) STATUTORY AUDITORS

The members had at the 92<sup>nd</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> June, 2014, approved the appointment of:

- M/s. Natvarlal Vepari & Co., Chartered Accountants, Firm Registration No. 106971W, Statutory Auditors of the Company to hold office for a period of 3 (three) years from the conclusion of the 92<sup>nd</sup> AGM until the conclusion of the AGM to be held for the financial year 2016-17.
- M/s. Vinod Modi & Associates, Chartered Accountants, Firm Registration No. 111515W and M/s. M. G. Shah & Associates, Chartered Accountants, Firm Registration No. 112561W, as the Joint Branch Auditors of ‘Gammon India Limited – Transmission & Distribution Business, to hold office from the conclusion of that AGM until the conclusion of the AGM to be held for the financial year 2018-19.

Pursuant to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the aforesaid appointments need to be ratified by the members at the forthcoming Annual General Meeting.

Accordingly, (i) the appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants, (Firm Registration No. 106971W) as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 and (ii) the appointment of M/s. Vinod Modi & Associates, Chartered Accountants, Firm Registration No. 111515W and M/s. M. G. Shah & Associates, Chartered Accountants, Firm Registration no. 112561W, as the Joint Branch Auditors of ‘Gammon India Limited –Transmission & Distribution Business, to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-19 respectively, are sought to be ratified by members at the forthcoming Annual Genral Meeting.

As required under Section 139 of the Companies Act, 2013, certificates have been received from (i) M/s. Natvarlal Vepari & Co., Chartered Accountants, Statutory Auditors (ii) M/s. Vinod Modi & Associates, Chartered Accountants and (iii) M/s. M. G. Shah & Associates, Chartered Accountants, to the effect that their respective appointments, if made, will be within the prescribed limits under 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 of Directors of the Company in it's meeting held in December,2014 has appointed Mr. R. Srinivasaraghavan and Co. as the Cost Auditor for auditing the cost accounting records of (a) Civil Engineering, Procurement and Construction business (b) Transmission and Distribution business of the Company for the 18 months period ended 31<sup>st</sup> March, 2016 on a remuneration of ₹ 2.25 lakhs.



Mr. R. Srinivasaraghavan was also appointed as the Cost Auditor for auditing the Company's cost audit records of the aforementioned business for the Financial Year 2016-17, by the Board in its meeting held on 20<sup>th</sup> July, 2016 on a remuneration of ₹ 2.5 lakhs.

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 periods is sought to be ratified by the members at the ensuing 94<sup>th</sup> Annual General Meeting.

### **(C) SECRETARIAL AUDITOR & OBSERVATIONS**

M/s Pramod Shah & Associates, Practising Company Secretaries were appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the 18 months period ended 31<sup>st</sup> March, 2016 in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditors Report is annexed as **Annexure "C"** to this report.

The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines applicable to it and does not contain any adverse remark or observation.

### **17. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

A Report on Corporate Governance and Management Discussion and Analysis for the period ended 31<sup>st</sup> March, 2016, together with certificate from Mr. V. V. Chakradeo & Co., Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and 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 in their Auditors 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 17<sup>th</sup> June, 2016 on the Standalone Financial Statements and in the Audit Report dated 20<sup>th</sup> July, 2016 on the Consolidated Financial Statements for the 18 (Eighteen) months period ended 31<sup>st</sup> March, 2016. 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 THE INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. The Declarations received from all the Independent Directors were taken on record by the Board of Directors.

### **20. NOMINATION AND REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Nomination and Remuneration Committee of the Company formulated a Nomination and Remuneration Policy in terms of Section 178 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 in **Annexure – "E"**.

### **21. COMMITTEES OF DIRECTORS**

The Board has appointed mandatory and 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 have been given in the Corporate Governance Report which forms part of the Annual Report.

## **22. 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.

Several sessions and programs were conducted for the Independent Directors where the senior management team of the Company updated the Directors on the industry scenario, project updates and systems and processes within the Company. Details of the familiarization programmes are available on the Company's website on [www.gammonindia.com](http://www.gammonindia.com) under the Investor Section.

## **23. NUMBER OF MEETINGS OF THE BOARD**

During the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016, sixteen (16) Board meetings were held on 5<sup>th</sup> December, 2014, 18<sup>th</sup> December, 2014, 11<sup>th</sup> February, 2015, 13<sup>th</sup> February, 2015, 27<sup>th</sup> April, 2015, 14<sup>th</sup> May, 2015, 25<sup>th</sup> June, 2015, 14<sup>th</sup> August, 2015, 27<sup>th</sup> August, 2015, 27<sup>th</sup> October, 2015, 17<sup>th</sup> November, 2015, 17<sup>th</sup> December, 2015, 18<sup>th</sup> December, 2015\*, 12<sup>th</sup> February, 2016, 23<sup>rd</sup> March, 2016 and 31<sup>st</sup> March, 2016.

\*Adjourned meeting

## **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. The Audit Committee as on 31<sup>st</sup> March, 2016 comprised of four Independent Directors viz (1) Mr. Chandras C. Dayal (Chairman) (2) Ms. Urvashi Saxena (3) Mr. Naval Choudhary and (4) Mr. Atul Kumar Shukla.

Details of the composition of the Audit Committee, number of meetings held and all relevant details have been given in the Corporate Governance Report which forms part of the Annual Report.

## **25. VIGIL MECHANISM**

A Vigil Mechanism as per the provisions of Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the 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](http://www.gammonindia.com) under the Investors Section.

## **26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, investments and guarantees is provided in Notes to Standalone Financial Statements.

## **27. PARTICULARS OF CONTRACT/ARRANGEMENT WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the period 1<sup>st</sup> October, 2014 up to the date of this report with related parties were in the ordinary course of business and on arm's length basis. All related party transactions are placed before the Audit Committee for its approval and duly approved by the Board. 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.

Information on transactions with related parties pursuant to Section 134 (3)(h) of the Act read together Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure "F"** in **Form AOC -2** and the same forms part of this Report.



## 28. BOARD AND INDIVIDUAL DIRECTORS PERFORMANCE EVALUATION

As per Section 149 of the Companies Act, 2013 read with Schedule IV and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors at their meetings evaluated the performance of the Non-independent Directors, the Chairman and Managing Director ("CMD") with inputs from the Non-executive Directors and of the entire Board.

A performance evaluation of each of the Independent Directors was carried out by the Board members wherein the feedback of each member was sought separately. The Board members were asked to give their feedback on the functioning, participation, 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.

Post the meeting of the Independent Directors and the Board's evaluation of Independent Directors, the feedback received from all Directors was communicated to the Nomination and Remuneration Committee, to the CMD and to each of the Board members for improving 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](http://www.gammonindia.com).

The Company has not spent any amount on CSR activities during the period 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 since the average net profits of the Company for immediately preceding three years stood negative. Annual Report as per the Companies (Corporate Social Responsibility Policy) Rules is annexed as **Annexure "H"**.

## 30. RISK MANAGEMENT POLICY

The Company has structured a Risk Management policy in terms of the SEBI (Listing Obligations and disclosure Requirements), Regulations, 2015. The risk framework covers the management's approach and initiatives taken to mitigate a host of business and industry risks 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.

## 31. INTERNAL FINANCIAL CONTROLS

Your Company believes that sound internal controls and systems are related to the principle 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 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 and periodically addressed by the internal audit team and observations are submitted to the management on a case to case basis.

The Internal Audit department is made up of professionally qualified accountants, management graduates & engineers, located at its corporate office and elsewhere in the country, who regularly review the planning and conduct of internal audits of major construction and transmission line sites, In addition to the in-house team, a firm of Chartered Accountants has been appointed to carry out internal audits of various functional areas at the Head Office.

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.



Your Company's Internal Audit function has a documented process which is in conformity with ISO quality standards. In addition to the traditional "post-audit", i.e. a review of historical transactions, your company has also introduced in its Internal Audit methodology a concept of "pre-audit", where a separate Centralised Certification Unit has been established to verify & certify all liabilities that are generated at the site level.

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**

The information required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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. SEXUAL HARASSMENT**

During the period under review, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**36. ACKNOWLEDGEMENTS**

The Board thanks all its valued customers and various Government, Semi-Government and Local Authorities, Suppliers and other Business Associates. Your Directors appreciate continued support from Banks and Financial Institutions and look forward to their co-operation in the future. Your Directors place on record their appreciation of the dedicated efforts put in by the employees at all levels and wish to thank the Shareholders and all other stakeholders for their unstinted support and co-operation.

**For and on behalf of the Board of Directors**

**Abhijit Rajan**  
**Chairman & Managing Director**

Place : Mumbai

Dated : 21<sup>st</sup> July, 2016



## ANNEXURE "A"

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

For the 18 (Eighteen) months period ended 31.03.2016

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

#### I. REGISTRATION & OTHER DETAILS:

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 Share Capital/ Indian Non-Government Company
5.	Address of the Registered office & contact details	'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai - 400025, Maharashtra, India Tel No : 91- 22- 6115 3000 Fax No : 91-22-2430 0221 Email : <a href="mailto:investors@gammonindia.com">investors@gammonindia.com</a> Website : <a href="http://www.gammonindia.com">www.gammonindia.com</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai- 400078 Tel No: 022-25963838 Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### 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 products / 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, 4311,4312, 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, 1 <sup>st</sup> & 3 <sup>rd</sup> Floor Pathari Road, Chennai - 600002.	U28123TN2005PTC055309	Subsidiary	73.40%	2(87)
2.	Aparna Infraenergy India Private Limited 1 <sup>st</sup> Floor, Gurukrupa, Plot No. 34/D, S. E. Railway Colony No. 2, Rana Pratap Nagar, Nagpur - 440022, Maharashtra.	U74120MH2011PTC220549	Subsidiary disposed off w.e.f. 29th February, 2016.	100%	2(87)
3.	ATSL Holdings B.V Fred. Roeskestraat 123, 1076EE Amsterdam	N.A	Subsidiary	100%	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
4.	Birmitrapur Barkote Highway Private Limited Second Floor, Plot No.360, Block-B Sector 19, Dwarka, New Delhi - 110075, India.	U45200DL2012PTC234342	Subsidiary	100%	2(87)
5.	Chitoor Infra Company Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74990MH2010PTC210401	Subsidiary	100%	2(87)
6.	Earthlink Infrastructure Projects Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74990MH2010PTC210405	Subsidiary	100%	2(87)
7.	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)
8.	Gammon Projects Developers Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45200MH2006PLC159107	Subsidiary	100%	2(87)
9.	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	L45203MH2001PLC131728	Subsidiary	58.67%	2(87)
10.	Gammon International FZE Leased Office Bldg, 15 Office No., Hamriyah free zone-Sharjah, UAE.	N.A	Subsidiary	100%	2(87)
11.	Gammon Renewable Energy Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74990MH2009PLC194805	Subsidiary	100%	2(87)
12.	Gammon Road Infrastructure Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74990MH2009PLC194822	Subsidiary	100%	2(87)
13.	Gammon Seaport Infrastructure Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74990MH2009PLC194663	Subsidiary	100%	2(87)
14.	Ghaggar Renewable Energy Private Limited Second Floor, Plot No.360, Block-B Sector 19, Dwarka, New Delhi - 110075.	U40108DL2010PTC210979	Subsidiary	100%	2(87)
15.	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)
16.	Tidong Hydro Power Limited 177/1, Nirsu Village, Dutt Nagar Rampur Bushahr, Shimla - 172001, Himachal Pradesh.	U40101HP2007PLC030774	Subsidiary	51%	2(87)
17.	Haryana Biomass Power Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U40102MH2007PLC173416	Subsidiary	100%	2(87)
18.	Deepmala Infrastructure Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45201MH2007PTC174676	Subsidiary	51%	2(87)



<b>Sr. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding / Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
19.	Gactel Turnkey Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U40101MH1995PLC088439	Subsidiary	100%	2(87)
20.	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)
21.	Rajahmundry Expressway Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi -110075, India.	U45203DL2001PLC112518	Subsidiary disposed off w.e.f. 29th February, 2016.	100%	2(87)
22.	Andhra Expressway Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi -110075, India.	U45203DL2001PLC112508	Subsidiary disposed off w.e.f. 29th February, 2016.	100%	2(87)
23.	Gammon & Billimoria Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U42200MH2002PLC138442	Subsidiary	50.94%	2(87)
24.	Mumbai Nasik Expressway Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45203MH2005PLC155016	Subsidiary disposed off w.e.f. 29th February, 2016.	79.99%	2(87)
25.	Sikkim Hydro Power Ventures Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi -110075.	U40100DL2005PLC257673	Subsidiary	100%	2(87)
26.	Kosi Bridge Infrastructure Company Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45201MH2006PLC163155	Subsidiary disposed off w.e.f. 29th February, 2016.	100%	2(87)
27.	Gorakhpur Infrastructure Company Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45201MH2006PLC163125	Subsidiary disposed off w.e.f. 29th February, 2016.	100%	2(87)
28.	Marine Project Services Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U61100MH2007PLC168759	Subsidiary	100%	2(87)
29.	Gammon Power Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025	U40108MH2008PLC186403	Subsidiary	90%	2(87)
30.	Gammon Retail Infrastructure Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45202MH2008PTC184838	Subsidiary	99%	2(87)
31.	Jaguar Projects Developers Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U70102MH2008PLC185427	Subsidiary	100%	2(87)
32.	Rajahmundry Godavari Bridge Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45203MH2008PLC185941	Subsidiary	63%	2(87)
33.	Youngthang Power Ventures Limited 177/1, Nirsu Village, Dutt Nagar Rampur Bushahr, Shimla - 172001, Himachal Pradesh.	U40101HP2008PLC030953	Subsidiary	100%	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
34.	Gammon Holdings (Mauritius) Limited 4 <sup>th</sup> Floor, Raffles Tower, 19, Cybercity, Ebene, Mauritius.	N.A	Subsidiary	100%	2(87)
35.	Campo Puma Oriente S.A. Chimborazo 705 Pampite, Centro de Negocios "La Esquina", Torre II Of. 14, Sector Cumbayá Quito - Ecuador	N.A	Subsidiary	77%	2(87)
36.	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)
37.	Lilac Infraprojects Developers Limited Second Floor, Plot No.360, Block-B Sector 19, Dwarka, South Delhi, New Delhi - 110075.	U45203DL2010PLC202526	Subsidiary	100%	2(87)
38.	Patna Buxar Highways Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi South West Delhi - 110075 India.	U45400DL2011PLC227809	Subsidiary disposed off w.e.f. 31st March, 2016.	100%	2(87)
39.	Pataliputra Highway Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U67120MH2004PLC149297	Subsidiary disposed off w.e.f. 31st March, 2016.	100%	2(87)
40.	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)
41.	Pravara Renewable Energy Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45202MH2008PLC185428	Subsidiary	100%	2(87)
42.	Ras Cities and Townships Private Limited 312. Road No,25 Jubileehills, Hyderabad.033	U70102TG2005PTC047148	Subsidiary	100%	2(87)
43.	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)
44.	Segue Infrastructure Projects Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U74900MH2010PTC210430	Subsidiary	100%	2(87)
45.	Tada Infra Development Company Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45400MH2008PLC186002	Subsidiary	100%	2(87)
46.	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)
47.	Vizag Seaport Private Limited Administrative Block, S4 Gallery, Near GFCL Visakhapatnam, Port Area , Visakhapatnam - 530 035	U45203AP2001PTC038955	Subsidiary	73.76%	2(87)



Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
48.	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)
49.	Mormugao Terminal Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi, South West, Delhi - 110075.	U74999DL2012PLC246717	Subsidiary disposed off w.e.f. 31st March, 2016.	100%	2(87)
50.	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)
51.	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)
52.	ATSL Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45400MH2007PLC169995	Subsidiary	100%	2(87)
53.	G & B Contracting LLC G&B Contracting LLC, PO BOX 60494, Dubai - UAE.	N.A	Associate	49%	2(6)
54.	Vijayawada Gundugolanu Road Private Limited Second Floor, Plot No.360, Block-B, Sector 19, Dwarka, New Delhi, South West, Delhi - 110075.	U74990DL2012PTC232205	Subsidiary	100%	2(87)
55.	SAE Powerlines S.r.L Viale Edison, 5 - 20099 Sesto San Giovanni, Milan (MI), Italy.	N.A	Subsidiary	100%	2(87)
56.	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)
57.	Gammon Realty Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45201MH2006PLC165785	Subsidiary	75.06%	2(87)
58.	Gammon Holdings B.V., Netherlands Orlyplein 10, floor 10, 1043DP, Amsterdam, P. O. Box 58176, 1040 HD Amsterdam.	N.A	Subsidiary	100%	2(87)
59.	Franco Tosi Meccanica S.p.A Piazza Monumento 12, 20025 Legnano (MI), Milan, Italia.	N.A	Subsidiary	84.16%	2(87)
60.	Gammon Italy S.r.L Legnano (Mi) Piazza, Monumento 12 Cap 20025.	N.A	Subsidiary	100%	2(87)
61.	Gammon International B.V., Netherlands Orlyplein 10, floor 24, 1043DP, Amsterdam, P. O. Box 58176, 1040 HD Amsterdam.	N.A	Subsidiary	100%	2(87)
62.	Metropolitan Infrahousing Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45201MH2006PTC162441	Subsidiary	84.16%	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
63.	Gammon Transmission Limited R:F, 3rd W:P; 3/8 H amilton House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400038.	U45204MH2009PLC195888	Subsidiary	100%	2(87)
64.	Franco Tosi Hydro Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U29268MH2010PTC202531	Subsidiary	100%	2(87)
65.	Franco Tosi Turbines Private Limited. Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U29253MH2010PTC202902	Subsidiary		2(87)
66.	Preeti Townships Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U70101MH2007PTC167189	Subsidiary	60%	2(87)
67.	Patna Water Supply Distribution Network Private Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025.	U45400MH2012PTC231297	Subsidiary	73.99%	2(87)
68.	Sofinter S.p.A via conservatorio 17, Milano (MI) CAP 20122.	N.A	Associate	32.5%	2(87)
69.	Eversun sparkle Maritime Services Private Limited VSPL Admn. Block, S4 Gallery, Port Area, Visakhapatnam - 530035, Andhra Pradesh, India.	U60210AP2004PTC044374	Associate		2(6)
70.	Modern Toll Roads Limited Shiv Sagar Estate, A Block, 2nd Floor, Dr. A. B. Road, Worli, Mumbai - 400018.	U45203MH2007PTC173503	Associate	49.00%	2(6)
71.	Finest S.p.A, Italy F. Vegezio, 15, Milano, Italy.	N.A	Associate	50%	2(6)

#### IV. 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 [As on 1 <sup>st</sup> October, 2014]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8189479	-	8189479	6.00	8189479	-	8189479	2.24	*(3.76)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	36481240	-	36481240	26.73	36481240	-	36481240	9.98	*(16.75)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>44670719</b>	<b>-</b>	<b>44670719</b>	<b>32.73</b>	<b>44670719</b>	<b>-</b>	<b>44670719</b>	<b>12.22</b>	<b>*(20.51)</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> October, 2014]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
b. Bodies Corporate	3086435	-	3086435	2.26	3086435	-	3086435	0.84	*(1.42)
c. Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
d. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e. Others-Trust	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>3086435</b>	<b>-</b>	<b>3086435</b>	<b>2.26</b>	<b>3086435</b>	<b>-</b>	<b>3086435</b>	<b>0.84</b>	<b>*(1.42)</b>
<b>Total Shareholding of Promoter and Promoter Group (A)(1) + (A)(2)</b>	<b>47757154</b>	<b>-</b>	<b>47757154</b>	<b>34.99</b>	<b>47757154</b>	<b>-</b>	<b>47757154</b>	<b>13.07</b>	<b>*(21.93)</b>
<b>*Change due to increase in capital caused by issue of equity shares to Lenders on conversion of loans into equity upon invocation of Strategic Debt Restructuring (SDR).</b>									
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	15625421	100	15625521	11.45	13433417	-	13433417	3.68	(7.77)
b) Banks / FI	2653284	5770	2659054	1.95	231743207	5770	231748977	63.41	61.46
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1000000	-	1000000	0.73	-	-	-	-	-
g) FIs	10460283	-	10460283	7.66	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(1) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(2) UTI	-	-	-	-	1589217	-	1589217	0.43	0.43
<b>Sub-total (B) (1):-</b>	<b>29738988</b>	<b>5870</b>	<b>29744858</b>	<b>21.79</b>	<b>246765841</b>	<b>5870</b>	<b>246771711</b>	<b>67.52</b>	<b>54.12</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> October, 2014]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	20540683	1678540	22219223	16.28	16668218	1678540	18346758	5.02	(11.26)
ii) Overseas	4679220	5500	4684720	3.43	4679220	5500	4684720	1.28	(2.15)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17777635	1044479	18822114	13.79	28499805	1010334	29510139	8.08	(5.71)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3591193	725800	4316993	3.16	6202750	725800	6928550	1.90	(1.26)
<b>C. Others (specify)</b>									
Non Resident Indians	519964	6160	526124	0.39	1580817	6160	1586977	0.43	0.04
Foreign Nationals	-	168570	168570	0.12	-	168570	168570	0.05	(0.07)
Clearing Members	1553281	-	1553281	1.14	1657985	-	1657985	0.45	(0.69)
Trusts	20365	5804680	5825045	4.27	365	5804680	5805045	1.59	(2.68)
Office Bearers	51424	11990	63414	0.05	45024	2910	47934	0.01	(0.04)
Other Directors	818972	-	818972	0.60	823472	-	823472	0.23	(0.27)
HUF	-	-	-	-	1359594	-	1359594	0.37	0.37
<b>Sub-total (B)(2)</b>	<b>49552737</b>	<b>9445719</b>	<b>58998456</b>	<b>43.22</b>	<b>61517250</b>	<b>9402494</b>	<b>70919744</b>	<b>19.41</b>	<b>23.72</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>79291725</b>	<b>9451589</b>	<b>88743314</b>	<b>65.01</b>	<b>308283091</b>	<b>9408364</b>	<b>317691455</b>	<b>86.93</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>127048879</b>	<b>9451589</b>	<b>136500468*</b>	<b>100.00</b>	<b>356040245</b>	<b>9408364</b>	<b>365448609*</b>	<b>100.00</b>	-

\* Includes 7,25,800 equity shares of ₹ 2/- each held in abeyance.



**ii) Shareholding of Promoters**

Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> October, 2014]			No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]			% Change 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	18013015	13.20	13.20	18013015	4.93	4.93	8.27
2	Devyani Estate and Properties Private Limited	12182805	8.93	8.93	12182805	3.33	3.33	5.6
3	Abhijit Rajan	8172459	5.99	5.99	8172459	2.24	2.24	3.75
4	Nikhita Estate Developers Private Limited	3485420	2.55	2.55	3485420	0.95	0.95	1.6
5	Masayor Enterprises Limited	3086435	2.66	0.00	3086435	0.84	0.00	0.00
6	Ellora Organic Industries Private Limited	2800000	2.05	2.05	2800000	0.77	0.77	1.28
7	Jagdish Rajan	17020	0.01	0.00	17020	0.00	0.00	0.00

\* During the year under review no further allotment was made to the promoter and promoter group. However, their shareholding has decreased due to further allotment of equity shares made on a preferential basis to the lenders on conversion of their loans into equity shares pursuant to invocation of SDR.

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

Sr. No	Category of Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	47757154	34.99		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):*				
	As on 29 <sup>th</sup> December, 2015			47757154	16.61
	As on 9 <sup>th</sup> March, 2016			47757154	15.59
	As on 10 <sup>th</sup> March, 2016			47757154	13.30
	As on 16 <sup>th</sup> March, 2016			47757154	13.07
	At the end of the year			47757154	13.07

\* Decrease in Shareholding of Promoters is due to issue of shares to Lenders on invocation of Strategic Debt Restructuring (SDR) and conversion of their loans into equity share as per allotments made on aforementioned dates.

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	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	HDFC TRUSTEE COMPANY LIMITED – HDFC INFRASTRUCTURE FUND	12114310	8.87	12114310	3.81
2.	HUMID INVESTMENTS & TRADERS PVT LTD	4827045	3.56	4827045	1.52
3	SUMMICORP LIMITED	4679220	3.45	4679220	1.47
4.	RITU ESTATE DEVELOPERS PVT LTD	3425066	2.50	3425066	0.94
5.	MORGAN STANLEY INVESTMENT MANAGEMENT, INC A/C MORGAN STANLEY INDIA INVESTMENT FUND, INC.*	2545382	1.87	Nil	0.00
6.	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.*	2500000	1.84	Nil	0.00
7	SBI INFRASTRUCTURE FUND	2190604	1.49	Nil	0.00
8	MOGRA INVESTMENTS PVT LTD*	1806518	1.33	Nil	0.00
9	EMERGING INDIA FOCUS FUNDS	1556798	1.15	1556798	0.49
10	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GIF MAURITIUS LIMITED*	1534134	1.13	Nil	0.00
11	HSBC GIF MAURITIUS LIMITED*	1362691	1.00	Nil	0.00
12	LIFE INSURANCE CORPORATION OF INDIA #	1255459	0.93	1255459	0.40
13	PRAGMATIC TRADERS PVT LTD #	1140339	0.84	1140339	0.36
14	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1000000	0.73	Nil	0.00
15	THE MASTER TRUST BANK OF JAPAN, LTD. A/C HSBCINDIAN EQUITY MOTHER FUND	858855	0.63	Nil	0.00
16	DISPLAY TRADING PRIVATE LIMITED	800000	0.59	Nil	0.00
17	SI INVESTMENTS AND BROKING PRIVATE LIMITED	800000	0.59	Nil	0.00
18	UTI MASTER EQUITY PLAN UNIT SCHEME	655666	0.48	655666	0.18

\* ceased to be top 10 shareholders on account of sale of shares during the 18 months period ended 31<sup>st</sup> March, 2016.

# the shareholders were not Top 10 shareholders, however as on 31<sup>st</sup> March, 2016, they were the top 10 shareholders



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

Name of the Director and Key Managerial Personnel	At the Beginning of the year (01.10.2014)		Date wise Increase/ (decrease) in shareholding during the year specifying the reasons for increase/(decrease) [allotment, transfer, bonus sweat equity etc]		Cumulative Shareholding during the year		At the end of the year (31.03.2016)	
	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	8172459	5.99	-	-	-	-	8172459	2.24
Mr Digambar Bagde, Deputy Managing Director	817472	0.60	-	-	-	-	817472	0.22
Mr Ajit Desai, Executive Director & CEO	4500	0.00	-	-	-	-	4500	0.00
Mr. Chandradas C. Dayal, Independent Director	1500	0.00	-	-	-	-	1500	0.00
Mr Rajul Bhansali, Executive Director – International operations	Nil	Nil	-	-	-	-	Nil	Nil
Mr. Naval Choudhary Independent Director	Nil	Nil	-	-	-	-	Nil	Nil
Mrs Urvashi Saxena Independent Director	Nil	Nil	-	-	-	-	Nil	Nil
Mr. Jagdish C. Sheth, Independent Director	Nil	Nil	-	-	-	-	Nil	Nil
Mr Atul dayal, Independent Director	Nil	Nil	-	-	-	-	Nil	Nil
Mr Vardhan Dharkar, Chief Financial Officer	Nil	Nil	-	-	-	-	Nil	Nil
Ms. Gita Bade, Company Secretary	Nil	Nil	-	-	-	-	Nil	Nil

\* No increase in number of shares held. However due to issue of equity shares on a preferential basis to the lenders made on conversion of loans into equity shares (on invocation of SDR) made on 29<sup>th</sup> December, 2015, 9<sup>th</sup> March, 2016, 10<sup>th</sup> March, 2016 and 16<sup>th</sup> March, 2016, the percentage of shareholding of Directors has decreased.

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	46,36,97,28,294.87	2,16,36,01,443.34	-	48,53,33,29,738.21
ii) Interest due but not paid	91,75,32,822.00	3,16,439.00	-	91,78,49,261.00
iii) Interest accrued but not due	10,23,573.17	2,59,93,708.49	-	2,70,17,281.66
<b>Total (i+ii+iii)</b>	<b>47,28,82,84,690.04</b>	<b>2,18,99,11,590.83</b>	<b>0.00</b>	<b>49,47,81,96,280.87</b>
<b>Change in Indebtedness during the financial year</b>				
Addition				
i) Principal Amount	11,91,72,74,540.94	75,64,66,399.06	-	12,67,37,40,940.00
ii) Interest due but not paid	12,02,80,27,429.39	8,88,106.00	-	12,02,89,15,535.39
iii) Interest accrued but not due	3,70,29,003.12	1,06,49,397.00	-	4,76,78,400.12
Reduction				
i) Principal Amount	6,06,18,27,153.88	1,07,87,05,219.06	-	0.00
ii) Interest due but not paid	11,16,67,38,273.54	0.00	-	11,16,67,38,273.54
iii) Interest accrued but not due	1,96,63,486.72	18,35,856.00	-	2,14,99,342.72
<b>Net Change</b>	<b>6,73,41,02,059.32</b>	<b>(31,25,37,173.00)</b>	<b>0.00</b>	<b>13,56,20,97,259.26</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	52,22,51,75,681.05	1,84,13,62,623.34	-	54,06,65,38,304.39
ii) Interest due but not paid	1,77,88,21,977.10	12,04,545.00	-	1,78,00,26,522.10
iii) Interest accrued but not due	1,83,89,089.14	3,48,07,249.49	-	5,31,96,338.63
<b>Total (i+ii+iii)</b>	<b>54,02,23,86,747.29</b>	<b>1,87,73,74,417.83</b>	<b>0.00</b>	<b>55,89,97,61,165.12</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr Abhijit Rajan, Chairman & Managing Director #	Mr. Rajul Bhansali Executive Director – International Operations ##	Mr Ajit B. De-sai, Executive Director & Chief Executive officer ###	Mr. Digambar Bagde, Deputy Managing Director – T&D Business	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79,555,898	1,05,98,790	10,898,363	2,02,42,262	12,12,95,313
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11,451,600	15,27,066	944,766	1,44,622	1,40,68,054
	(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	-	-	-	-	-
	<b>Total (A)</b>	<b>91,007,498</b>	<b>1,21,25,856</b>	<b>1,18,43,129</b>	<b>2,03,86,884</b>	<b>13,53,63,367</b>
6	Ceiling as per the Act	# Pending approval of Central Government. ## The remuneration is paid as approved by the Central Government vide their letter dated 9 <sup>th</sup> December, 2015. ### The remuneration is paid as approved by the Central Government vide their letter dated 20 <sup>th</sup> November, 2015.				

**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors						Total
		Mr. Atul Dayal	Mr. Chandras Dayal	Mr. Naval Choudhary	Mr. Jagdish Sheth	Ms. Urvashi Saxena	Mr. Atul Kumar Shukla	
1	Independent Directors							
	•Fee for attending board committee meetings	40,000	5,60,000	4,60,000	2,40,000	6,00,000	5,80,000	24,80,000
	•Commission	-	-	-	-	-	-	-
	•Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>40,000</b>	<b>5,60,000</b>	<b>4,60,000</b>	<b>2,40,000</b>	<b>6,00,000</b>	<b>5,80,000</b>	<b>24,80,000</b>

Sl. No.	Particulars of Remuneration	Name of Directors						Total
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total Managerial Remuneration (1+2)</b>	<b>40,000</b>	<b>5,60,000</b>	<b>4,60,000</b>	<b>2,40,000</b>	<b>6,00,000</b>	<b>5,80,000</b>	<b>24,80,000</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Vardhan Dharkar, Chief Financial Officer	Ms. Gita Bade Company Secretary	Total
1	Gross salary	2,40,45,183	70,97,640	3,11,42,823
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,34,72,603	67,35,084	3,02,07,687
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,72,580	3,62,556	9,35,136
	(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	-	-	-
	<b>Total</b>	<b>2,40,45,183</b>	<b>70,97,640</b>	<b>3,11,42,823</b>

\* Remuneration is for 18 months from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016.



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

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)
<b>A. COMPANY</b>					
Penalty					
Punishment		<b>NONE</b>			
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment		<b>NONE</b>			
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment		<b>NONE</b>			
Compounding					



## 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

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Reporting period	Repricing 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	Oct 14-Mar 16	INR	0.05	(0.02)	13.79	13.75	-	-	(0.00)	-	(0.00)	-	100.00%
2	Deepmala Infrastructure Private Limited	Oct 14-Mar 16	INR	0.01	1.60	1,077.36	1,075.75	-	8.74	2.76	(1.07)	1.69	-	51.00%
3	Gactel Turnkey Projects Limited	Oct 14-Mar 16	INR	5.05	(96.67)	202.90	294.53	-	16.85	(46.54)	0.64	(45.90)	-	100.00%
4	Gammon & Billimoria Limited	Oct 14-Mar 16	INR	0.10	1.94	109.86	107.82	-	-	0.23	(0.07)	0.16	-	50.94%
5	Gammon Infrastructure Projects Limited	Oct 14-Mar 16	INR	189.16	686.75	1,550.05	674.13	62.25	403.20	56.90	1.26	58.15	-	58.44%
6	Gammon Power Limited	Oct 14-Mar 16	INR	22.55	555.55	716.54	138.44	-	-	(96.93)	(0.06)	(96.99)	-	90.00%
7	Gammon Realty Limited	Oct 14-Mar 16	INR	20.05	(70.73)	126.32	176.99	-	-	(10.73)	-	(10.73)	-	75.06%
8	Gammon Retail Infrastructure Private Limited	Oct 14-Mar 16	INR	0.05	0.03	0.13	0.05	-	0.08	0.06	(0.01)	0.05	-	99.00%
9	Metropolitan Infrahousing Private Limited	Oct 14-Mar 16	INR	0.01	69.33	1,151.65	1,082.30	-	-	(16.52)	-	(16.52)	-	84.16%
10	Gammon Transmission Limited	Oct 14-Mar 16	INR	0.05	(0.35)	1.90	2.20	-	-	(0.08)	0.01	(0.07)	-	100.00%
11	Franco Tosi Hydro Private Limited	Oct 14-Mar 16	INR	0.01	(0.02)	-	0.01	-	-	(0.01)	-	(0.01)	-	100.00%
12	Preeti Township Private Limited	Oct 14-Mar 16	INR	0.10	(0.12)	8.67	8.69	-	-	0.01	-	0.01	-	60.00%
13	Patna Water Supply Distribution Networks Private.Limited	Oct 14-Mar 16	INR	0.01	(23.56)	37.85	61.40	-	-	(6.82)	0.00	(6.82)	-	73.99%
14	Ansaldoaldiaie boilers India Private Limited	Oct 14-Mar 16	INR	50.00	(73.27)	107.24	130.51	20.00	16.17	(5.09)	0.01	(5.07)	-	73.40%
15	Gammon Italy Srl	Oct 14-Dec 15	EURO/ 72.5010	0.07	(0.21)	0.03	0.17	-	-	(0.05)	-	(0.05)	-	100.00%
16	SAE Powerlines Srl	Oct 14-Dec 15	EURO/ 72.5010	93.87	(98.49)	242.74	247.36	-	105.67	(6.66)	6.66	(0.00)	-	100.00%
17	Gammon & Billimoria LLC	Oct 14-Mar 16	AED/ 18.0032	1.80	(71.30)	112.13	181.63	-	164.01	(3.46)	-	(3.46)	-	49.00%
18	PVan Eerd Beheersmaatsc-happaji B.V.,Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.12	(116.94)	0.02	116.84	56.36	-	(12.65)	-	(12.65)	-	100.00%
19	ATSL Holdings BV, Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.14	(76.05)	157.13	233.05	-	-	(27.74)	-	(27.74)	-	100.00%
20	Associated Transrail Structures Limited., Nigeria	Oct 14-Mar 16	Naira/ 0.3287	0.33	(2.25)	0.50	2.42	-	-	(0.50)	-	(0.50)	-	100.00%
21	Campo Puma Oriente S.A.	Oct 14-Dec 15	USD/ 66.3260	0.08	(289.42)	361.03	650.37	288.39	50.04	(51.28)	-	(51.28)	-	73.76%
22	Gammon Holdings B.V., Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.14	(435.59)	386.48	821.93	-	-	(125.55)	-	(125.55)	-	100.00%
23	Gammon International B.V., Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.14	(357.85)	374.13	731.84	413.40	-	(151.33)	-	(151.33)	-	100.00%
24	Gammon International FZE	Oct 14-Mar 16	AED/ 18.0032	0.27	(35.01)	67.93	102.68	-	-	(10.88)	-	(10.88)	-	100.00%
25	Gammon Holdings (Mauritius) Limited	Oct 14-Mar 16	USD/ 66.3330	0.10	(42.81)	212.27	254.98	-	-	(27.78)	-	(27.78)	-	100.00%
26	Franco Tosi Meccanica S.p.A	Oct 14-Mar 16	INR	-	-	-	-	-	-	-	-	-	-	-
27	Franco Tosi Turbines Private Limited. (FTT)	Oct 14-Mar 16	INR	-	-	-	-	-	-	-	-	-	-	-
28	Birmirapur Barkote Highway Private Limited *	Oct 14-Mar 16	INR	0.01	(10.89)	0.11	10.99	-	-	(0.01)	-	(0.01)	-	100.00%
29	Cochin Bridge Infrastructure Company Limited*	Oct 14-Mar 16	INR	6.40	1.27	26.90	19.24	-	-	(1.90)	-	(1.90)	-	97.66%
30	Chitoor Infrastructure Company Private Limited*	Oct 14-Mar 16	INR	0.01	(0.05)	0.09	0.13	-	-	0.09	(0.03)	0.06	-	100.00%
31	Earthlink Infrastructure Projects Private Limited*	Oct 14-Mar 16	INR	0.01	(0.25)	12.78	13.02	-	-	0.56	(0.17)	0.39	-	100.00%

# BUILDING FUTURE POSSIBILITIES

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Reporting period	Reprting Currency/ Exchange Rate	Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
32	Gammon Logistics Limited*	Oct 14-Mar 16	INR	2.55	(4.90)	0.04	2.38	-	-	(0.01)	-	(0.01)	-	100.00%
33	Gammon Projects Developers Limited*	Oct 14-Mar 16	INR	0.25	(0.36)	0.38	0.49	-	-	(0.00)	-	(0.00)	-	100.00%
34	Gammon Seaport Infrastructure Limited*	Oct 14-Mar 16	INR	0.05	(0.02)	0.03	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
35	Ghaggar Renewable Energy Private Limited*	Oct 14-Mar 16	INR	0.01	(0.09)	0.01	0.09	-	-	(0.00)	-	(0.00)	-	100.00%
36	Gammon Renewable Energy Infrastructure Projects Limited*	Oct 14-Mar 16	INR	0.05	(0.15)	5.09	5.19	-	-	(0.00)	-	(0.00)	-	100.00%
37	Gammon Road Infrastructure Limited*	Oct 14-Mar 16	INR	0.05	(0.90)	1.46	2.31	0.01	-	0.01	-	0.01	-	100.00%
38	Marine Project Services Limited*	Oct 14-Mar 16	INR	0.05	0.14	0.19	0.00	-	-	(0.07)	0.00	(0.07)	-	100.00%
39	Patna Highway Projects Limited*	Oct 14-Mar 16	INR	50.00	(0.84)	1,145.22	1,096.06	-	-	(0.19)	-	(0.19)	-	100.00%
40	Pravara Renewable Energy Limited*	Oct 14-Mar 16	INR	47.92	(3.89)	304.42	260.39	-	34.09	(3.67)	0.18	(3.50)	-	100.00%
41	Ras Cities and Townships Private Limited*	Oct 14-Mar 16	INR	0.01	(0.16)	31.85	32.00	-	-	(0.00)	-	(0.00)	-	100.00%
42	Tidong Hydro Power Limited*	Oct 14-Mar 16	INR	0.05	(0.01)	2.07	2.04	-	-	(0.00)	-	(0.00)	-	51.00%
43	Vijayawada Gundugolanu Road Project Private Limited*	Oct 14-Mar 16	INR	0.01	(2.23)	3,956.49	3,958.71	-	129.59	(0.35)	(1.37)	(1.72)	-	100.00%
44	Vizag Seaport Private Limited*	Oct 14-Mar 16	INR	87.19	2.65	388.53	298.69	-	175.47	(4.76)	1.25	(3.52)	-	73.76%
45	Yamuna Minor Minerals Private Limited*	Oct 14-Mar 16	INR	0.01	(0.09)	-	0.08	-	-	(0.00)	-	(0.00)	-	100.00%
46	Yamunanagar Panchkula Highway Private Limited*	Oct 14-Mar 16	INR	19.05	(27.98)	0.24	9.17	-	-	(0.01)	-	(0.01)	-	100.00%
47	Youngthang Power Ventures Limited*	Oct 14-Mar 16	INR	14.45	(3.10)	70.10	58.74	-	-	(0.31)	-	(0.31)	-	100.00%
48	Haryana Biomass Power Limited*	Oct 14-Mar 16	INR	0.05	(1.34)	0.01	1.30	-	-	(0.00)	-	(0.00)	-	100.00%
49	Jaguar Projects Developers Limited*	Oct 14-Mar 16	INR	0.05	(0.01)	0.06	0.02	-	-	(0.08)	-	(0.08)	-	100.00%
50	Lilac Infraprojects Developers Limited*	Oct 14-Mar 16	INR	0.05	(0.03)	0.04	0.02	-	-	(0.01)	-	(0.01)	-	100.00%
51	Rajahmundry Godavari Bridge Limited*	Oct 14-Mar 16	INR	203.96	179.42	1,080.19	696.81	-	20.35	(25.70)	0.02	(25.69)	-	71.43%
52	Satluj Renewable Energy Private Limited*	Oct 14-Mar 16	INR	0.01	(0.21)	0.28	0.48	-	-	(0.00)	-	(0.00)	-	100.00%
53	Sikkim Hydro Power Ventures Limited*	Oct 14-Mar 16	INR	0.01	(0.10)	0.01	0.10	-	-	0.22	(0.07)	0.15	-	100.00%
54	Segue Infrastructure Projects Private Limited*	Oct 14-Mar 16	INR	170.41	101.01	630.88	359.46	-	-	(0.05)	-	(0.05)	-	100.00%
55	Sidhi Singrauli Road Project Limited *	Oct 14-Mar 16	INR	62.74	(0.60)	122.32	60.18	-	-	(0.01)	-	(0.01)	-	100.00%
56	Tada Infra Development Company Limited*	Oct 14-Mar 16	INR	0.05	(0.18)	0.06	0.19	-	-	(0.00)	-	(0.00)	-	100.00%
57	Tangri Renewable Energy Private Limited*	Oct 14-Mar 16	INR	0.01	(0.01)	0.00	0.00	-	-	(0.00)	-	(0.00)	-	100.00%

## Names of subsidiaries which are yet to commence operations\*

Patna Highway Projects Limited  
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

## Names of subsidiaries which have been liquidated or sold during the year\*

Andhra Expressway Limited ('AEL')  
Aparna Infraenergy India Private Limited ('AIPL')  
Gorakhpur Infrastructure Company Limited ('GICL')  
Kosi Bridge Infrastructure Company Limited ('KBICL')  
Mumbai Nasik Expressway Limited ('MNEL')  
Patna Buxar Highways Limited ('PBHL')  
Pataliputra Highways Limited ('PHL')  
Rajahmundry Expressway Limited ('REL')  
Mormugao Terminal Limited ('MTL')

\* Subsidiaries of Gammon Infrastructure Projects Limited, a subsidiary of Gammon India Limited ("the Company")

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures  
PART "B": ASSOCIATES AND JOINT VENTURES**

(₹ in Crore)

Sr. No.	Particulars	Details										
		Sofinter S.p.A**	Transrail Lighting Limited (TLL)	Fin est Spa ^	Eversun Sparkle Maritime Services Private Limited**	Modern Tollroads Limited**	GIPL - GIL JV	Gammon Eence Rail (Consortium) (GEC)**	Gammon - Cons - Tensaccia - JV(GCT)			
1	Name of associates/Joint Ventures											
2	Latest audited Balance Sheet Date	31st December 2015	31st March 2016	31st December 2013	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016
3	Shares of Associate/Joint Ventures held by the company on the year end:											
	No.	7,86,82,127	77,50,000	7,80,000	21,43,950	24,470						
	Amount of Investment in Associates/Joint Venture	413.40	7.75	19.52	2.14	0.02						
4	Extend of Holding%	32.50%	25.00%	50.00%	30.90%	49.00%	100.00%	51.00%	60.00%			
	Description of how there is 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 over Share Capital	Significant influence over Share Capital	Significant influence over Share Capital	Significant influence over Share Capital			
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated			
6	Net worth attributable to shareholding as per latest audited Balance Sheet	38.82	0.76	17.41	1.64	0.02	(0.27)	3.36	3.55			
7	Profit/Loss for the year	(54.02)	0.62	-	0.39	-	(0.27)	(0.00)	2.99			
	Considered in Consolidation	-	-	-	-	-	-	-	-			
	Not Considered in Consolidation	-	-	-	-	-	-	-	-			

Sr. No.	Particulars	Details										
		Gammon - Ojsc Mosmetrostroy - JV(GOM)**	AnsaldoCaldiaie-GB Engineering Private Limited/(ACGB)**	Gammon SEW(GSEW)**	Gammon CMC JV(CMC)**	GAMMON-SPSCPL JOINT VENTURE	Blue Water Iron Ore Terminal Private Limited ^	Indira Container Terminal Private Limited **	SEZ Adityapur Limited ^			
1	Name of associates/Joint Ventures											
2	Latest audited Balance Sheet Date	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	30th September 2014	31st March 2016	30th September 2014			
3	Shares of Associate/Joint Ventures held by the company on the year end:											
	No.	-	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			
4	Extend of Holding%	51.00%	50.00%	90.00%	50.00%	55.00%	10.12%	50.00%	38.00%			
	Description of how there is 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 over Share Capital	Significant influence over Share Capital	Significant influence over Share Capital	Significant influence over Share Capital			
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated	Not Consolidated			
6	Net worth attributable to shareholding as per latest audited Balance Sheet	-	13.77	(0.00)	0.25	-	(0.02)	32.50	(0.01)			
7	Profit/Loss for the year	1.46	3.77	(0.00)	0.02	-	-	14.19	-			
	Considered in Consolidation	-	-	-	-	-	-	-	-			
	Not Considered in Consolidation	-	-	-	-	-	-	-	-			

\*\* Based on the un-audited management accounts.

^ In the absence of financial statements of BWIOTPL,SEZAL, Fin est Spa no effects are taken in these financial statements for the current period. The balances as at 30<sup>th</sup> September, 2014 are incorporated. However, these Joint Ventures/Associate are not carrying out any operations and therefore their impact is not expected to be significant.



## **Annexure – “C”**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL PERIOD ENDED 31<sup>ST</sup> MARCH, 2016**

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

To,  
The Members,  
Gammon India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the 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 18 months period commencing from 1<sup>st</sup> October, 2014 and ending on 31<sup>st</sup> March, 2016, 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 18 months period ended 31<sup>st</sup> March, 2016 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;
- (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, as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;

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 Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 2015);
- (iii) The Listing Agreements entered into by the Company with BSE Limited (Bombay Stock Exchange) and National Stock Exchange of India Limited (NSE).

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The 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 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 period, all the decisions in the Board Meetings were carried 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 as listed in Annexure II.

**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 period under 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.



## Annexure I

To,  
The Members  
The Gammon India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 20.07.2016

Place: Mumbai

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

**Pramod Shah - Partner**

FCS No.: 334

C P No.: 3804

## Annexure II

- (1) SEBI (ESOP) Regulations;
- (2) The Employees' Provident Fund Act, 1952 and Rules;
- (3) The Payment of Gratuity Act, 1972;
- (4) The Contract Labour (R&A) Act, 1970;
- (5) The Employees State Insurance Act, 1947;
- (6) The Employees Provident Fund & Misc provisions Act, 1952;
- (7) The Equal Remuneration Act, 1976;
- (8) Minimum Wages Act, 1948;
- (9) Payment of Wages Act, 1936;
- (10) Payment of Bonus Act, 1965;
- (11) Employees' Compensation Act, 1923;
- (12) Building & Other Construction Workers' (RE&CS) Act, 1996;
- (13) Building & Other Construction Workers' Welfare Cess Act, 1996;
- (14) Shop and Establishment Act;
- (15) The Trade Union Act, 1926;
- (16) Industrial Employment (Standing Orders) Act, 1946;
- (17) Inter State Migrant Workmen's Act, 1979;
- (18) Maharashtra Recognition of Trade Union (MRTU) and Prevention of Unfair Labour;
- (19) Practices (PULP) Act, 1971;
- (20) Maternity Benefits Act, 1961;
- (21) Factories Act, 1947;
- (22) The Child Labour (Prohibition and Regulation) Act, 1986;
- (23) Maharashtra Workers Minimum House Rent Allowance Act, 1983;
- (24) Bombay Labour Welfare Fund Act, 1953;
- (25) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (26) Apprentices Act, 1961;
- (27) The Land Acquisition Act, 1894;
- (28) Indian Easement Act, 1882;
- (29) Income Tax Act, 1961;
- (30) Central Excise Act;
- (31) Customs Act.

Place: Mumbai

Date: 20/07/2016

**Pramod Shah -Partner**  
Pramod S. Shah & Associates  
FCS No.: 334  
C P No.: 3804



## 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 Standalone and Consolidated	Details of Audit Qualification	Board’s explanation /remarks
Clause a of Para 4	We invite attention to note no 33(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 ₹ 892.19 crores as at 31 <sup>st</sup> March, 2016 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 period ended 31 <sup>st</sup> March, 2016.	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. Accordingly Board has come to the conclusion that no impairment is required for the Company.
Clause b of para 4	We invite attention to note no 32, detailing the recognition of claims during the year ended 31 <sup>st</sup> March, 2016 in respect of on-going, completed and/or terminated contracts aggregating to ₹ 1343.97 crores including a further claim of ₹ 300 crores during the quarter ended 31 <sup>st</sup> March, 2016 but excluding amounts recognised in quarters before September, 2015 of ₹ 313.25 crores based on management estimates of reasonable realisation which were subject matter of our emphasis of matter in our earlier reports. These additional 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 ended 31 <sup>st</sup> March, 2016 and the eighteen-month period ended 31 <sup>st</sup> March, 2016.	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 para 4	We invite attention to note no. 33(e). As reported by the branch auditors, the exposure of the Company through the Branch in SAE Powerlines Srl, Italy (“SAE”), a subsidiary of the Company and ATSL BV, Netherlands, the holding company of SAE, towards investments, loans, including guarantees towards the acquisition loan taken by the SPV are ₹ 196.84 crores. The Branch has made provision for impairment of investments and Loan aggregating to ₹ 62.52 crores and provision of ₹ 88.29 crores for risk and contingencies for corporate guarantees for acquisition loan of the SPV and thus, the net exposure of the Branch is ₹ 46.03 crores. The Branch has a further net exposure of ₹ 139.48 crores after provision of ₹ 65.57 crores towards receivables due from SAE, which are outstanding for a long time. The Company had carried out a valuation of the business of SAE by an independent valuer in September, 2014, who determined an enterprise value of ₹ 71.34 crores, which however is not updated to cover the present financial position. In the absence of a fresh valuation of the business of SAE and in the absence of audited financial Statements of SAE for the period ended 31 <sup>st</sup> December, 2015, we are unable to comment whether further impairment provision is required with respect to the total net exposure of the Branch of ₹ 185.51 crores in respect of loans, investment and receivables.	The Board is of the opinion that considering the order book position and adequate references and strengths in international markets especially the African and European Markets, the provision made by it for impairment of its investment, loan and trade receivable is adequate.



Relevant Para Nos. of the Auditors' Report on Standalone and Consolidated	Details of Audit Qualification	Board's explanation /remarks
Clause d of para 4	The Company's Application for managerial remuneration aggregating to ₹ 26.29 crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December, 2013 and 30 <sup>th</sup> September, 2014 and for the current eighteen months ended 31 <sup>st</sup> March, 2016 for want of NOC from the CDR lenders. The MCA has directed to recover the excess remuneration or make an application for waiver. The Company had once again made applications to the Ministry for the aforementioned periods on obtaining the NOC from the CDR Lenders. The Board however on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. Pending the same no adjustments have been made for the amount of ₹ 26.29 crores. In the absence of the final decision of the MCA pursuant to the application being made by the Company we are unable to ascertain the impact on profits on this account for the eighteen-month period ended 31 <sup>st</sup> March, 2016 (Refer Note 23(a)).	The Board is of opinion that pending NOC from lenders the Central Government had rejected the application for excess remuneration. On receipt of NOC, the Company has once again made application to the Central Government. The Ministry had given an option for applying for waiver of recovery of excess remuneration. Based on recommendation from nomination and remuneration committee, the Board has subject to approval of Shareholders has decided to seek approval for waiver. The management has once again preferred the application to the ministry for review and is hopeful of receiving the approval for payment /waiver and hence no adjustments are made in the financials.
Clause e of para 4	Trade receivables and loans and advances includes an amount of ₹ 355.56 crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 35(iv)).	There are disputes in six projects of the Company. The total exposure against these projects is ₹ 355.56 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 f of para 4	The Company has given unsecured loans of ₹ 19.83 crores to its joint ventures as a lead partner for which it does not have any prior approval of the members (refer Note 12(vi)).	The Company has granted unsecured loans to its joint ventures, aggregating to ₹ 19.83 crores including the facility provided by the bankers for the purposes of business operation out of the limits of the company. This loan facility is in excess of the limits specified U/s 186 of the Companies Act 2013. The Company will obtain the shareholders consent in the next General Meeting.
Clause g of para 4	We invite attention to note no 11A(f) relating to the decision for sale of 30% interest of Gammon Infrastructure Projects Limited (GIPL) held through two wholly owned subsidiaries and its consequent classification and valuation in these financial statements. The carrying value of the equity interest in GIPL is ₹ 884.41 crores held through the two wholly owned subsidiaries. The current market value based on the traded price as on March 31, 2016 is ₹ 270.25 crores. The management contends that the market price is not indicative of the intrinsic value of GIPL considering that the same is a strategic Investment. However in the absence of a detailed valuation of the intrinsic value of GIPL being carried out by the Management we are unable to comment whether any provision for diminution or impairment in the carrying amount of the equity interest is required.	The market price is not indicative of the intrinsic value of Gammon Infrastructure Projects Limited considering that the same is a strategic Investment and being held for a long period of time. The diminution in the value is temporary in nature and does not require any provision for the same. Based on internal estimation the intrinsic value is above the carrying amount of the investment



**b) Directors remarks on Audit qualifications in the Auditors Report on Consolidated financial statements**

Relevant Para No. of the Auditors' Report	Details of Audit Qualification	Board's explanation /remarks
Clause a of Para 4	<p>The accounts of one of the Subsidiaries M/s Franco Tosi Meccanica S.p.A, Italy (FTM) have not been audited since December, 2011 for reasons mentioned in note 1(a.)(ii) 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 the on-going procedure the Commissioner in charge of the restructuring procedure has not released any financials. The said Subsidiary has not been consolidated in accordance with para 11.b of AS-21-Consolidated Financial Statements as the management contends that considering the status as detailed in the above referred note the Subsidiary operates under severe restrictions, which significantly impairs its ability to transfer funds to its parent. The said Subsidiary has therefore been accounted as per AS-13 – Accounting for Investments. The funded and non-funded exposure of the group to FTM net of eliminations is ₹ 383.09 Crores as at 31<sup>st</sup> March, 2016 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. Against this the Company has appropriated the prior losses and provision for impairment of goodwill made when the said FTM was being consolidated as provision for diminution in the value of investment in the previous period of ₹ 322. 93 Crores. 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 therefore also the effect on the consolidated loss of the Group for the eighteen month period ended 31<sup>st</sup> March, 2016.</p>	<p>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. Accordingly Board has come to the conclusion that no impairment is required for the Company.</p>
Clause b of para 4	<p>The Company's Application for managerial remuneration aggregating to ₹ 26.29 Crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December 2013 and 30<sup>th</sup> September 2014 and for the current eighteen months ended 31<sup>st</sup> March 2016 for want of NOC from the CDR lenders. The MCA has directed to recover the excess remuneration or make an application for waiver. The Company had once again made applications to the Ministry for the aforementioned periods on obtaining the NOC from the CDR Lenders. The Board however on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. Pending the same no adjustments have been made for the amount of ₹ 26.29 Crores. In the absence of the final decision of the MCA pursuant to the application being made by the Company we are unable to ascertain the impact on profits on this account for the eighteen-month period ended 31<sup>st</sup> March 2016 (Refer Note 24(i)). Similarly the audit report of Gammon Infrastructure Projects Limited (GIPL) is also qualified for the payment of ₹ 2.04 Crores for the previous period and ₹ 1.84 Crores for the current period to the Managing Director of GIPL, which is in excess of the limits, specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The said GIPL proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31<sup>st</sup> March 2016 (Refer Note 24(iii)).</p>	<p>Pending NOC from lenders the Central Government had rejected the application for excess remuneration, paid to the Chairman and Managing Director Mr. Abhijit Rajan. However they had given an option for applying for waiver of recovery of excess remuneration. Based on recommendation from nomination and remuneration committee, the Board has subject to shareholders approval decided to seek approval for waiver. The Company has once again preferred the application for review. The management is hopeful of receiving the approval for /payment waiver and hence no adjustments are made in the financials. GIPL proposes to make an application for the waiver for recovery for the same to the Ministry of Corporate Affairs.</p>

Relevant Para No. of the Auditors' Report	Details of Audit Qualification	Board's explanation /remarks
Clause no.c of para 4	Trade receivables and loans and advances includes an amount of ₹ 355.56 Crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 16(v)).	There are disputes in six projects of the Company. The total exposure against these projects is ₹ 355.56 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 no.d of para 4	We invite attention to note No. 1(c)(i)(d) relating to the going concern assumption of the Sofinter S.p.A, group, in the unaudited financial statements for the 12 month period ended 31st December 2015. The management of sofinter has not evaluated the going concern assumption while preparing the financials of Sofinter group. The Gammon Group management has represented on the same saying that the going concern assumption is valid for the reasons mentioned in note no 1(c)(i)(d). In the absence of any definitive agreements for the identification of the investor and the terms of the agreement we are unable to comment upon the appropriateness of the going concern assumption in the preparation of the financial statements of Sofinter.	Based on the status of negotiation with the potential investor, the Board is confident about the 'Going Concern' status of Sofinter Group. Accordingly, the Company has consolidated the financials of Sofinter Group as an Associate on the basis of 'Going Concern'.
Clause e of para 4	We invite attention to note no 11C (ii) relating to the carrying value of the Goodwill of the equity interest in GIPL of ₹ 58.00 Crores. The market value based on the traded price as on March 31, 2016 is ₹ 270.25 Crores as against the carrying value in the two wholly owned subsidiary of ₹ 884.41 Crores. The management contends that the market price is not indicative of the intrinsic value of GIPL considering that the same is a strategic Investment. However in the absence of a detailed valuation of the intrinsic value of GIPL being carried out by the Management we are unable to comment whether any provision for diminution or impairment in the carrying amount of the goodwill relating to the equity interest of GIPL is required.	The market price is not indicative of the intrinsic value of Gammon Infrastructure Projects Limited considering that the same is a strategic Investment and being held for a long period of time. The diminution in the value is temporary in nature and does not require any provision for the same. Based on internal estimation the intrinsic value is above the carrying amount of the investment.
Clause no. f of para 4	We invite attention to note no 18(g), detailing the recognition of claims during the year ended 31 <sup>st</sup> March 2016 in respect of on-going, completed and/or terminated contracts aggregating to ₹ 1343.97 Crores but excluding amounts recognised in quarters before September 2015 of ₹ 313.25 Crores based on management estimates of reasonable realisation which were subject matter of our emphasis of matter in our earlier reports. These additional 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 eighteen-month period ended 31 <sup>st</sup> March 2016.	The Board 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.



Relevant Para No. of the Auditors' Report	Details of Audit Qualification	Board's explanation /remarks
<p>Clause no.g of Para 4</p>	<p>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 as follows.</p> <ol style="list-style-type: none"> <li>i. M/s SofinterS.p.A, Italy, a material Associate whose consolidated financial statements reflect the group's share of loss being ₹ 55.43Crores,</li> <li>ii. M/s Campo Puma Oriente S.A, Panama, a Subsidiary of the Company whose financial statements reflect Total Assets of ₹ 361.03 Crores, Revenue of ₹ 53.27 Crores for the period ended 31st December 2015. 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 31<sup>st</sup> December 2011.</li> <li>iii. M/s Ansaldoaldaie Boilers (India) Private Limited a Subsidiary of the Company whose financial statements reflect Total Assets of ₹ 107.24 Crores, Revenue of ₹ 16.38 Crores for the eighteen-month period ended 31<sup>st</sup> March 2016.</li> <li>iv. M/s Gammon Holdings (Mauritius) Limited a Subsidiary of the Company whose financial statements reflect Total Assets of ₹ 212.27 Crores, Revenue of Rs. Nil for eighteen month period ended 31<sup>st</sup> March 2016.</li> <li>v. M/s Ansaldoaldie GB Engineering Private Limited, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 61.15 Crores, Revenue of ₹ 4.57 Crores and Net Cash Flows of ₹ NIL, the groups share in the Total Assets being ₹ 30.58 Crores, Revenue being ₹ 2.28 Crores and Net Cash Flow of ₹ NIL..</li> <li>vi. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 213.04 Crores, Revenue of ₹ 239.63 Crores and Net Cash outflow of ₹ 1.68 Crores for the eighteen-month ended 31<sup>st</sup> March 2016, the groups share in the Total Assets being ₹ 108.65 Crores, Revenue being 122.21 Crores and Net Cash outflow of ₹ 0.85 Crores.</li> </ol> <p>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.</p>	<p>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 financial statements</p>
<p>Clause h of para 4</p>	<ol style="list-style-type: none"> <li>1. The auditors of one of the Subsidiaries M/s Gammon &amp; Billimoria LLC, Dubai have qualified their audit opinion for the eighteen month period ended 31<sup>st</sup> March 2016 regarding receivables of AED 2.70 Million (₹ 4.86 Crore) which is due to the Company as a sub-contractor. Since the said Company has back to back terms with the main contractor, the recoverability of the said amounts is dependent on successful outcome of the main contractor's dispute with the client, the auditors are of the opinion that substantial portion of the same should be considered as impaired ( Refer Note 16(iv)).</li> </ol>	<p>The management of the subsidiary company is confident about the recoverability of the above mentioned amount, and accordingly has not created any provisions for the same.</p>

## 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 6<sup>th</sup> May 2009. The Committee currently comprising of three (3) Independent Directors viz. (1) Mr. C. C. Dayal, (2) Mr. Naval Choudhary & (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 3<sup>rd</sup> 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 may 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.
- f. Independent Directors and non-Independent Directors may be paid sitting fees for attending meetings of Board and Committee Meetings of which they may be members and commission, if any, within regulatory limits as recommended by the Nomination and Remuneration Committee and approved by the Board.

They may also be entitled to all reasonable expenses incurred for attending Committee, Board and General Meetings.

## **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 consist 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
- (d) 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

- Name(s) of the related party and nature of relationship
- Nature of contracts /arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any:
- 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:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Consideration	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Transrail Lighting Limited (“TLL”) (Associate Company) *	Transfer of part of Transmission and Distribution Undertaking to TLL by way of a slump sale on a going concern basis.	Ongoing	1. Business Transfer Agreement (“BTA”) was executed between the Company (Seller) and Transrail Lighting Limited (TLL) (Buyer) on 27 <sup>th</sup> October, 2015 and its First Amendment executed on 12 <sup>th</sup> February, 2016 for transfer of the following: <ol style="list-style-type: none"> <li>The division of conductor factory at Silvasa.</li> <li>The Tower Manufacturing facility excluding the tower testing and store of erection and stringing equipment) at Deoli, Nagpur along with all related assets, properties, debts aggregating to ₹ 3580 crores and all other liabilities pertaining thereto.</li> </ol> 2. Business Transfer is effective from 1 <sup>st</sup> January, 2016.	₹ 4,37,25,000/- to be discharged by TLL by way of issue of 275,000 Optionally Convertible Debentures (OCDs) of the face value ₹ 159 per debenture.	27 <sup>th</sup> October 2015 and 12 <sup>th</sup> February, 2016	N.A



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Consideration	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Transrail Lighting Limited (Associate Company).	Scheme of Arrangement between Gammon India Limited ('Transferor' / 'GIL') & Transrail Lighting Limited ('Transferee' / 'TLL') and their respective Shareholders and Creditors pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 (Scheme).	The Scheme would become effective upon receipt of various Approvals, inter-alia from the Stock Exchanges, Securities and Exchange Board of India, the Shareholders and Creditors of the Company, the High Court of Bombay.	The Scheme of Arrangement provides for the transfer and vesting into TLL of 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 and 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 T&D Undertaking with appointed date as 1 <sup>st</sup> January, 2016 or such other date as may be fixed or approved by the High Court.	Upon coming into effect of the Scheme, TLL will issue 7,25,000/- equity shares of ₹ 10/- each to GIL as consideration.	27 <sup>th</sup> October, 2015.	N.A
Gammon Engineers and Contractors Private Limited ("GECPL") (Wholly owned Subsidiary)	Transfer of part of the Civil Engineering, Procurement and Construction (EPC) Business of the Company essentially comprising of the EPC business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. including without limitation the execution capabilities in relation to the Civil EPC Business pertaining to "Identified Contracts" (including all contracts, agreements, licenses, engagements, financial instruments, commitments, other contractual arrangements and warranties thereunder including obligations under contracts which are surviving, relating exclusively to or in	Ongoing	Business transfer Agreement was executed on 21 <sup>st</sup> July, 2016 between the Company (Seller) and Gammon Engineers and Contractors Private Limited (Buyer) for transfer of Identified Business by way of a slump sale on going concern basis.	Consideration of ₹ 8,05,00,000/- to be charged, GECPL by way of issue of 23,00,000 equity shares of ₹ 10/- each at a price of ₹ 35 per equity share.	21 <sup>st</sup> July, 2016	N.A

# BUILDING FUTURE POSSIBILITIES



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Consideration	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
	connection or forming a part of the Civil EPC Business and which are getting sub-contracted under the slump sale and which will be transferred under a proposed Scheme of Arrangement, but excluding the Retained Business) (hereinafter referred to as the "Identified Business"), along with all the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, licenses and all liabilities, debts, obligations of all nature related to the Identified Business. **					
Gammon Engineers and Contractors Private Limited (Wholly owned Subsidiary)	Scheme of Arrangement between Gammon India Limited ('Transferor/GIL') and Gammon Engineers and Contractors Private Limited ('Transferee/ GECPL') and their respective Shareholders and Creditors pursuant to Sections 391 to 394 of the Companies Act, 1956 (Scheme) **	The Scheme would become effective upon receipt of various Approvals, inter-alia from the Stock Exchanges, Securities and Exchange Board of India, the Shareholders and Creditors of the Company, the High Court of Bombay.	The Scheme of Arrangement provides for the transfer and vesting into GECPL the transfer of Civil Engineering, Procurement and Construction ('EPC') undertaking of the Company essentially comprising of the Civil Engineering, Procurement and Construction business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the Civil EPC Undertaking with appointed date as 1 <sup>st</sup> July, 2016 or such other date as may be fixed or approved by the High Court.	Upon coming into effect of the Scheme, GECPL shall issue and allot 1,18,85,714 fully paid up equity shares of ₹ 10/- each to the Transferor Company.	21 <sup>st</sup> July, 2016	N.A

\* Approved by the Shareholders vide Postal Ballot dated 18<sup>th</sup> December, 2015.

\*\* Pending approvals from Shareholders, Lenders, High Court and all other statutory approvals.

# 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 Committee of Gammon India Limited ("the Company") was constituted by the Board of Directors of the Company at their meeting held on 3<sup>rd</sup> April, 2014.

The Committee comprises of four directors viz., Mr. Abhijit Rajan , Chairman and Managing Director along with Mr. Chandrahas Dayal, Mr. Naval Choudhary and Ms. Urvashi Saxena, Independent Directors as the members of the Committee. Mr. Chandrahas Dayal is the Chairman of the CSR 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 well being 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, 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 Swachh 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.



## Annexure “H”

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

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

The Company’s CSR policy is framed in such a manner to provide a contribution for the betterment of society where it operates, identify and implement the programmes mentioned in the Schedule VII of the Companies Act, 2013. The Policy also defines a monitoring mechanism and delegate powers to the CSR Committee and the Board of Directors for effective implementation of the CSR activities. However, during the 18 months period ended 31<sup>st</sup> March, 2016, the Company has not undertaken any CSR projects/ programs since the average net profits of the Company stood negative. The CSR policy is placed on Company’s website at the following link [www.gammonindia.com/investors/companyolicies/CSR policy](http://www.gammonindia.com/investors/companyolicies/CSR%20policy).

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

The CSR Committee comprises of Mr. Chandradas Dayal – Non-Executive and Independent Director (Chairman), Mr Abhijit Rajan, Chairman and Managing Director (Member) Mr. Naval Choudhary - Non-Executive and Independent Director (Member) and Ms. Urvasi Saxena - Non-Executive and Independent Director (Member).

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

(₹ in Crore)

Year	Profit/(loss)
1 <sup>st</sup> January, 2014 to 30 <sup>th</sup> September, 2014 (9 Months)	67.80
1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> December, 2013 (9 Months)	(765.91)
2012-13 (12 months)	(445.67)
<b>TOTAL</b>	(1143.78)
<b>Average</b>	(381.26)

**4. Prescribed CSR Expenditure (two percent, of the amount as 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 for the period from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016.

**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)
S. 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

\*Give details of implementing agency

**6. 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 period ended 31<sup>st</sup> March, 2016

S.No	Name of the Director	Designation	Ratio of Directors remuneration to Median remuneration
1	Mr Abhijit Rajan	Chairman and Managing Director	1:138
2	Mr. Digambar Bagde	Deputy Managing Director – T&D Business	1:29
3	Mr Rajul Bhansali	Executive Director – International Operations	1:18
4	Mr Ajit B. Desai	Executive Director & CEO	1:18
5	Mr Chandrahas C. Dayal	Non-Executive and Independent Director	1:1.3
6	Mr.Naval Choudhary	Non-Executive and Independent Director	1:1.1
7	Mrs. Urvashi Saxena	Non-Executive and Independent Director	1:1.4
8	Mr Jagdish Sheth	Non-Executive and Independent Director	1:0.5
9	Mr. Atul Kumar Shukla	Non-Executive and Independent Director	1:1.3
10	Mr Atul Dayal	Non-Executive and Independent Director	1:0.1

- 2) Percentage increase in remuneration of each director, CFO, CEO, CS and Manager  
There is no increase in remuneration of Directors and KMP's during the financial period ended 31<sup>st</sup> March, 2016.
- 3) Percentage increase in median remuneration of employees  
There was no increase in remuneration of employees during the financial period ended 31<sup>st</sup> March, 2016.
- 4) No. of permanent employees on rolls of the Company  
There are 2885 employees as on 31<sup>st</sup> March 2016 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 period ended 31<sup>st</sup> March, 2016.
- 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.
- 7) In terms of provisions of Section 197 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 30<sup>th</sup> 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 if employed throughout the year and not less than eight lakh fifty thousand per month, if employed for a part of financial year, forms part of Directors Report as a separate Annexure. The Directors Report alongwith the accounts is being 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 Company Secretary.



## Annexure "J"

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

#### A. Conservation of Energy:

Energy management & conservation is a topic of global concern today. With advancements in technology, it has become lot easier to conserve and manage available energy effectively. Along with previously proposed measures, Company has widened its scope in conserving energy in every possible way by initiating following measures:

- a. Proposing the use of LED Lighting system in place of conventional lighting system in Gammon House.
- b. Installation of occupancy sensors in conference & rest rooms.
- c. Installation of energy efficient equipment (Use of APFC control panels & VFD systems).
- d. Use of Auto Load Sharing System in D.G. plants.
- e. Video-conferencing for training & other purposes at sites & workshops.

#### B. Technology Absorption:

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

- a. Curved Hoist: The Company has successfully adopted the use of Rack and Pinion Curved Passenger Hoist at our Natural Draft Cooling Tower (NDCT) project. It is the safest one as it is a Positive drive mechanism.
- b. Pile Anchoring of Well at Signature Bridge: The Company has successfully used Reverse Circulation Drill (RCD) mechanism for Pile Anchoring of the well at Signature Bridge project, Delhi. The Company has also used BUMA 1820 RCD to drill Ø1200 mm pile of around 43m depth including 8m in hard rock to anchor the well.
- c. Tunnel Muck Loading: The Company has successfully adopted the technology of Tunnel Mucking system by Tunnel Loader to reduce the mucking time cycle by increasing the productivity. Two numbers of ITC Schaeff 312-H3 Tunnel Loader have been deployed for use at the Bajoli Holi project in the two longest phases, which will help to compress the project schedule substantially.
- d. Tunnel Version of Excavator for small Tunnel excavation: The Company has adopted and used the Tunnel version of Hyd. Excavator for mucking inside HRT. The Company is the first one to use Komatsu PC 130 Tunnel version of excavator with short Boom and Stick for mucking inside HRT of Ø6200mm, at Bajoli Holi HEP.
- e. Tower Crane Anchoring: Flexible Anchoring by Guy Rope arrangement with ground has been successfully done for the Terex Comedil CTT 331 HD23 Tower crane to increase the Free-standing height to 115 m at ISCON, Mayapur project.
- f. Fabrication of Tunnel Formwork: We have successfully fabricated the Steel Formwork of Ø6000 mm Full Round Telescopic type with 12m of Tunnel Shutter with Traveler. It has a special provision for the free movement of locos through the formwork, so that mucking and concreting can be done simultaneously.
- g. Galvanising of Permanent Structure: We have successfully done the In-house Galvanising of the Head Structure Assembly for the Intake well at Vizac Thermal Project.
- h. Passenger & Material Hoist: We have adopted the technology of High speed Man & Material shift for high-rises. We have installed Passenger & Material Hoist with 60 m/min speed for fast men & material shifting.
- i. Luffing Jib Tower Crane: We have adopted the technology of Luffing Jib Tower crane for High-rises and have successfully installed two numbers of 16.0 Ton capacity Luffing Jib Tower crane at Nathani Height, Mumbai.
- j. Re-floating and Grounding of Caisson: We have successfully implemented the principle of Air-Lift De-watering system to refloat the Caisson at Intake Jetty of Vizac Thermal Power project. The Caisson has been successfully lifted up to the required height from sea bed by the above said technique and towed to the desired location for grounding the same.
- k. High strength mass concrete: Successfully designed high strength mass concrete for vertical pumping upto 170m while controlling the max. core temperature of concrete.
- l. To design and fabricate single side climbing formwork for parabolic dome having 54-20 m dia: On completion of SS lining of huge parabolic dome with 54m base dia. and 30m height we require to cover it with 200mm thick RC concrete from outer face. To construct the shell we require to develop a mechanism which can provide construction ease and safety for workmen. We have developed our own concept to meet the requirement of construction. MS Strong back with self-occupied working platform and mason platform was designed to concrete 1.2m lift. Climbing formwork has been anchored to earlier set RCC by using retrievable anchor cone.



## 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 improved
4. Enhancement of quality

## 3. Innovation

Through efforts in innovation, Company has focused on following ideas:

1. Cost reduction through value engineering
2. 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.

(₹ in Crore)

	Current Period	Previous Period
Foreign Exchange Earnings	327.48	145.97
Foreign Exchange Outgo	115.25	113.04



# CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement and Regulation 34 (3) and Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we furnish below the Corporate Governance Report for the 18 months period ended 31<sup>st</sup> March, 2016.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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 practices of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the Listing Agreement and 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 and is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31<sup>st</sup> March, 2016, the Board of Directors comprises of 10 (ten) directors which includes a Chairman and Managing Director (Executive), 3 (three) Executive Directors and 6 (six) Non-Executive Independent Directors including one 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 strategising and realising 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he / she is a Director as per the disclosures made by all the Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than 7 (seven) listed companies and none of the Whole time Directors on the Board serve as an Independent Director in more than 3 (three) listed companies.

### (b) Changes in Board Composition

During the period 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016, Mr. Rajul Bhansali was re-appointed as an Executive Director - International Operations with effect from 30<sup>th</sup> March, 2015 and Mr. Ajit B. Desai was appointed as Executive Director and CEO effective from 18<sup>th</sup> December, 2014.

### (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 18 (eighteen) months period under review, the Company held 16 (sixteen) Board Meetings on 5<sup>th</sup> December, 2014, 18<sup>th</sup> December, 2014, 11<sup>th</sup> February, 2015, 13<sup>th</sup> February, 2015, 27<sup>th</sup> April, 2015, 14<sup>th</sup> May, 2015, 25<sup>th</sup> June, 2015, 14<sup>th</sup> August, 2015, 27<sup>th</sup> August, 2015, 27<sup>th</sup> October, 2015, 17<sup>th</sup> November, 2015, 17<sup>th</sup> December, 2015, 18<sup>th</sup> December, 2015, 12<sup>th</sup> February, 2016, 23<sup>rd</sup> March, 2016 and 31<sup>st</sup> March, 2016.

#### (d) Directors' Attendance Record and Directorships held

The names and categories of the Directors on the Board, their attendance at Board Meetings during the 18 (eighteen) months period 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 of the Director	Category of Directors/ Designation	No. of Board Meetings attended (01.10.2014 to 31.03.2016)		Attendance at last AGM. held on 24 <sup>th</sup> March, 2015	Directorships in other Companies in India** (as on 31 <sup>st</sup> March, 2016)	Committee Positions held (Other than Gammon India Limited)*	
		Held	Attended			Chairman	Member
Mr. Abhijit Rajan	Promoter Executive, Chairman & Managing Director	16	14	Present	2	NIL	NIL
Mr. Rajul Bhansali	Executive Director – International Operations	16	10	Present	2	NIL	NIL
Mr. Digambar Bagde	Deputy Managing Director (T&D business) - Executive	16	9	Present	3	NIL	NIL
Mr. Ajit B. Desai	Executive Director & CEO	16	9	Present	2	NIL	NIL
Mr. Chandrahas C. Dayal #	Non-Executive & Independent Director	16	14	Present	2	3	5
Mr. Atul Dayal	Non-Executive & Independent Director	16	2	Absent	3	NIL	1
Mr. Jagdish Sheth	Non-Executive & Independent Director	16	13	Present	1	NIL	NIL
Mrs. Urvashi Saxena	Non Executive & Independent Director	16	14	Present	2	NIL	2
Mr. Naval Choudhary	Non Executive & Independent Director	16	13	Present	5	NIL	2
Mr. Atul Kumar Shukla	Non Executive & Independent Director	16	16	Present	6	NIL	4

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

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

# Mr. Chandrahas C. Dayal and Mr. Atul Dayal are related to each other.

#### (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 matters placed before it. The Company Secretary conveys the decisions of the Board to the Senior Management to initiate action. The information as required under Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available to the Board. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the period under review.

#### (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.

Several sessions and programs were conducted for the Independent Directors where the senior management team of the Company updated the Directors on the industry scenario, project updates and systems and processes within the Company. Details of the familiarization programmes are available on the Company's website on [www.gammonindia.com](http://www.gammonindia.com) under the Investors Section.



### **3. BOARD COMMITTEES**

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

- (i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) 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 31<sup>st</sup> March, 2016 comprised of 4 (four) Non-Executive Independent Directors viz.:

- (1) Mr. Chandrahas C. Dayal (Chairman), (2) Ms. 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 G. Bade - Company Secretary acts as Secretary to the Committee.

###### **Terms of reference**

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are broadly as follows:

- a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors, secretarial auditors and fixation of their remuneration.
- c) Approving the payments to statutory auditors for any other services rendered by them.
- d) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, focusing primarily on:
  - Matters required to be included in the Director's Responsibility statement to be included in the Board Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Any changes in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on exercise of judgments by management;
  - modified opinion(s) in draft audit report;
  - Significant adjustments made in the financial statements arising out of audit;
  - The going concern assumption;
  - Compliance with accounting standards;
  - Compliance with listing and legal requirements concerning financial statements;
  - All related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.
- e) Reviewing with the management, 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 nonpayment 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 18 (eighteen) months period ended 31<sup>st</sup> March, 2016, 12 (Twelve) meetings of the Audit Committee were held on 4<sup>th</sup> December, 2014, 18<sup>th</sup> December, 2014, 13<sup>th</sup> February, 2015, 27<sup>th</sup> April, 2015, 14<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 27<sup>th</sup> October, 2015, 17<sup>th</sup> November, 2015, 17<sup>th</sup> December, 2015, 18<sup>th</sup> December, 2015, 12<sup>th</sup> February, 2016 and 31<sup>st</sup> March, 2016. Necessary quorum was present at all the meetings.

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

<b>Name of the Member</b>	<b>No. of Audit Committee Meetings attended</b>
Mr. Chandrahas C. Dayal – Chairman	11
Mr. Atul Dayal*	NIL
Ms. Urvashi Saxena	11
Mr. Naval Chaudhary	9
Mr. Atul Kumar Shukla	12

\*Mr. Atul dayal ceased to be a member of the Audit Committee effective from 5<sup>th</sup> December, 2014.

Mr. Chandrahas C. Dayal - Chairman of the Audit Committee was present at the previous Annual General Meeting held on 24<sup>th</sup> March, 2015.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Role of Stakeholders Relationship Committee is to consider and resolve the grievances of all security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.

**Composition**

The Stakeholders’ Relationship Committee comprises of 4 (four) Non-Executive Independent Directors viz.:

(1) Mr. Chandrahas C. Dayal (Chairman), (2) Mr. Atul Dayal, (3) Mr. Naval Choudhary and (4) Mr. Atul Kumar Shukla.

Ms Gita G. 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 including debenture holders.



### Stakeholders' Relationship Committee Meetings

During the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016 the Committee held 18 (eighteen) meetings on 22<sup>nd</sup> October, 2014, 7<sup>th</sup> November, 2014, 22<sup>nd</sup> November, 2014, 15<sup>th</sup> January, 2015, 18<sup>th</sup> March, 2015, 30<sup>th</sup> March, 2015, 10<sup>th</sup> April, 2015, 22<sup>nd</sup> April, 2015, 29<sup>th</sup> July, 2015, 7<sup>th</sup> August, 2015, 7<sup>th</sup> September, 2015, 29<sup>th</sup> September, 2015, 7<sup>th</sup> November, 2015, 15<sup>th</sup> February, 2016, 22<sup>nd</sup> February, 2016, 7<sup>th</sup> March, 2016, 15<sup>th</sup> March, 2016 and 29<sup>th</sup> March, 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	18
Mr. Atul Dayal	NIL
Mr. Naval Chaudhary	18
Mr. Atul Kumar Shukla	18

### Details of Investor Complaints

A total of 14 queries / complaints were 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 31<sup>st</sup> March, 2016, there were no pending letters / complaints. The status of Investors complaints received up to 31<sup>st</sup> March, 2016 is as stated below:

No. of Complaints received during the eighteen (18) months period ended 31 <sup>st</sup> March, 2016.	14
No. of Complaints resolved as on 31 <sup>st</sup> March, 2016.	14
No of Complaints pending as on 31 <sup>st</sup> March, 2016.	NIL
No. of pending share transfers as on 31 <sup>st</sup> March, 2016	NIL

### Name, Designation and Address of Compliance Officer

#### Ms. Gita G. Bade

Company Secretary  
Gammon India Limited  
'Gammon House', Veer Savarkar Marg,  
Prabhadevi, Mumbai - 400 025.  
E-mail id: [gita.bade@gammonindia.com](mailto:gita.bade@gammonindia.com)  
Telephone : 022 - 6115 3000.  
Facsimile : 022 - 2430 0221.

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

#### Mr. Nishad Datar

Assistant Manager - Secretarial  
Gammon India Limited  
'Gammon House', Veer Savarkar Marg,  
Prabhadevi, Mumbai - 400 025.  
E-mail id: [nishad.datar@gammonindia.com](mailto:nishad.datar@gammonindia.com)  
Telephone : 022 - 6115 3000.  
Facsimile : 022 - 2430 0221.

### (iii) Nomination & Remuneration Committee

#### Composition

The Nomination & Remuneration Committee comprises 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 G. 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 & Remuneration Committee Meetings

During the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016, the Committee held 2 (two) meetings on 18<sup>th</sup> December, 2014 and 12<sup>th</sup> February, 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
Ms. Urvashi Saxena	2
Mr. Naval Chaudhary	1

The Chairman of the Nomination & Remuneration Committee was present at the previous Annual General Meeting held on 24<sup>th</sup> March, 2015.

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

### Nomination & 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 Obligations and Disclosure Requirements) Regulations, 2015, 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 in enhancing Board’s overall performance in the challenging environment.

### Details of Remuneration paid to Directors during the period ended 31<sup>st</sup> March, 2016

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 18 (eighteen) months period ended 31<sup>st</sup> March, 2016 is as follows:

(Amount.in ₹)

Name of Director	Mr. Abhijit Rajan	Mr. Rajul Bhansali	Mr. Digambar C. Bagde	Mr. Ajit B.Desai
Salary	7,95,55,898	1,05,98,790	2,02,42,262	1,08,98,363
Perquisites*	1,14,51,600	15,27,066	1,44,622	9,44,766
Commission	Nil	Nil	Nil	Nil
Performance linked incentives	Nil	Nil	Nil	Nil
Total	#9,10,07,498	##1,21,25,856	2,03,86,884	###1,18,43,129
Tenure:				
From	14/02/1991	30/03/2003	09/07/2009	18/12/2014
To	**16/05/2019	**29/03/2018	**08/07/2017	17/12/2017
Shares of ₹ 2/- each held as on 31 <sup>st</sup> March, 2016	8172459	NIL	817472	4500

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

(Except Mr. Digambar C. Bagde whose perquisites includes only provident fund contribution)

\*\* As re-appointed from time to time.

# Pending approval of the Central Government.

## As approved by the Central Government vide letter dated 9<sup>th</sup> December, 2015.

### As approved by the Central Government vide letter dated 20<sup>th</sup> 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 18 (eighteen) months period from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 are given below:

(Amount.in ₹)

Name	Board Meeting	Committee Meeting*	Total
Mr. Chandradas C. Dayal	2,20,000	3,40,000	5,60,000
Mr. Atul Dayal	40,000	-	40,000
Mr. Jagdish Sheth	2,40,000	-	2,40,000
Ms. Urvashi Saxena	2,60,000	3,40,000	6,00,000
Mr. Atul Kumar Shukla	3,00,000	2,80,000	5,80,000
Mr. Naval Chaudhary	2,40,000	2,20,000	4,60,000

Note: (\*) includes Audit Committee, Review Committee of Independent Directors, Nomination & Remuneration Committee and Securities Allotment Committee.

#### Details of Shareholding of Non-Executive Directors as on 31<sup>st</sup> March, 2016

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



**(iv) Corporate Social Responsibility Committee**

The Board of Directors at its meeting held on 3<sup>rd</sup> April, 2014 constituted a “Corporate Social Responsibility Committee” (“CSR Committee”) as required under Section 135 of the Companies Act, 2013.

**Composition**

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

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

The Chairman of the Committee is Mr. Chandrahas C. Dayal

Ms Gita G. 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 of the Companies Act, 2013 and amendment 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.

**CSR Committee Meetings**

The Company held one meeting on 14<sup>th</sup> May, 2015 which was attended by all the members.

**(B) Non-mandatory Committees**

**(i) Review Committee of Independent Directors**

The Board in its meeting held on 25<sup>th</sup> 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 comprises 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 G. Bade - Company Secretary acts as Secretary to the Committee.

**Meetings**

During the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016, the Committee held 2 (two) meetings on 20<sup>th</sup> November, 2014 and 25<sup>th</sup> February, 2015.

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

Name of the Member	No. of Committee Meetings attended
Mr. Naval Chaudhary – Chairman	2
Mr. Chandrahas C. Dayal	2
Ms. Urvashi Saxena	2

**(ii) Securities Allotment Committee**

The Securities Allotment Committee was constituted by the Board of Directors in its meeting held on 27<sup>th</sup> October, 2015. The Committee was constituted for the purpose of allotment of securities, if any, including allotment of equity shares to the Lenders on account of conversion of their outstanding loans alongwith the interest into equity shares pursuant to the Notice of Conversion received from the Joint lenders on invocation of the Strategic Debt Restructuring.

**Composition**

As on 31<sup>st</sup> March, 2016, the Committee comprises of:

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



During the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016, 4 (four) meetings of Securities Allotment Committee were held on 29<sup>th</sup> December, 2015, 9<sup>th</sup> March, 2016, 10<sup>th</sup> March, 2016 and 16<sup>th</sup> March, 2016.

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

<b>Name of the Member</b>	<b>No. of Committee Meetings attended</b>
Mrs. Urvashi Saxena – Chairperson	3
Mr. Chandrahas C. Dayal	4
Mr. Ajit Desai	1
Mr Atul Kumar Shukla*	2

\* Mr. Atul Kumar Shukla was appointed as a member of the Committee on 12 February, 2016.

Ms. Gita G. 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**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 21<sup>st</sup> August, 2014, approved and adopted the Policy on Related Party Transactions. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

##### **ii. Policy on Material Subsidiaries**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 21<sup>st</sup> August 2014, approved and adopted the Policy on Material Subsidiaries. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

##### **iii. Whistle Blower Policy**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 21<sup>st</sup> August, 2014, approved and adopted the Whistle Blower Policy. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

##### **iv. Nomination & Remuneration Policy**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Nomination & Remuneration Committee, the Board of Directors, at its meeting held on 13<sup>th</sup> August, 2014, approved and adopted the Nomination & Remuneration Policy. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

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

Pursuant to Regulation 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, at its meeting held on 17<sup>th</sup> November, 2015, approved and adopted the Preservation of Documents & Archival Policy. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

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

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, at its meeting held on 17<sup>th</sup> November, 2015, approved and adopted the Determination of Materiality of Events or Information Policy. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

##### **vii. Corporate Social Responsibility Policy**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder and upon recommendation by the Corporate Social Responsibility (CSR) Committee, the Board of Directors, at its meeting held on 14<sup>th</sup> May, 2015, approved and adopted the CSR Policy. This Policy can be viewed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com) in the "Investors" Section.

#### **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](http://www.gammonindia.com). All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chief Executive Officer forms part of this Report.

(c) **General Body Meetings**

(i) **Location, Date and Time of Annual General Meetings held during the last 3 (three) Financial Years:**

AGM	Financial Year/Period	Date & Time	Venue
93 <sup>rd</sup>	9 months period ended 30 <sup>th</sup> September, 2014	24 <sup>th</sup> 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
92 <sup>nd</sup>	9 months period ended 31 <sup>st</sup> December, 2013	30 <sup>th</sup> June, 2014 at 4.30 p.m.	Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai - 400 025
91 <sup>st</sup>	2012 – 2013	24 <sup>th</sup> September, 2013 at 3.30 p.m.	Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai - 400 025

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

24 <sup>th</sup> March, 2015	<ul style="list-style-type: none"> <li>(i) Re-appointment of Mr Rajul A. Bhansali as Whole time Director of the Company designated as Executive Director, International Business.</li> <li>(ii) Appointment of Mr Ajit B. Desai as Whole-time Director of the Company designated as Executive Director &amp; Chief Executive Officer.</li> <li>(iii) Approval of existing material related party transactions entered into by the Company with its subsidiaries/ joint ventures for execution of infrastructure projects.</li> <li>(iv) Approval of existing material related party transactions entered into by the Company with its subsidiary Metropolitan Infrahousing Private Limited.</li> <li>(v) Approval of existing material related party transactions entered into by the Company with its subsidiary Campo Puma Oriente S.A.</li> <li>(vi) Approval of existing material related party transactions entered into by the Company with its subsidiary Franco Tosi Meccanica S.p.A.</li> </ul>
30 <sup>th</sup> June, 2014	<ul style="list-style-type: none"> <li>(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.</li> <li>(ii) Payment of remuneration aggregating to ₹ 60,000,000/- (Rupees Six Crores only) per annum to Mr. Abhijit Rajan-Chairman &amp; Managing Director for the period 1<sup>st</sup> January, 2014 to 31<sup>st</sup> March 2015, for the financial year 2015-2016 &amp; for a period from 1<sup>st</sup> April 2016 to 16<sup>th</sup> May, 2016.</li> <li>(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 1<sup>st</sup> January, 2014 until the remainder of his tenure i.e. 29<sup>th</sup> March, 2015.</li> <li>(iv) Appointment of Mr. Harshit Rajan, a relative of Mr. Abhijit Rajan – Chairman &amp; Managing Director of the Company to continue to hold office or place of profit in the Company, as Vice President – Procurement for a period of 3 (three) years effective 1<sup>st</sup> May, 2014.</li> </ul>
24 <sup>th</sup> September, 2013	<ul style="list-style-type: none"> <li>(i) Payment of remuneration of an amount not exceeding ₹ 4,500,000/- (Rupees Forty five Lakhs only) to Mr. Parvez Umrigar, Non – Executive Director for the financial year 2013-2014.</li> <li>(ii) Re-appointment of Ms. Ruchi Bagde, a relative of Mr. D.C. Bagde – Whole-time Director, as Management Trainee for a further period of 1 (one) year.</li> </ul>



**(iii) Resolution Passed by Postal Ballot during the period 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016:**

The following resolutions were passed by Postal Ballot of which results were declared on 18<sup>th</sup> December, 2015:

1. Special Resolution pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, to sell, dispose, hive-off and transfer conductor factory at Silvassa & tower manufacturing facility at Deoli to M/s Transrail Lighting Limited, a wholly owned subsidiary of M/s Gammon India Limited.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	211	64474307
Total number of electronic ballot forms received.	55	18495889
Number of invalid physical ballot forms.	11	50093
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	200	64424214
Number of valid electronic ballot forms.	55	18495889
Votes in favour of the resolution (both, physical & electronic)	236	82915847
Votes against the resolution (both, physical & electronic)	19	4256
Percentage of votes cast in favour of the resolution (both, physical & electronic): <b>99.99%</b>		
Percentage of votes cast against the resolution (both, physical & electronic) : <b>00.01%</b>		

The aforesaid resolution was passed with requisite majority on 18<sup>th</sup> December, 2015.

2. Special Resolution pursuant to the provisions of Clause 49 of the Listing Agreement for divestment of 75% stake held by the Company in the equity share capital of M/s Transrail Lighting Limited ("TLL") to M/s Bilav Software Private Limited.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	211	64474307
Total number of electronic ballot forms received.	55	18495889
Number of invalid physical ballot forms.	11	50593
Number of invalid electronic ballot forms.	0	0
Number of valid physical ballot forms.	200	64423714
Number of valid electronic ballot forms.	55	18495889
Votes in favour of the resolution (both, physical & electronic)	236	81814847
Votes against the resolution (both, physical & electronic)	19	1104756
Percentage of votes cast in favour of the resolution (both, physical & electronic): <b>98.67%</b>		
Percentage of votes cast against the resolution (both, physical & electronic) : <b>01.33%</b>		

The aforesaid resolution was passed with requisite majority on 18<sup>th</sup> December, 2015.

Mr. V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Company Secretaries 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**

- 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Amount.in ₹)

Financial Year	NSE	BSE
During the 9 (nine) months period 1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> December, 2013.	75,000	84,270
During the 9 (nine) months period 1 <sup>st</sup> January, 2014 to 30 <sup>th</sup> September, 2014.	20,000	Nil
During the 18 (eighteen) months period 1 <sup>st</sup> October, 2014 to 31 <sup>st</sup> March, 2016.	12,70,995	12,55,779
<b>Total</b>	<b>13,65,995</b>	<b>13,40,049</b>

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO Certification for the period ended 31<sup>st</sup> March, 2016.
- v. The Company has structured a Risk Management policy in terms of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The risk framework covers the management's approach and initiatives taken to mitigate a host of business and industry risk by identifying such risks and redefining processes, decision making authorities, authorisation levels, risk and control documentation etc. and reviewing these periodically and details of the same are set out in the MDA which forms part of the Annual Report.
- vi. Pursuant to the SEBI (Prohibition of Insider Trading), Regulations, 2015 for curbing insider trading in securities by insiders of the Company, the Board in its meeting held on 14<sup>th</sup> May, 2015 adopted the Insider Trading Code for Regulating, Monitoring and Reporting of Trading by Directors, Officers and Specified Persons. The Company Secretary Ms. Gita G Bade is the Compliance Officer for ensuring compliance with the provisions of the Code.
- vii. The Company is striving to adopt the discretionary requirements set out in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enhance Corporate Governance.

## 7. MEANS OF COMMUNICATION

- (a) Financial Results:** As required under the Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Quarterly and Half-Yearly Results of the Company and the Annual Audited accounts are published within the prescribed time. The financial results are published in two newspapers viz. Free Press Journal and Navshakti and also 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](http://www.gammonindia.com). Official announcements are sent to the Stock Exchanges through online portals.
- (c) Website:** The Company's corporate website [www.gammonindia.com](http://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 (MD&A) 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

## 9. NON-MANDATORY REQUIREMENTS

### Subsidiary Monitoring Framework

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

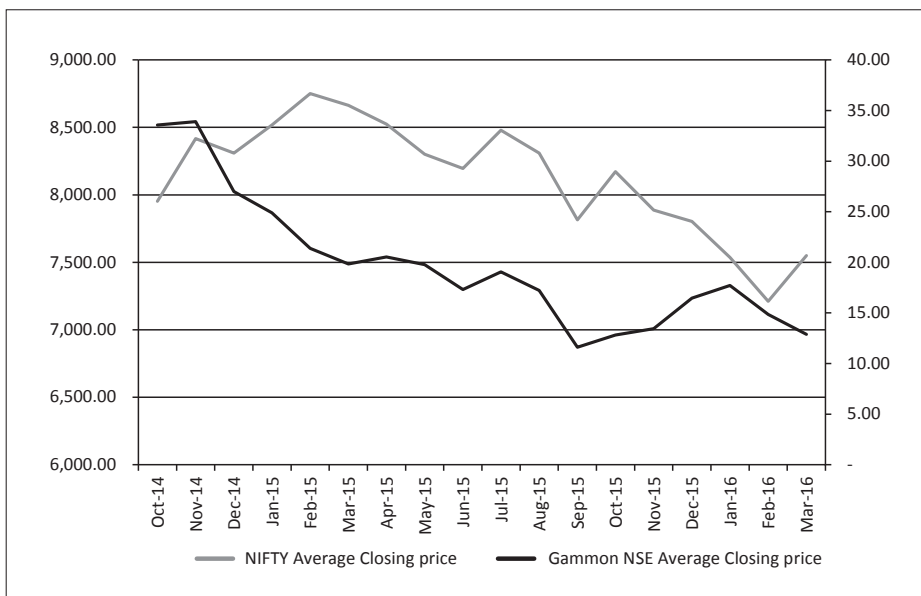
## 10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the 94 <sup>th</sup> Annual General Meeting	Wednesday, 21 <sup>st</sup> September, 2016, at 3.30 p.m at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai- 400025.
Financial Calendar for the year Starting from 1 <sup>st</sup> April, 2016 – 31 <sup>st</sup> March, 2017 (Tentative)	<ul style="list-style-type: none"> <li>• Results for the quarter ending 30<sup>th</sup> June, 2016 – Second week of September, 2016.</li> <li>• Results for half year ending 30<sup>th</sup> September, 2016 – Second week of November, 2016.</li> <li>• Results for quarter ending 31<sup>st</sup> December, 2016 – Second week of February, 2017.</li> <li>• Results for year ending 31<sup>st</sup> March, 2017– Second week or last week of May, 2017.</li> </ul>
Date of Book Closure	14 <sup>th</sup> September, 2016 to 21 <sup>st</sup> September, 2016 (both days inclusive)
Listing on Stock Exchanges: Equity Shares	<p>(i) BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai-400 001. Telephone: 022 - 2272 1233/34 Facsimile: 022 - 2272 1919 (Security code - 509550)</p> <p>(ii) 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)</p>
Listing Fees	Paid to the above Stock Exchanges for 18 (eighteen) months period ended 31 <sup>st</sup> March, 2016 and also paid for F.Y. 2016-17.
International Securities Identification No. (ISIN)	Equity: INE 259B01020
Registrar & Share Transfer Agent	M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai-400 078. Telephone: 022-2596 3838 Facsimile: 022- 2594 6969 e-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>
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 18 (eighteen) months period ended 31<sup>st</sup> March, 2016 on the Stock Exchanges.

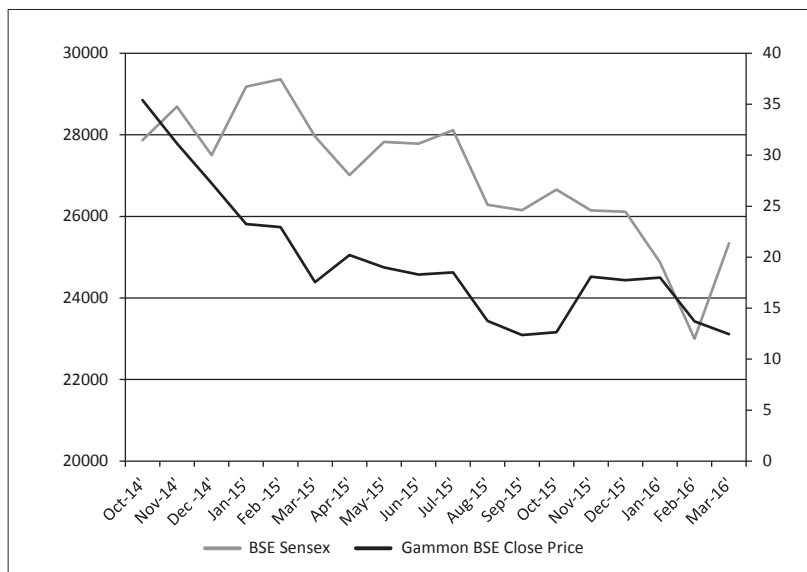
MONTH	BSE		NSE	
	High	Low	High	Low
October, 2014	36.90	29.60	36.90	29.55
November, 2014	37.00	30.70	37.00	30.75
December, 2014	32.35	22.45	32.35	22.35
January, 2015	30.00	22.35	30.15	22.30
February, 2015	24.30	18.65	24.30	18.50
March, 2015	24.10	16.25	24.10	16.15
April, 2015	24.90	16.90	24.90	16.90
May, 2015	22.00	18.40	21.90	19.30
June, 2015	20.25	15.70	20.25	15.55
July, 2015	20.65	17.00	20.70	16.90
August, 2015	21.80	13.50	19.90	13.15
September, 2015	14.40	10.75	13.65	10.65
October, 2015	13.59	11.95	13.70	11.80
November, 2015	20.38	10.78	20.40	10.30
December, 2015	19.80	13.80	19.75	13.85
January, 2016	21.50	14.65	21.50	14.60
February, 2016	18.95	12.00	18.90	12.05
March, 2016	15.50	10.35	15.50	10.75

**STOCK PERFORMANCE IN COMPARISON TO NIFTY**





**STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX**



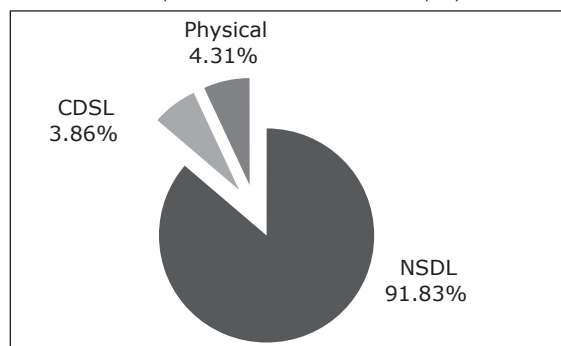
**11. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2016:**

Shareholding of Shares	No. of Shareholders	% of Total	Total Shares	% of Total
Upto - 500	30773	73.8812	48,09,417	1.3160
501 - 1000	4866	11.6825	41,27,687	1.1295
1001 - 2000	2745	6.5903	43,57,577	1.1924
2001 - 3000	977	2.3456	25,61,168	0.7008
3001 - 4000	460	1.1044	16,74,648	0.4582
4001 - 5000	473	1.1356	22,64,889	0.6198
5001 - 10000	752	1.8054	56,74,138	1.5527
10001 - and above	606	1.4549	339,979,085	93.0306
<b>TOTAL</b>	<b>41652</b>	<b>100.000</b>	<b>365,448,609</b>	<b>100.000</b>

**12. DEMATERIALISATION OF SHARES AS ON 31<sup>ST</sup> MARCH 2016:**

Particulars	No. of Equity Shares	% of Share Capital
NSDL	335,581,546	91.83
CDSL	14,096,441	3.86
Physical	15,770,622	4.31
<b>Total</b>	<b>365,448,609*</b>	<b>100.000</b>

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





### 13. TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2016

Sr. No.	Name of the Shareholder	Category	No. of shares	% of Shareholding
1	Canara Bank-Mumbai	Public	52,814,769	14.45
2.	ICICI Bank Limited	Public	39,696,547	10.86
3.	Punjab National Bank	Public	24,209,101	6.62
4.	Syndicate Bank	Public	22,696,508	6.21
5.	Bank of Baroda	Public	22,104,507	6.05
6.	Allahabad Bank	Public	19,582,216	5.36
7.	Pacific Energy Private Limited	Pramoter Group	18,013,015	4.93
8.	IDBI Bank Limited	Public	14,053,827	3.84
9.	Oriental Bank of Commerce	Public	12,389,240	3.39
10.	Devyani Estate And Properties Pvt. Ltd.	Pramoter Group	12,182,805	3.33

### 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 (Contract Value above ₹ 300 Crore) & PLANT LOCATIONS

#### A) ONGOING PROJECT SITES

Sr. No.	Name of the Project
1.	Construction of Four Laning of Udhampur - Ramban section of NH - 1A of the State of Jammu & Kashmir under NHDP Phase – II
2.	Construction of Coffor Dams, Diversion Tunnel, Concrete Dam- Bajoli Holi HEP, Himachal Pradesh, India – Lot 1 & Civil Works for Bajoli Holi – Hydro Electric Project – Himachal Pradesh Lot 2
3.	Bihar Elevated Road Corridor Project (Gangapath)
4.	Hajipur Muzaffarpur Road Project – Bihar
5.	Kalpakkam Projects - Tamilnadu
6.	NDCT & Cooling Water Pump at Rawatbhata Rajasthan
7.	Kalwakurthy Lift Irrigation Scheme, Andhra Pradesh
8.	Design, Engineering, Procurement of materials & Construction of Offshore Container Terminal (OCT) in Mumbai Harbour - Mumbai Port Trust
9.	Widening and strengthening to 4-lane of existing National Highway No. 57 in the State of Bihar on East West Corridor under NHDP, Phase-II
10.	Channelising of Gomti River
11.	Punatsangchhu – II Hydroelectric Project, Bhutan
12.	Construction of New Brahmaputra Bridge near Guwahati NH-31 in State of Assam
13.	Construction of Steel Superstructure and other Ancillary Works of Rail-Cum-Road Bridge across River Ganga at Munger, Bihar
14.	400KV DC Quad Line From Veeramanur – Ottiampakkkam, Tamilnadu
15.	Construction of well foundation and Sub-structure of Bogibeel Rail- cum- Road Bridge across the river Brahmaputra near Dibrugarh
16.	765 KV D/C Raipur Pooling Station – Wardha II, Maharashtra
17.	Kaliabor Tiniali Dolabori Road Project including Brahmaputra Bridge under Phase A – Assam
18.	Pokaran Water Supply Project in Jodhpur, Rajasthan
19.	Yamuna Downstream Bridge Wazirabad (Signature), New Delhi



Sr. No.	Name of the Project
20.	Improvement/ Upgradation of Dumuria-Imamganj-Sherghati-Karamain-Mathurapur – Guraru – Ahiyapur – Tikari - Mau-Kurtha- Kinjar - Paligunj- Ranitalab Road, Bihar
21.	Construction of Bridge and its Approaches River Yamuna Downstream of Existing Bridge at Wazirabad, Delhi
22.	Construction, operation and maintenance of balance works for 4 laning of the stretch of NH-17B from Varunapuri to Sada Junction in the State of Goa
23.	Improvement/ Upgradation of Birpur – Balua - Jadia Mirgun- Muligunj- Udaikishangunj Road SH- 91, Bihar
24.	800 KV HVDC Champa-Kurukshetra Transmission line
25.	Design & Construction of Complete new 107 MLD Capacity Potable Water Supply Infrastructure Project, Guwahati City (South Guwahati Western Part)
26.	Construction of Seven (07) Stations Including Related Works in New Garia-Airport Metro Corridor of Kolkata metro Railway Line
27.	Construction of Headrace Tunnel work of Mangdechhu Hydroelectric Project Bhutan.
28.	Civil & Structural Steel works for 2 X 600 MW Thermal Power Project near Tutucorin in Tamilnadu
29.	Jawai Water Supply Project in Jodhpur, Rajasthan
30.	Civil works at Vyasi HE Project (120MW) in District Dehardun, Uttarakhand
31.	Civil work at Parbati HEP – 11, Haryana
32.	Civil works and Architectural Finishes for high-rise Building “NATHANI HEIGHTS”, Mumbai Central, Mumbai-400 008
33.	500 KV Overhead Lines Aquina to Shebargan and 220 KV Overhead Lines Shebargan to Mazar-e-Sharif, Afghanistan.
34.	Design & Testing for – 1. 765 KV SC Raigarh (Kotra) – Champa (Pool), 2. 765 KV SC Champa (Pool) – Dharamjaigarh, 3. 765 KV DC LILO of Aurangabad – Padghe at Pune, 4. 400 KV DC Gwalior – Morena, 5. Vindhyachal – Vindhyachal 400 KV DC (Quad), 6. 765 SC Sasan UMPP – Vindhyachal, Adani.

**B) PLANT LOCATION**

**1. Delhi Workshop :**

Gammon India Limited  
Opp. Gurudwara Balasahib, Bhagwan Nagar, New Delhi- 110 014

**2. Taloja Workshop :**

Gammon India Limited  
Plot no. 7 MIDC - Taloja, Dist. Raigad - 410 208

**3. Butibori Workshop :**

Gammon India Limited  
Central Workshop, Plot no. G-56 M.I.D.C., Butibori Nagpur - 441 122

**4. Ranchi Workshop :**

Gammon India Limited  
Ranchi-Tata Road, Sidraul, Palandu Namkum, Ranchi - 834 010

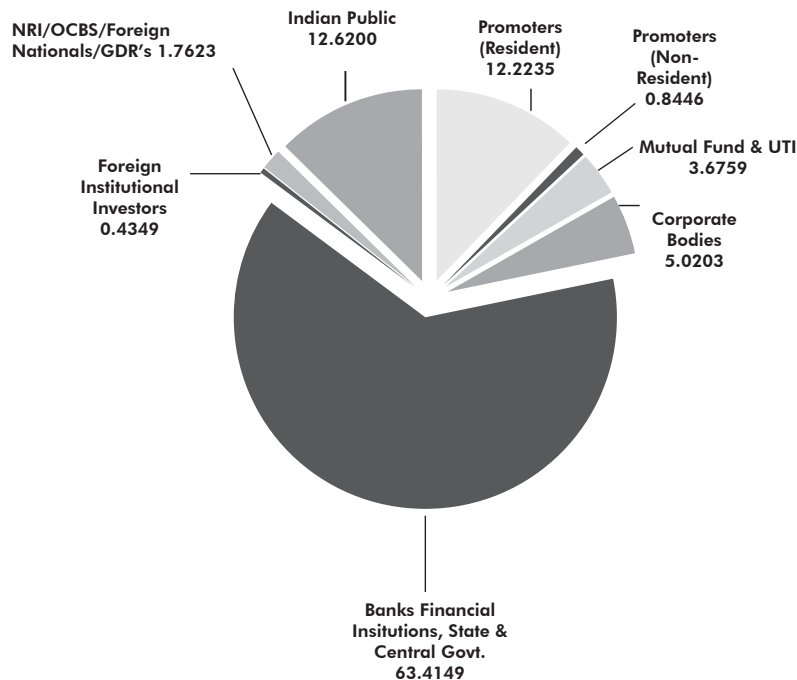
**16.ADDRESS FOR CORRESPONDENCE**

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

### 17. CATEGORIES OF SHAREHOLDERS: (AS ON 31<sup>st</sup> MARCH 2016)

Sr. No.	Category	No of Shares	Percentage
<b>Promoter Holding</b>			
1.	Resident	44,670,719	12.2235
2.	Non – Resident	3,086,435	0.8446
<b>Non-Promoter Holding</b>			
3.	Mutual Fund & UTI	13,433,517	3.6759
4.	Corporate Bodies	18,346,758	5.0203
5.	Banks, Financial Institutions, State & Central Govt	231,748,977	63.4149
6.	Foreign Institutional Investors	1,589,217	0.4349
7.	NRIs /OCBs/Foreign Nationals/GDRs	6,440,267	1.7623
8.	Indian Public	46,132,719	12.6200
<b>GRAND TOTAL</b>		<b>365,448,609 *</b>	<b>100.0000</b>

\* 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made in the Corporate Governance Report. Company has obtained Certificate from M/s. V. V. Chakradeo & Co. Practising Company Secretary (COP - 1705) regarding compliance with the conditions of Corporate Governance and which is annexed to this Report.



**To,  
The Members of  
Gammon India Ltd.**

**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 - Executive Director and CEO 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 18 (eighteen) months period ended 31<sup>st</sup> March, 2016.

For **GAMMON INDIA LIMITED**

**AJIT B. DESAI  
EXECUTIVE DIRECTOR &  
CHIEF EXECUTIVE OFFICER**

Mumbai, July 21, 2016

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**CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE**

**To,  
The Members of  
Gammon India Ltd.**

We have examined the compliance of conditions of Corporate Governance by Gammon India Ltd. ('the Company'), for the 18 (Eighteen) months period ended on 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement entered in to by the Company with the Stock Exchanges and 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 Clause 49 of the Listing Agreement and SEBI (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**

Mumbai, July 21, 2016

**V. V. Chakradeo  
COP 1705**

# INDEPENDENT AUDITORS' REPORT

To  
The members of  
**Gammon India Limited**

## 1. Report on Financial Statements

We have audited the accompanying Financial Statements of Gammon India Limited ("the Company"), which comprises of the Balance sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period October 01, 2014 to March 31, 2016 ("Period"), and a summary of significant accounting policies and other explanatory notes.

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 financial statements of the Nagpur Branch include total assets of Rs. 1118.29 crores and total revenues of Rs. 1277.63 crores for the eighteen-month period ended 31st March 2016. The financial information of the aforesaid branch has been audited by the Branch Auditors whose report has been received by us. Our conclusion so far as transactions of the said Branches are concerned, is based solely on the Auditors' Report of the Branch Auditor.

## 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## 4. Basis of Qualified Opinion

- a. We invite attention to note no 33(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. 892.19 crores as at 31st March 2016 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 period ended 31st March 2016.

- b. We invite attention to note no 32, detailing the recognition of claims during the year ended 31st March 2016 in respect of on-going, completed and/or terminated contracts aggregating to Rs. 1343.97 crores including a further claim of Rs. 300 crores during the quarter ended 31st March 2016 but excluding amounts recognised in quarters before September 2015 of Rs. 313.25 based on management estimates of reasonable realisation which were subject matter of our emphasis of matter in our earlier reports. These additional 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 ended 31st March 2016 and the eighteen-month period ended 31st March 2016.
- c. We invite attention to note no 33(e), As reported by the branch auditors, the exposure of the Company through the Branch in SAE Powerlines Srl, Italy ("SAE"), a subsidiary of the Company and ATSL BV, Netherlands, the holding company of SAE, towards investments, loans, including guarantees towards the acquisition loan taken by the SPV are Rs. 196.84 crores. The Branch has made provision for impairment of investments and Loan aggregating to Rs. 62.52 crores and provision of Rs. 88.29 crores for risk and contingencies for corporate guarantees for acquisition loan of the SPV and thus, the net exposure of the Branch is Rs. 46.03 crores. The Branch has a further net exposure of Rs. 139.48 crores after provision of Rs. 65.57 crores towards receivables due from SAE, which are outstanding for a long time. The Company had carried out a valuation of the business of SAE by an independent valuer in September, 2014, who determined an enterprise value of Rs. 71.34 crores, which however is not updated to cover the present financial position. In the absence of a fresh valuation of the business of SAE and in the absence of audited financial Statements of SAE for the period ended 31st December 2015, we are unable to comment whether further impairment provision is required with respect to the total net exposure of the Branch of Rs. 185.51 crores in respect of loans, investment and receivables.
- d. The Company's Application for managerial remuneration aggregating to Rs. 26.29 crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December 2013 and 30th September 2014 and for the current eighteen months ended 31st March 2016 for want of NOC from the CDR lenders. The MCA has directed to recover the excess remuneration or make an application for waiver. The Company had once again made applications to the Ministry for the aforementioned periods on obtaining the NOC from the CDR Lenders. The Board however on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. Pending the same no adjustments have been made for the amount of Rs. 26.29 crores. In the absence of the final decision of the MCA pursuant to the application being made by the Company we are unable to ascertain the impact on profits on this account for the eighteen-month period ended 31st March 2016 (Refer Note 23(a)).
- e. Trade receivables and loans and advances includes an amount of Rs 355.56 crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 35(iv)).
- f. The Company has given unsecured loans of Rs. 19.83 crores to its joint ventures as a lead partner for which it does not have any prior approval of the members (refer Note 12(vi)).
- g. We invite attention to note no 11A(f) relating to the decision for sale of 30% interest of Gammon Infrastructure Projects Limited (GIPL) held through two wholly owned subsidiaries and its consequent classification and valuation in these financial statements. The carrying value of the equity interest in GIPL is Rs. 884.41 crores held through the two wholly owned subsidiaries. The current market value based on the traded price as on March 31, 2016 is Rs. 270.25 crores. The management contends that the market price is not indicative of the intrinsic value of GIPL considering that the same is a strategic Investment. However in the absence of a detailed valuation of the intrinsic value of GIPL being carried out by the Management we are unable to comment whether any provision for diminution or impairment in the carrying amount of the equity interest is required.

## **5. Qualified Opinion**

Except for the possible effects of the matter mentioned hereinabove in the basis of qualified opinion, in our opinion and to the best of our information and according to the explanations given to us, the standalone 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 state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the period October 01, 2014 to March 31, 2016.

## 6. Emphasis of Matter:

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

- (a) We draw attention to Note no 35(i), 35(ii) and 35(iii) of the Statement relating to recoverability of an amount of Rs. 135.75 crores as at 31st March 2016 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs. 153.29 crores and Rs. 155.03 crores where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.
- (b) Note no 36 detailing that the lenders have invoked Strategic Debt Restructuring and have converted part of their principal and interest outstanding into equity shares and as part of the SDR scheme is in the process of approving the restructuring scheme, which includes carving out the EPC business, and the T & D business into separate entities wherein new investors would be invited to take control as detailed in the Note. Pending the same due to the liquidity situation and the continuing losses the Company is unable to meet its various liabilities on time. These conditions, along with other matters as set forth in the Note, indicate the existence of a significant uncertainty as to timing and realisation of cash flow to support the going concern assumption and operations of the Company.
- (c) The Company as detailed in Note 33(b) has exposure of Rs. 887.82 crores towards the combined stake of 67.50 %, which includes 35% stake which is under process of being transferred in favour of M/s Gammon Holding Mauritius Limited, wholly owned subsidiary of the Company, that is pending from a long time. Considering the combined stake held through two separate SPVs, the Company's exposure does not require any impairment which is supported by the order book position and valuation made by an independent valuer.
- (d) Note no 33(g) 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. The exposure of the Company in the said subsidiary is Rs. 411.67 crores net of provisions made. The company has received a valuation report for \$ 60 Million approximately from an independent merchant banker for its share. On the basis of this report and the other matters detailed in the note the management is confident that there will be no provision required for impairment
- (e) Note no 12(v) G&B Contracting LLC where the management has made assertions about the investment and reasons why the same does not require any provision towards diminution in the value of investment and loans provided. Relying on the assertions no adjustments have been made in the financials towards possible impairment.

## 7. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2015 ("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.
- B. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us. As stated above we have received the audit report of the branches not visited by us from the branch auditors.
  - (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 proviso to that sub-section and the same has been properly dealt with it in preparing our report.
  - (d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (e) In our opinion, *except for the possible effect of the matters mentioned in the basis of qualified opinion paragraph*, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (f) *The matters mentioned in the basis of qualified opinion paragraph and the matters mentioned in paragraph (b) of the emphasis of matter paragraph, relating to the matter of significant uncertainty in the timing and realisation of cash flows, may have an adverse impact on the functioning of the Company.*
- (g) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
- (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 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 41 to the financial statements.
  - ii. The Company has provided for all material foreseeable losses arising out of long-term contracts including derivative contracts..
  - iii. The Company has to transfer amount of Rs. 0.33 Crore to the Investor Education and Protection Fund during the year.

For **Natvarlal Vepari & Co.**

Firm Registration Number: 106971W

Chartered Accountants

**N Jayendran**

Partner

M.No. 40441

Place: Mumbai

Dated: June 17, 2016



## ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies were identified on such verification except assets at some of their terminated sites where the access to the assets are presently prohibited and the matter is under dispute. The total value of assets at such sites is Rs. 23.56 crores (Net WDV).
- (ii) (a) Inventories, being project materials have been physically verified by the management at reasonable intervals during the year. 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 explanation given to us, the Company has granted unsecured loan to 5 parties covered in the register maintained u/s 189 of the Companies Act 2013. In respect of such loans;
  - (a) Loans granted during the year amounts to Rs. 889.48 crores and the amount outstanding as at the end of the year is Rs.907.17 crores. As per the terms of the loan the same is given for long term and hence the repayment of interest and loan is not due as at Balance sheet date.
  - (b) Since repayment of aforesaid loans is not due, there is no overdue amounts for more than Rs one lakhs 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.
- (iv) In our opinion and according to the information and explanations given to us, the implementation of the *internal control procedure and assessment of risks in respect of the sub-contract and other site expenditure, material reconciliations, purchases needs strengthening to make it commensurate with the size and nature of its operations*. In respect of the purchase of fixed assets and sale of goods and services the internal control procedures are commensurate with the size of the Company and the nature of its business. *The weakness with respect to the adherence to the Internal control procedures for above referred activities are still continuing as at the Balance Sheet date which were reported upon in the previous audit reports.*
- (v) The Company has not accepted any deposits from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed thereunder. Therefore, the provisions of clause 3(v) of the Companies (Auditors Report) Order 2015 are not applicable to the Company. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) *The company has several instances of delay in depositing undisputed statutory dues including Provident Fund, Professional Tax, Employees State Insurance, works contract tax, Service tax/VAT, Cess and sales tax dues with the appropriate authorities observed on a test check basis. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to Rs 11.45 crores in case of Income Tax, Rs 1.62 crores in case of Provident Fund, Rs. 1.90 crores in case of Works contract tax, Rs.0.61 crores in case of Entry tax, Rs. 0.04 crores in case of Value added tax, Rs.0.34 crores in case of Professional tax, Rs. 0.01 crores in case of labour welfare fund , Rs 0.01 crores in case of Health Contribution Bhutan, Rs.0.26 crores in case of Employee's State Insurance Scheme, Rs 1.23 crores in case of Royalty and Rs.0.49 crores in case of Road tax 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 Rs 0.33 crores which is required to be transferred to Investor Education and protection funds.
- (viii) The Company has accumulated losses at the end of the financial period which is more than 50% of its network. *However, except for the possible effect of the matters mentioned in our basis of qualified opinion, the Company has not incurred cash losses during the current financial period and in the immediately preceding financial period.*
- (ix) 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 Rs 646.61 Crores for a period ranging from 1 to 366 days. And Principal for the said facility amounts to Rs 231.98 Crores ranging from 16 to 366 days. The amounts of default on account of overdrawn of Cash credit facility was Rs.150.58 Crores as at March 2016. The amounts include the continuing defaults at balance sheet on repayment of interest and principal which is annexed to the financial statements.
- (x) According to the information and explanations given to us and the records examined by us, the terms and conditions of guarantee given by the Company for loan taken by its wholly owned subsidiary from bank are not prima facie prejudicial to the interest of the Company.
- (xi) Based on information and explanations given to us by the management, no fresh term loans were taken during the year except availing of working capital term loan which were applied for the business. Therefore the requirements of clause 4(xi) of the Companies (Auditors Report) Order, 2015 are not applicable.
- (xii) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the current eighteen month period.

For **Natvarlal Vepari & Co.**  
Firm Registration Number: 106971W  
Chartered Accountants

**N Jayendran**  
Partner  
M.No. 40441

Place: Mumbai  
Dated: June 17, 2016

**STATEMENT OF STATUTORY DUES OUTSTANDING ON ACCOUNT OF DISPUTES,  
AS ON 31ST MARCH 2016, REFERRED TO IN PARA 4(VI)(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	303.96	A.Y. 2006-07 to A.Y. 2011-12	CIT Appeal
Direct Tax		TDS Intimation U/s 200A	16.06	A.Y. 2007-08 to A.Y. 2015-16	Not yet Filled
Direct Tax		Joint Venture Assessment	10.85	A.Y. 2010-11 to 2013-14	CIT Appeal
	<b>Total</b>		<b>330.87</b>		
Excise	Karnataka Road Works / Thumkur Haveri 8712/13 and HDIL-Whispering Tower	As per C.E. Dept. RMC manufactured are taxable W.E.F. 1.3.2011. Our stand is that GIL is not in the business of manufacture and 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
Excise	Silvassa	Excise - Silvassa	13.94	April, 2011 to December, 2011	CESTAT, Western Region, Ahmedabad
Excise	Silvassa	Excise - Silvassa	1.07	July, 2008 to October, 2010	CESTAT, Western Region, Ahmedabad
Excise	Silvassa	Excise - Silvassa	2.41	April, 2010 to December, 2014	CESTAT, Western Region, Ahmedabad
Excise	Silvassa	Excise - Silvassa	0.52	September, 2014	CESTAT, Western Region, Ahmedabad
	<b>Total</b>		<b>18.04</b>		
Sales Tax	Andhra Pradesh	Reassessment matter	0.19	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	Gujarat	Dis Allowance Of Concessional Sales and TDS credit	2.64	2010-11	1st Appeal filed before Joint Commissioner of Appeals @ Vadodara.
Sales Tax	Madhya Pradesh	Entry Tax and VAT	0.12	2010-11	Audit
Sales Tax	Madhya Pradesh	VAT-EI/II transaction Disallow	0.97	2011-12	Appeal
Sales Tax	Bihar	Penalty	34.89	2008-09 and 2009-10	Bihar Commercial Tax Tribunal
Sales Tax	Bihar	Major disallowance of deduction claim and ITC	9.17	2010-11	Asst. Comm. Commercial Tax
Sales Tax	Bihar	Entry Tax levied on direct and indirect material	4.97	2010-11	Asst. Comm. Commercial Tax
Sales Tax	Bihar	Major disallowance of deduction claim and ITC	2.43	2011-12	Asst. Comm. Commercial Tax
Sales Tax	Uttar Pradesh	ITC of sand and Grit not allowed and Complete allowable deductions are not allowed	1.64	2008-09 and 2009-10	A C Appeal



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.	0.78	2003-04	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Same as above	1.88	2004-05	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Entry Tax on Vehicle, VAT levied on RMC rather than its components, whereas we have not purchased any RMC. Tax levied on structural steel which should be allowed as deduction.	3.09	2007-08	Additional Commissioner ,Appeal
Sales Tax	Uttar Pradesh	1. Disallowance of deductions. 2. Tax on higher rate of 13.5% instead of 5% 3. Tax on sale under section 6(2) of CST Act.	0.58	2010-11	Additional Commissioner ,Appeal
Sales Tax	Delhi	Disallowance on deduction claimed on Subcontractor TO and Labour and Service	19.60	2011-12	Objection has to be filled before J C
Sales Tax	Kerla	Interest payment against tax dues	0.38	1999-2000 to 2001-02	D C Sales Tax
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 and BST	5.84	2000 to 2002	Jt. Appeal / Tribunal
Sales Tax	Maharashtra	Lease Matter	0.19	1998-99 to 2001-02	Bombay High Court / Jt. Appeal
Sales Tax	Maharashtra	Disallowance of TO	3.89	2009-10	J C Appeal
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	0.25	2001-02	A C Appeal
Sales Tax	Orissa	Entry Tax	0.07	2007-12	A C Appeal
Sales Tax	West Bengal	Arbitrary demand	1.17	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax	West Bengal	Arbitrary demand	17.27	2008-09 and 2009-10	Revision Board
Sales Tax	West Bengal	Arbitrary demand	4.98	2007-08	Tribunal
Sales Tax	West Bengal	Arbitrary order	1.31	2007-08 (CST)	Tribunal
Sales Tax	West Bengal	Arbitrary demand based on prejudice about books of accounts is not reliable.	1.81	2012-13	JC Appeal
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C T
Sales Tax	Chattisgarh	Entry Tax, Sales Tax on Boulders and Sand / Dispute over Applicability of VAT Rate	0.38	1979-80 to 2007-08	Tribunal / D C Appeal
Sales Tax	Assam	Arbitrary Demand	0.64	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
Sales Tax	Gujarat	VAT - Gujarat	0.11	2007-08	GVAT Tribunal, Ahmedabad

Name of the Statute	State	Nature of the dues	Amount in Crore	Period to which it relates	Forum where Dispute is pending
Sales Tax	Gujarat	VAT - Gujarat	0.51	2008-09	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	VAT - Gujarat	0.30	2009-10	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	CST - Gujarat	7.64	2008-09	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	VAT and CST – Gujarat	0.37	2007-08	GVAT Tribunal, Ahmedabad
Sales Tax	Maharashtra	CST - Maharashtra	2.66	2008-09	Joint Commissioner, MVAT, Nagpur
Sales Tax	Jharkhand	VAT - Jharkhand	1.48	2009-10	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	CST - Jharkhand	0.77	2009-10	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	VAT - Jharkhand	2.56	2009-10	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	VAT - Jharkhand	1.03	2010-11	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	CST - Jharkhand	0.31	2010-11	Commissioner of VAT, Ranchi
	<b>Total</b>		<b>145.31</b>		
Service Tax	Mumbai / Jaigarh	Construction of port service is exempted only if it is construction of new port. Whereas GIL has rendered services in port which are already exit, hence tax is applicable.	-	2008-11	DGCEI
Service Tax	Various	Tax is payable under Consulting Engineering Services	1.91	2004 to 2009	DGCEI
Service Tax	Various	Tax payable on Advance Received	0.97	2008 to 2013	ST-1/ MUM / DIV-III.
Service Tax	Himachal Pradesh	Non registration under Public Relation Service and Tax on Consulting Engineer Services	0.11	2008 to 2011	ST-1/ MUM / DIV-III.
Service Tax	Banglore	Steel Supplied by Client	0.25	2006-2008	DGCEI
Service Tax	Banglore	Import of Services	0.01	2007-08	DGCEI
Service Tax		Service Tax	11.89	April, 2008 to January, 2009	Supreme Court, New Delhi
Service Tax		Service Tax	9.53	February, 2009 to September, 2009	Supreme Court, New Delhi
Service Tax		Service Tax	13.07	October, 2009 to March, 2010	Supreme Court, New Delhi
Service Tax		Service Tax	14.37	April, 2010 to March, 2011	Supreme Court, New Delhi
Service Tax		Service Tax	8.46	April, 2011 to March, 2012	Supreme Court, New Delhi
Service Tax	Gujarat	Service Tax – Gujarat	0.20	2006-07	CESTAT, Western Region, Ahmedabad
	<b>Total</b>		<b>60.77</b>		



# STATEMENT OF PROFIT AND LOSS

## FOR 18 MONTH PERIOD ENDED 31 MARCH 2016

(₹ in Crore)				
Particulars	Note No.	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014
<b>Total Revenue</b>				
Revenue from Operations (Net)	17	6,129.60		2,968.39
Less : Excise Duty	17	(52.65)		(59.76)
		6,076.95		2,908.63
Other Operating Revenue	18	70.05		58.36
Other Income	19	434.96		708.46
			6,581.96	3,675.45
<b>Expenses</b>				
Cost of Material Consumed	20	1,861.45		1,295.77
Purchase of Stock in Trade	21	147.19		164.37
Change in Inventory - Work In Progress and FG	22	407.87		46.24
Subcontracting Expenses		1,282.67		625.67
Employee Benefit Expenses	23	553.46		337.07
Foreign Exchange (Gain) / Loss	24	(13.68)		7.71
Finance Cost	25	1,038.29		452.72
Depreciation and Amortisation	26	254.16		81.85
Other Expenses	27	1,000.15		586.61
			6,531.56	3,598.01
<b>Profit / (Loss) Before Exceptional and Extraordinary Items</b>			50.40	77.44
Exceptional Items	28		27.90	-
<b>Profit / (Loss) Before Tax</b>			22.50	77.44
<b>Profit For the period from Continuing Operations</b>		174.72		235.85
Less : Tax Expenses		34.91		41.03
Current Tax		29.18		43.37
Prior period tax adjustment		20.53		-
Deferred Tax		(14.80)		(2.34)
<b>Profit / (Loss) From Continuing Operations After Tax (A)</b>			139.82	194.82
<b>Profit / (Loss) from discontinuing Operations</b>		(152.22)		(158.42)
Less : Tax Expenses		(27.04)		(31.39)
Current Tax		(2.47)		(28.42)
Prior period tax adjustment		12.70		-
Deferred Tax		(37.26)		(2.97)
<b>Profit / (Loss) from Discontinuing Operations After Tax (B)</b>	38		(125.18)	(127.03)
<b>Profit / (Loss) After Tax For The Period (A) + (B)</b>			14.64	67.80
<b>Earning Per Equity Share</b>	39			
Face Value Per Share			2.00	2.00
Basic EPS			0.89	4.99
Diluted EPS			0.89	4.97

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 : 17 June 2016

For and on behalf of the **Board of Directors**

**ABHIJIT RAJAN**  
Chairman and Managing Director  
DIN No. 00177173

**NAVAL CHOUDHARY**  
Non-Executive Director  
DIN No. 00192164

**VARDHAN DHARKAR**  
Chief Financial Officer

Mumbai, Dated : 17 June 2016

**AJIT B. DESAI**  
Executive Director and CEO  
DIN No. 00105836

**DIGAMBAR C. BAGDE**  
Deputy Managing Director - T&D Division  
DIN No. 00122564

**GITA BADE**  
Company Secretary



## CASH FLOW STATEMENT FOR 18 MONTH PERIOD ENDED 31 MARCH 2016

(₹ in Crore)

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	22.50	77.44
Adjustments for :		
Depreciation	254.16	81.85
(Profit) / Loss on Sale of Assets	(3.67)	(20.47)
(Profit) / Loss on Sale of Investments	(11.72)	(605.92)
Employees Compensation Expenses	-	(0.22)
Dividend Income	(0.05)	(0.10)
Interest Income	(369.44)	(78.43)
Interest Expenses	1,038.29	452.72
Foreign Exchange Loss / (Gain)	(0.65)	(0.80)
Excess Provision Written Back	(0.60)	-
Exceptional Items	27.90	-
Bad Debts Written off	28.55	2.77
Provision for Doubtful Debts / Advances / Contingency	75.25	68.55
	1,038.02	(100.05)
<b>Operating Profit Before Working Capital Changes</b>	1,060.52	(22.61)
Trade and Other Receivables	328.20	(51.65)
Inventories	444.34	29.44
Trade Payables	(33.94)	(30.33)
Other Receivables	(935.52)	86.14
Loan and Advances	(767.31)	27.92
	(964.23)	61.52
<b>CASH GENERATED FROM THE OPERATIONS</b>	96.29	38.91
Direct Taxes Paid	(83.67)	(59.94)
<b>Net Cash from Operating Activities</b>	12.62	(21.03)
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(73.92)	(36.80)
Other Bank Balances	(0.19)	-
Sale of Fixed Assets	10.26	37.99
Asset Transferred on account of Scheme		
Loans Given to Subsidiaries, Associates and Others	(668.14)	(52.53)
Loans Refund from Subsidiaries, Associates and Others	338.68	15.45
Other Bank Balances	(0.07)	20.11
Purchase of Investments :		
Subsidiary, Joint Ventures and Associates	(0.04)	0.00
Others	-	(0.36)
Sale of Investments :		
Subsidiary, Joint Ventures and Associates	2.33	711.53
Receivable from Subsidiary against Sale of Shares	-	(712.80)
Others	7.84	-



(₹ in Crore)

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Interest Received	186.74	5.21
Dividend Received	0.05	0.10
<b>Net Cash from Investment Activities</b>	<b>(196.47)</b>	<b>(12.10)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(955.41)	(339.94)
Dividend Paid (Including Tax)	-	(0.02)
Proceeds from Long Term Borrowings	105.19	366.59
Proceeds from / (Repayment of Short Term Borrowings)	1,087.61	26.99
<b>Net Cash from Financing Activities</b>	<b>237.39</b>	<b>53.62</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>53.54</b>	<b>20.49</b>
Balance as at 30 <sup>th</sup> September, 2014	81.95	61.58
Balance as at 31 <sup>st</sup> March, 2016	135.49	82.07
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>53.54</b>	<b>20.49</b>
<i>Note: Figure in brackets denote outflows</i>		
	<b>As At 31 Mar 16</b>	<b>As At 30 Sep 14</b>
Cash and Cash Equivalents	135.49	81.95
Effect of Exchange Rate Changes	(0.00)	0.12
Balance Restated Above	135.49	82.07
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 : 17 June 2016

For and on behalf of the **Board of Directors**

**ABHIJIT RAJAN**  
Chairman and Managing Director  
DIN No. 00177173

**NAVAL CHOUDHARY**  
Non-Executive Director  
DIN No. 00192164

**VARDHAN DHARKAR**  
Chief Financial Officer

Mumbai, Dated : 17 June 2016

**AJIT B. DESAI**  
Executive Director and CEO  
DIN No. 00105836

**DIGAMBAR C. BAGDE**  
Deputy Managing Director - T&D Division  
DIN No. 00122564

**GITA BADE**  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES

### A. Significant Accounting Policies :

#### 1 Basis of preparation of Financial Statements :

- (a) The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.
- (b) 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.
- (c) The accounting policies discussed more fully below, are consistent with those used in the previous year.

#### 2 Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known.

#### 3 Revenue Recognition :

- (a) On 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, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job.

Additional claims (including for escalation), which in the opinion of the management are recoverable on the contract, are recognised at the time of evaluating the job.

- (b) On supply of materials related to the transmission towers, revenue is recognised upon the delivery of goods to the client in accordance with the terms of contract. Sales include Excise Duty and other receivable from the customers but exclude VAT, wherever applicable.
- (c) Insurance claims are accounted for on cash basis.
- (d) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- (e) Dividend Income is accounted when the right to receive the same is established.

#### 4 Turnover :

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

Turnover also includes the revenue from the supply of material in the transmission tower contracts in accordance with the terms of contract.

#### 5 Joint Venture :

- (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 and advances or current liabilities.

#### 6 Research and Development Expenses :

All expenditure of revenue nature is charged to the Statement of Profit and Loss of the period. All expenditure of capital nature is capitalised and depreciation provided thereon, at the rates as applied to Other Assets of similar nature.

## 7 Employee Retirement Benefits :

Retirement benefits in the form of provident fund and superannuation is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year / period when the contributions are due.

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.

Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year on projected Unit Credit Method.

Actuarial gains / losses are immediately taken to Statement of Profit and Loss and are not deferred.

## 8 Fixed Assets and Depreciation :

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Revalued Assets are stated at the revalued amount. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use.

Depreciation for the accounting period is provided on :

- Straight Line Method, for assets purchased after 2<sup>nd</sup> April, 1987, at the rates specified in Schedule II to the Companies Act, 2013 based on useful life of Assets
- Written Down Value Method, for assets acquired on or prior to 2<sup>nd</sup> April, 1987, at the rates specified in Schedule II to the Companies Act, 2013 based on useful life of Assets
- Depreciation on revalued component of the assets is charged to Profit and Loss Account.
- Depreciation on assets used for construction has been treated as period cost.
- Depreciation on assets situated in countries outside India are accounted at the rates of depreciation prescribed as per the relevant local laws of such countries which are as follows :

Assets Category	Ethiopia	Kenya	Nigeria	Rwanda
Computers	25%	30%	-	50%
Computers Software	25%	-	-	-
Furniture and Fittings	20%	13%	10%	25%
Plant and Machineries	-	-	15%	-
Office Equipments	20%	-	15%	50%
Electrical fittings	-	-	15%	-
SPC Tools	20%	-	-	-
Vehicles	20%	-	-	-
Building / Store Cabin	-	-	-	-

Assets Category	Algeria	Bhutan	Yeman	Afghanistan
Computers	15%	15%	20%	-
Computers Software	-	-	-	-
Furniture and Fittings	15%	15%	20%	40%
Plant and Machineries	15%	0.15	-	-
Office Equipments	15%	15%	0.2	-
Electrical fittings	-	0.15	-	-
SPC Tools	15%	-	-	-
Vehicles	20%	15%	-	-
Building / Store Cabin	5%	0.15	-	-

- Intangible Assets are amortised uniformly over three years.

## 9 Impairment of 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 net selling



price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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 recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **10 Investments :**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

## **11 Cash and Cash Equivalents :**

Cash and Cash Equivalents in the Balance Sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

## **12 Inventories :**

- (a) 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.
- (b) Stores and Spares and material at construction site are valued and stated at lower of cost or net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
- (c) Work In Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.
- (d) Work In Progress from manufacturing operation is valued at cost and costs are determined on Weighted Average Method.
- (e) Finished Goods are valued at cost or net realisable value, whichever is lower. Costs are determined on Weighted Average Method.

## **13 Foreign Currency Translation :**

- (a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.
- (b) Current Assets and Current Liabilities are translated at the year end rate or forward contract rate.
- (c) Any gain or loss on account of exchange difference either on settlement or translation is recognised in the Statement of Profit and Loss.
- (d) Fixed Assets acquired in foreign currencies are translated at the rate prevailing on the date of Bill of Lading.
- (e) The transactions of branches at Kenya, Nigeria, Algeria, Bhutan and Italy are accounted as integral operation.
- (f) The exchange gain / loss on long term loans to non integral operations being subsidiaries are restated to Foreign Exchange Translation Reserve Account and will be transferred to the Statement of Profit and Loss in the year when the disposal or otherwise transfer of the operations are done.

## **14 Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

## **15 Employee Stock Option Scheme :**

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-Based Payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognised as deferred employee compensation and is charged to Statement of Profit and Loss on graded vesting basis over the vesting period of the options. The un-amortised portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding which is shown under Reserves and Surplus.

## 16 Taxation :

Tax expense comprises current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred Income Taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the Deferred Tax Assets and the Deferred Tax Liabilities related to the taxes on income levied by same governing taxation laws. Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all Deferred Tax Assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognised Deferred Tax Assets. It recognises unrecognised Deferred Tax Assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

The carrying amount of Deferred Tax Assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which Deferred Tax Asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## 17 Sales Tax / Cenvat Credit / VAT / WCT :

Sales Tax / VAT / Works Contract Tax on construction contracts are accounted on payment basis. The Cost of Material (inputs) is accounted at purchase cost net of Excise Duty and Value Added Tax, wherever applicable. The Excise Duty elements of materials (inputs) is debited to "Modvat Credit Receivable A/c" and Value Added Tax element of materials (inputs) is debited to "VAT Credit Receivable A/c", under the head "Loans and Advances". The Excise Duty and Value Added Tax payable on dispatch of goods are credited to "Modvat Credit Receivable A/c" and "VAT Credit Receivable A/c" by debiting the same to Excise Duty and Value Added Tax (Sales Tax), respectively in Statement of Profit and Loss.

## 18 Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, Customs, Income Tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

Contingent Assets are neither recognised nor disclosed in the financial statements.

## 19 Earning Per Share :

Basic and Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of Equity Shares outstanding during the period is adjusted for the effects of all dilutive potential Equity Shares.

## 20 Prior Period Items :

Prior period items are included in the respective head of accounts and material items are disclosed by way of notes to accounts.



**Statement of Significant Accounting Policies and Other Explanatory Notes -**

**B. Other Notes**

**1 Share Capital**

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

Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital :</b>				
Equity Shares of ₹ 2/- each	74,71,00,00,000	14,942.00	74,71,00,00,000	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	30,00,000	105.00	30,00,000	105.00
<b>Issued, Subscribed and Fully Paid-up Capital :</b>				
<b>Issued Capital</b>				
Equity Shares of ₹ 2/- each, Fully paid-up	36,63,03,349	73.26	13,73,55,208	27.47
<b>Subscribed and Fully Paid-up Capital</b>				
Equity Shares of ₹ 2/- each, Fully paid-up	36,47,22,809	72.94	13,57,74,668	27.16
<b>Share Forfeiture Account</b>				
Money received in respect of Right Shares of ₹ 10/- each forfeited	1,70,948	0.34	1,70,948	0.34
<b>TOTAL</b>		<b>73.28</b>		<b>27.50</b>

i) Issued Share Capital includes 7,25,800 shares of ₹ 2/- each 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 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	13,57,74,668	27.16	13,57,74,668	27.16
Add : Issued during the year	22,89,48,141	45.78	-	-
As at the end of the year	36,47,22,809	72.94	13,57,74,668	27.16

Pursuant to the invocation to SDR scheme, the bankers have converted an amount of ₹ 272.22 Crore being principal and interest outstanding in to Equity and have been allotted 22,89,48,141 Equity Shares of ₹ 2 each at a premium of ₹ 9.89 during the period representing 62.77% of the Equity Capital.

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

Name of Shareholder	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	1,80,13,015	4.93%	1,80,13,015	13.20%
Devyani Estate and Properties Private Limited	1,21,82,805	3.33%	1,21,82,805	8.93%
HDFC Trustee Company Limited - HDFC Infrastructure Fund	1,21,14,310	3.31%	1,21,14,310	8.87%
Abhijit Rajan	81,72,459	2.34%	81,72,459	5.99%
Canara Bank	5,28,14,769	14.45%	-	-
ICICI Bank	3,96,96,547	10.86%	-	-
Punjab National Bank	2,42,09,101	6.62%	-	-
Syndicate Bank	2,26,96,508	6.21%	-	-
Bank of Baroda	2,21,04,507	6.05%	-	-
Allahabad Bank	1,95,82,216	5.36%	-	-

**(d) Shares reserved under option to be given**

Nil (Previous Period NIL) Equity Shares have been reserved for issue as ESOP. Refer Note 34 for details of the ESOP shares and Scheme.

**(e) 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.

## 2 Reserves and Surplus

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>(i) Capital Redemption Reserve</b>	<b>105.00</b>	105.00
<b>(ii) Securities Premium Account</b>		
As per last Balance Sheet	1,031.69	1,031.69
Add: Share Allotted During the year	226.43	-
	<b>1,258.12</b>	1,031.69
<b>(iii) Debenture Redemption Reserves</b>		
As per last Balance Sheet	81.00	81.00
Less : Transferred to General Reserve	-	-
	<b>81.00</b>	81.00
<b>(iv) Revaluation Reserves</b>		
As per last Balance Sheet	108.66	111.02
Less : Depreciation on Revalued Assets	-	2.36
Less : Depreciation on Revalued Assets Transferred to General Reserve	2.16	-
	<b>106.50</b>	108.66
<b>(v) Share Option Outstanding Account</b>		
Employee Stock Option Outstanding	-	2.66
Less: for Lapse of ESOP	-	1.20
Less: Transferred to Securities Premium on exercise of ESOP	-	1.46
		-
<b>(vi) OTHER RESERVES</b>		
<b>a) General Reserve</b>		
As per last Balance Sheet	363.06	313.06
Add : Transferred from Revaluation Reserve	2.16	-
Add : Transferred from Special Contingency Reserve	-	50.00
	<b>365.22</b>	363.06
<b>b) Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	150.45	169.41
Add / (Less) : Arising out of current period	45.83	(28.76)
Less / (Add) : Reversed against provisions made	(3.32)	(9.80)
	<b>199.60</b>	150.45
<b>c) Special Contingency Reserve</b>		
As per last Balance Sheet	-	50.00
Less : Transferred to General Reserve (Refer Note 2(c))	-	50.00
		-
<b>d) Surplus / (Deficit)</b>		
Profit Brought Forward from last year	(775.32)	(843.12)
Add : Profit / (Loss) for the year	14.64	67.80
	<b>(760.68)</b>	(775.32)
<b>TOTAL</b>	<b>1,354.76</b>	1,064.54



- (a) The **General Reserve** is created to comply with the Companies (Transfer of Profit and Reserve Rules 1975).
- (b) The **Foreign Currency Translation Reserve** is created in terms of Accounting Standard 11 "The effect of changes in foreign exchange rates" issued under the Companies Accounting Standard Rules 2006.
- (c) Based on significant evaluation and progress of projects the management is of the opinion that amount kept under **Special Contingency Reserve** is no longer required and hence transferred to General Reserve.
- (d) 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 ₹ 9.15 Crore (*Previous Period ₹ 0.82 Crore*) being 15% of the amount of Debenture due for redemption before 31<sup>st</sup> March, 2017 as required by the aforesaid Circular in view of the financial crunch faced by the Company.

### 3 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Non Convertible Debentures</b>				
Placed with Banks and Financial Institutions	<b>251.35</b>	318.52	<b>36.07</b>	5.48
<b>Term Loans</b>				
Priority Loan	<b>511.91</b>	682.74	<b>117.51</b>	51.39
Rupee Term Loan (RTL) - 1	<b>671.31</b>	771.19	<b>61.11</b>	15.74
Rupee Term Loan (RTL) - 2	<b>417.98</b>	465.48	<b>38.00</b>	9.50
Rupee Term Loan (RTL) - 3	<b>308.00</b>	343.00	<b>28.00</b>	7.00
Funded Interest Term Loan (FITL)	<b>140.22</b>	254.60	<b>13.10</b>	5.19
Working Capital Term Loan (WCTL)	<b>519.99</b>	633.44	<b>29.29</b>	12.93
<b>Loans from Related Parties</b>				
Promoters	<b>100.00</b>	100.00	-	-
<b>TOTAL</b>	<b>2,920.76</b>	3,568.97	<b>323.08</b>	107.23
<b>The above amount includes</b>				
Secured Borrowings	<b>2,820.76</b>	3,468.97	<b>323.08</b>	107.23
Unsecured Borrowings	<b>100.00</b>	100.00	-	-
Amount disclosed under the head "Other Current Liabilities" (Note 9)			<b>323.08</b>	107.23

- (a) The Company's Corporate Debt Restructuring (CDR) package was approved by the CDR Empowered Group (EG) in its meeting held on 24<sup>th</sup> June, 2013 and communicated to the Company vide its letter of approval dated 29<sup>th</sup> June, 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24<sup>th</sup> 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 and 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 1<sup>st</sup> 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) 1<sup>st</sup> 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) 2<sup>nd</sup> 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) 1<sup>st</sup> pari-passu charge on Gammon House.
- 2) 2<sup>nd</sup> 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) 2<sup>nd</sup> 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) 3<sup>rd</sup> pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.
- 2) 3<sup>rd</sup> pari-passu charge on the Gammon House.

**Working Capital Term Loan (WCTL) -**

- 1) 1<sup>st</sup> 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) 2<sup>nd</sup> 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) 1<sup>st</sup> 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) 2<sup>nd</sup> 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) 1<sup>st</sup> pari-passu charge by mortgage of Gujarat Property and hypothecation over the pari-passu security with the Non Convertible Debentures.
- 2) 3<sup>rd</sup> pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.
- 3) 3<sup>rd</sup> 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.

**(c) 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<sup>st</sup> March, 2014 are converted to FITL.



**(d) Interest on Term Loans -**

The above mention term loans carry an interest rate which is MI base rate + 175 bps except in case of NCD which are as follows -

Non Convertible Debenture	(₹ in Crore)			
	As at 31 Mar 2016		As at 30 Sep 2014	
	Amount	Rate	Amount	Rate
	93.25	11.05%	100.00	11.05%
	98.92	9.50%	100.00	9.50%
	69.33	10.50%	74.00	10.50%
	50.00	9.95%	50.00	9.95%
<b>TOTAL</b>	<b>311.50</b>		<b>324.00</b>	

**(e) Repayment Term**

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

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

- Pledge of entire unencumbered Equity Shares (present and future) of GIL held by Promoters subject to section 19(2) and 19(3) of Banking Regulation Act including pledge of encumbered Equity Shares as and when such shares are released by the respective existing lenders.
- Personal guarantee of Mr Abhijit Rajan, Chairman and Managing Director.
- Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the JV agreement with developer.
- Undertaking to create pledge over shares of Nikhita Estate Developers Private Limited (Promoter group company), as and when they are released in the future.
- Corporate guarantee provided by Nikhita Estate Developers Private Limited ("Promoter entity")
- Pledge over the following shares -
  - 23% of Deepmala Infrastructure Private Limited
  - 100% of SEZ Adityapur Limited
  - 24% of Ansaldoaldai 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)

**(g) Maturity profile of Term Loans and NCD**

Period	(₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
Principal Overdue	65.34	-
With in 1 years	323.08	107.23
2 - 3 years	865.54	674.73
4 - 5 years	1,033.18	1,030.68
6 - 10 years	922.04	1,763.56
<b>TOTAL</b>	<b>3,209.18</b>	<b>3,576.20</b>

(h) For details of continuing defaults as at 31<sup>st</sup> March, 2016 and 30<sup>th</sup> September, 2014, Refer Annexure 1.

(i) 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 26<sup>th</sup> 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.

**(i) Transmission and Distribution (T&D) Business:**

The Joint Lender's Forum ("JLF") meeting convened on 17<sup>th</sup> November, 2015 and 16<sup>th</sup> December, 2015 and CDR EG meeting held on 23<sup>rd</sup> November, 2015 and 22<sup>nd</sup> January, 2016 approved the adoption of the Strategic Debt Restructuring scheme of the Company which inter alia entailed a carve out of Transmission and Distribution (T&D) Business with the entry of strategic investors. Pursuant to the same the Company, with effect from 1<sup>st</sup> January 2016, through a business transfer agreement, as detailed in discontinuing Note, transferred borrowings aggregating to ₹ 200.13 Crore to Transrail Lighting Limited ("TLL"). The Company also proposes to file with the Hon'ble High Court of Bombay a scheme of arrangement for transfer of the retained T&D facility as detailed in Note 49 whereunder borrowings aggregating to ₹ 93.21 Crore would be transferred to TLL. Pending approval of the scheme of arrangement the borrowings are continued in the books of the Company.

**4 Deferred Tax Liabilities / (Assets) (Net)**

(₹ in Crore)			
Particulars	As at 31 Mar 2016		As at 30 Sep 2014
<b>Deferred Tax Liability</b>			
Depreciation		70.46	99.29
<b>Deferred Tax Asset</b>			
Provision for Gratuity / Leave Salary	6.17		6.70
Disallowances u/s 43B including interest on bank loans	59.99		85.10
Foreign Exchange Translation Reserve	69.08		46.49
ICDS Adjustments	14.72		-
Provision for Doubtful Debts	55.25		43.69
		205.21	181.98
<b>Deferred Tax Liabilities / (Assets) (Net)</b>		<b>(134.75)</b>	<b>(82.69)</b>

**5 Other Long Term Liabilities**

(₹ in Crore)			
Particulars	As at 31 Mar 2016		As at 30 Sep 2014
<b>Trade Payables</b>			
Retention / Deposits	101.91		93.60
		101.91	93.60
<b>Others</b>			
Advances from Clients and Others	357.87		261.60
Margin Money Received	12.00		12.00
Others	33.50		14.00
		403.37	287.60
<b>TOTAL</b>		<b>505.28</b>	<b>381.20</b>

**6 Provisions**

(₹ in Crore)				
Particulars	Long Term		Short Term	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	0.25	1.49	5.72	3.50
Provision for Leave Encashment	9.29	11.73	2.57	5.25
<b>Others</b>				
Provision for Taxation Net of Taxes Paid	-	-	27.14	3.07
Provision for Risks and Contingencies	-	-	237.49	240.27
<b>TOTAL</b>	<b>9.54</b>	<b>13.22</b>	<b>272.92</b>	<b>252.09</b>

a) Provision for Risks and Contingencies represents provisions made towards probable encashment of guarantees where recovery thereof is remote (Refer Note 33) and towards expected losses in a contract.

b) Disclosure under Accounting Standard AS 29 - "Provisions, Contingent Liabilities and Contingent Assets" is as under -

(₹ in Crore)				
Particulars	Balance as on 1 Oct 2014	Addition During the period	Paid / Reversed During the period	Balance as on 31 Mar 2016
Provision for Risks and Contingencies	240.27	11.06	13.84	237.49
	<b>(184.38)</b>	<b>(55.89)</b>	(-)	<b>(240.27)</b>



**c) Disclosure relating to Employee Benefits as per Revised AS - 15**

(₹ in Crore)

	Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>(i)</b>	<b>Change in Benefit Obligation</b>		
	Liability at the beginning of the year	10.85	9.30
	Interest Cost	1.19	0.65
	Current Service Cost	1.30	1.77
	Past Service Cost (Non Vested Benefit)	-	-
	Past Service Cost (Vested Benefit)	0.20	-
	Benefit Paid	(3.69)	(1.73)
	Actuarial (gain) / loss on obligations	0.11	0.86
	Curtailements and Settlements	-	-
	<b>Liability at the end of the year</b>	<b>9.96</b>	<b>10.85</b>
<b>(ii)</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at the beginning of the year	5.86	6.25
	Expected Return on Plan Assets	0.70	0.40
	Past Service Cost	0.62	-
	Contributions	0.79	0.94
	Benefit Paid	(3.69)	(1.73)
	Actuarial gain / (loss) on Plan Assets	(0.21)	-
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>4.07</b>	<b>5.86</b>
	<b>Total Actuarial (gain) / loss to be Recognised</b>	<b>0.32</b>	<b>0.86</b>
<b>(iii)</b>	<b>Actual Return on Plan Assets</b>		
	Expected Return on Plan Assets	0.70	0.40
	Actuarial gain / (loss) on Plan Assets	(0.21)	-
	<b>Actual Return on Plan Assets</b>	<b>0.49</b>	<b>0.40</b>
<b>(iv)</b>	<b>Amount Recognised in the Balance Sheet</b>		
	Liability at the end of the year	9.96	10.85
	Fair Value of Plan Assets at the end of the year	(4.07)	(5.86)
	<b>Amount Recognised in the Balance Sheet</b>	<b>5.89</b>	<b>4.99</b>
<b>(v)</b>	<b>Expenses Recognised in the Income Statement</b>		
	Current Service cost	1.30	1.77
	Interest Cost	1.19	0.65
	Expected Return on Plan Assets	(0.70)	(0.40)
	Net Actuarial gain / (loss) to be Recognised	0.32	0.86
	Past Service Cost (Non Vested Benefit) Recognised	(0.42)	-
	Past Service Cost (Vested Benefit) Recognised	-	-
	Effect of Curtailment or Settlements	-	-
	<b>Expense Recognised in the Profit and Loss Account</b>	<b>1.69</b>	<b>2.88</b>
<b>(vi)</b>	<b>Balance Sheet Reconciliation</b>		
	Opening Net Liability	4.99	3.05
	Expenses as above	1.69	2.88
	Employers Contribution	(0.79)	(0.94)
	Effect of Curtailment or Settlements	-	-
	<b>Amount Recognised in the Balance Sheet</b>	<b>5.89</b>	<b>4.99</b>
<b>(vii)</b>	<b>Actuarial Assumptions</b>		
	Discount Rate Current	8.89%	8.89%
<b>(viii)</b>	<b>Investment Details</b>		
	Government Securities	43.50%	43.50%
	Debentures and Bonds	37.66%	37.66%
	Equity Shares	4.67%	4.67%
	Fixed Deposits	14.17%	14.17%
		<b>100.00%</b>	<b>100.00%</b>

Note :

- Employer's contribution includes payments made by the Company directly to its past employees.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 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.
- In the absence of data of experience adjustments, the same is not disclosed.
- The Company's Leave Encashment Liability is entirely unfunded.

## 7 Short Term Borrowings

The borrowings are analysed as follows :

	(₹ in Crore)	
Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>Loans Repayable on Demand :</b>		
Cash Credit from Consortium Bankers	1,912.11	1,060.77
<b>Loans and Advances from Related Parties :</b>	6.26	22.97
<b>Other Loans and Advances :</b>		
Buyers Credit	77.88	87.89
From Banks	166.57	-
Bill Discounting	-	5.50
	<b>244.45</b>	93.39
<b>TOTAL</b>	<b>2,162.82</b>	1,177.13
<b>The above amount includes</b>		
Secured Borrowings	2,078.68	1,060.77
Unsecured Borrowings	84.14	116.36

- Securities** - Cash Credit from Consortium Bankers :
  - 1<sup>st</sup> pari-passu charge on the entire Current Assets, Loans and Advances, Long Term Trade Receivables and Other Assets of the Company.
  - 2<sup>nd</sup> 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.
  - 2<sup>nd</sup> pari-passu charge on Gammon House.
- 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.
- Buyers Credit are secured by guarantee of consortium bankers.
- For details of continuing defaults as at 31<sup>st</sup> March, 2016 and 30<sup>th</sup> September, 2014, Refer Annexure 1.
- 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.
- Short term loan from consortium Bankers :
  - 1<sup>st</sup> pari-passu charge on the entire Current Assets, Loans and Claims of the Company.
  - The rate of interest on above loan is linked to Bank base rate +200 bps

### (vii) Transmission and Distribution (T&D) Business :

The Joint Lender's Forum ("JLF") meeting convened on 17<sup>th</sup> November, 2015 and 16<sup>th</sup> December, 2015 and CDR EG meeting held on 23<sup>rd</sup> November, 2015 and 22<sup>nd</sup> January, 2016 approved the adoption of the Strategic Debt Restructuring scheme of the Company which interalia entailed a carve out of Transmission and Distribution (T&D) Business with the entry of strategic investors. Pursuant to the same the Company, with effect from 1<sup>st</sup> January, 2016, through a business transfer agreement, as detailed in Note 49, transferred borrowings of ₹ 30 Crore to Transrail Lighting Limited ("TLL"). The Company has also filed with the Hon'ble High Court of Bombay a scheme of arrangement for transfer of the retained T&D facility as detailed in Note 49 whereunder borrowings aggregating to ₹ 181.80 Crore would be transferred to TLL. Pending approval of the scheme of arrangement the borrowings are continued in the books of the Company.



## 8 Trade Payables

Particulars	(₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
<b>Trade Payables</b>		
Outstanding dues of Micro, Small and Medium Enterprises	0.73	-
Outstanding dues of Other than Micro, Small and Medium Enterprises		
Retentions and Deposits	139.41	128.90
Others	1,017.45	1,310.02
<b>TOTAL</b>	<b>1,157.59</b>	<b>1,438.92</b>

- (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.

### Disclosure In accordance with Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	(₹ in Crore)	
	Amount in Crore 18 months 31 Mar 2016	Amount in Crore 9 months 30 Sep 2014
The principal amount and the interest due thereon remaining unpaid to any Micro, Small and Medium Enterprises as at the end of each accounting period		
Principal amount due	0.73	-
Interest due on the above	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 MSMED Act where payment has been made beyond appointed day during the year.	-	-
The amount of interest accrued and remaining un-paid at the end of the accounting period	0.09	-

## 9 Other Current Liabilities

Particulars	(₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
Current Maturities of Term Loan (Refer Note 3)	323.08	107.23
Principal Overdue (Refer Note (iii) below)	65.34	-
Advances from Clients	705.59	678.86
Interest Accrued and Due (Refer Note (ii) below)	172.86	91.78
Interest Accrued But Not Due	29.02	27.22
Unpaid Dividends (Refer Note (i) below)	0.71	0.71
Payables for Capital Goods	14.52	21.26
Other Payables		
- Duties and Taxes Payable	51.82	72.02
- Related Party	5.16	10.45
- Others	111.67	134.74
	168.65	217.21
<b>TOTAL</b>	<b>1,479.77</b>	<b>1,144.27</b>

- (i) Unpaid dividend includes ₹ 0.33 Crore (Previous Period ₹ 0.25 Crore) to be transferred to the Investor Education and Protection Fund
- (ii) The continuing default on interest obligation is detailed in Annexure 1.
- (iii) Principal Overdue includes - RTL- ₹ 19.62 Crore, NCD- ₹ 24.08 Crore, FITL- ₹ 3.46 Crore, PL- ₹ 18.18 Crore.

**Note 10 Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block**

Particulars	(₹ in Crore)									
	Leasehold Land	Freehold Property	Plant and Machinery	Motor Vehicles	Office Equipments	Furniture and Fixtures	Wind Mill	Electric Installation	Total	
<b>GROSS BLOCK</b>										
As at 01 January 2014	6.07	248.05	1,422.44	90.81	20.36	36.97	26.95	4.90	<b>1,856.55</b>	
Additions	-	0.03	38.84	2.17	1.27	0.02	-	-	<b>42.33</b>	
Disposals / Adjustments	-	-	62.09	5.46	1.54	0.01	-	-	<b>69.10</b>	
<b>As at 30 September 2014</b>	<b>6.07</b>	<b>248.08</b>	<b>1,399.19</b>	<b>87.52</b>	<b>20.09</b>	<b>36.98</b>	<b>26.95</b>	<b>4.90</b>	<b>1,829.78</b>	
Additions	-	0.07	74.92	0.75	1.14	0.50	-	-	<b>77.38</b>	
Disposals / Adjustments	2.44	41.81	119.33	16.82	4.55	3.52	-	3.30	<b>191.77</b>	
<b>As at 31 March 2016</b>	<b>3.63</b>	<b>206.34</b>	<b>1,354.78</b>	<b>71.45</b>	<b>16.68</b>	<b>33.96</b>	<b>26.95</b>	<b>1.60</b>	<b>1,715.39</b>	
<b>DEPRECIATION</b>										
As at 01 January 2014	0.18	47.92	570.86	63.90	11.50	15.69	18.90	1.18	<b>730.13</b>	
Charge for the Year	0.18	4.28	67.78	5.26	3.22	0.29	2.08	0.17	<b>83.26</b>	
Disposals / Adjustments	-	-	48.05	5.15	0.47	-	-	-	<b>53.67</b>	
<b>As at 30 September 2014</b>	<b>0.36</b>	<b>52.20</b>	<b>590.59</b>	<b>64.01</b>	<b>14.25</b>	<b>15.98</b>	<b>20.98</b>	<b>1.35</b>	<b>759.72</b>	
Charge for the Year	0.06	7.10	216.64	9.99	4.42	14.30	0.44	1.08	<b>254.04</b>	
Disposals / Adjustments	0.18	8.64	73.31	16.32	4.41	2.59	-	1.36	<b>106.80</b>	
<b>As at 31 March 2016</b>	<b>0.24</b>	<b>50.66</b>	<b>733.93</b>	<b>57.69</b>	<b>14.26</b>	<b>27.69</b>	<b>21.42</b>	<b>1.08</b>	<b>906.97</b>	
<b>NET BLOCK</b>										
As at 30 September 2014	5.71	195.88	808.60	23.51	5.84	21.00	5.97	3.55	<b>1,070.06</b>	
As at 31 March 2016	3.39	155.68	620.85	13.76	2.42	6.27	5.53	0.52	<b>808.42</b>	

Particulars	(₹ in Crore)				Total
	Computer Software	Tower Design			
<b>GROSS BLOCK</b>					
As at 01 January 2014	4.10	3.47			7.57
Additions	0.03	-			0.03
Disposals / Adjustments	-	-			-
<b>As at 30 September 2014</b>	<b>4.13</b>	<b>3.47</b>			<b>7.60</b>
Additions	0.01	-			0.01
Disposals / Adjustments	-	-			-
<b>As at 31 March 2016</b>	<b>4.14</b>	<b>3.47</b>			<b>7.61</b>
<b>AMORTISATION</b>					
As at 01 January 2014	2.91	3.41			6.32
Charge for the Year	0.95	-			0.95
Disposals / Adjustments	-	-			-
<b>As at 30 September 2014</b>	<b>3.86</b>	<b>3.41</b>			<b>7.27</b>
Charge for the Year	0.12	-			0.12
Disposals / Adjustments	-	-			-
<b>As at 31 March 2016</b>	<b>3.98</b>	<b>3.41</b>			<b>7.39</b>
<b>NET BLOCK</b>					
As at 30 September 2014	0.27	0.06			0.33
As at 31 March 2016	0.16	0.06			0.22

**NOTES :**

- 1) Freehold Property includes cost of Freehold Land ₹ 3.86 Crore (Previous Period ₹ 3.86 Crore) including the revaluation portion.
- 2) Leasehold Land is at cost less amount written off.
- 3) The Company has once again revalued on 31<sup>st</sup> March, 2007 all its Freehold Property, most of which were revalued earlier on 31<sup>st</sup> March, 1999 by Approved valuers.  
The consequent increase in the value of Fixed Assets pursuant to the second revaluation amounted to ₹ 186.89 Crore and had been credited to the Revaluation Reserve A/c.
- 4) Depreciation for the Year amounts to ₹ 254.16 Crore (Previous Period ₹ 84.21 Crore) from which has been deducted a sum of ₹ 2.16 Crore (Previous Period ₹ 2.36 Crore) being the depreciation in respect of Revaluation of Fixed Assets which had been drawn from the Revaluation Reserve.



**Note - 11 A**

Particulars	Face Value	Nos. as on	Nos. as on	31 Mar 2016	30 Sep 2014
	₹	31 Mar 2016	30 Sep 2014	₹ In Crore	₹ In Crore
<b>NON CURRENT INVESTMENTS (AT BOOK VALUE)</b>					
<b>1. TRADE INVESTMENTS :</b>					
a) INVESTMENT IN EQUITY INSTRUMENTS (INDIAN)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares : (Unquoted unless otherwise stated)					
<b>Subsidiaries :</b>					
Ansaldoaldaiie Boilers India Private Limited #	10	<b>3,67,00,000</b>	3,67,00,000	<b>37.15</b>	37.15
ATSL Infrastructure Project Limited	10	<b>25,500</b>	25,500	<b>0.03</b>	0.03
Deepmala Infrastructure Private Limited	10	<b>5,100</b>	5,100	<b>0.01</b>	0.01
Franco Tosi Hydro Private Limited	10	<b>10,000</b>	10,000	<b>0.01</b>	0.01
Franco Tosi Turbines Private Limited	10	<b>10,000</b>	10,000	<b>0.01</b>	0.01
Gactel Turnkey Projects Limited	10	<b>50,50,000</b>	50,50,000	<b>5.05</b>	5.05
Gammon and Billimoria Limited	10	<b>51,000</b>	51,000	<b>0.05</b>	0.05
Gammon Power Limited	10	<b>2,25,45,000</b>	45,000	<b>675.04</b>	0.04
Gammon Realty Limited	10	<b>1,50,49,940</b>	1,50,49,940	<b>15.05</b>	15.05
Gammon Retail Infra Private Limited (Fully paid-up)	10	<b>10,000</b>	10,000	<b>0.01</b>	0.01
Gammon Retail Infra Private Limited (Partly paid ₹ 8 paid-up)	10	<b>50,000</b>	-	<b>0.04</b>	-
Metropolitan Infracore Private Limited	10	<b>8,416</b>	8,416	<b>0.01</b>	0.01
Patna Water Supply Distribution Network Private Limited	10	<b>7,399</b>	7,399	<b>0.01</b>	0.01
Rajahmundry Godavari Bridge Limited	10	<b>4,41,250</b>	4,41,250	<b>0.44</b>	0.44
SAE Transmission India Limited	10	<b>50,000</b>	50,000	<b>0.05</b>	0.05
Tidong Hydro Power Limited	10	<b>25,500</b>	25,500	<b>0.03</b>	0.03
Transrail Lighting Limited	10	<b>77,50,000</b>	3,10,00,000	<b>7.75</b>	31.00
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	-	5.65
Andhra Expressway Limited (AEL) *	10	-	56,55,000	-	5.65
				<b>740.74</b>	129.64
Add : Acquisition of Beneficial Interest in REL and AEL in lieu of Deposit paid (Refer Note 11A 3(e))				-	5.66
				<b>740.74</b>	135.30
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received (Refer Note 11A 3(e))				<b>0.03</b>	44.50
<b>(A)</b>				<b>740.71</b>	90.80
<b>Others :</b>					
Aircrow (India) Limited (₹ 5 paid-up) #	100	<b>200</b>	200	-	-
Alpine Environmental Engineers Limited	100	<b>204</b>	204	-	-
Bhagirathi Bridge Construction Company Limited #	100	<b>300</b>	300	-	-
Modern Flats Limited (Unquoted)	10	<b>2,040</b>	2,040	-	-
Neptune Tower Properties Private Limited	10	<b>100</b>	100	-	-
Plamach Turnkeys Limited	100	<b>600</b>	600	<b>0.01</b>	0.01
Shah Gammon Limited #	100	<b>835</b>	835	<b>0.01</b>	0.01
STFA Piling (India) Limited (Fully Provided) #	10	<b>2,17,321</b>	2,17,321	<b>0.22</b>	0.22
Indira Container Terminal Private Limited *	10	<b>2,64,07,160</b>	2,64,07,160	<b>26.41</b>	26.41
Less : Transfer of Beneficial Interest in SPV in lieu of Deposit received (Refer Note 11A 3(c))				<b>(26.41)</b>	(26.41)
<b>(B)</b>				<b>0.24</b>	0.24



Particulars	Face Value	Nos. as on	Nos. as on	31 Mar 2016	30 Sep 2014
	₹	31 Mar 2016	30 Sep 2014	₹ In Crore	₹ In Crore
<b>b) INVESTMENT IN EQUITY INSTRUMENTS (FOREIGN)</b>					
<i>(Fully paid-up unless otherwise stated)</i>					
Ordinary Shares : (Unquoted, Fully paid-up)					
<b>Subsidiaries :</b>					
Associated Transrail Structure Limited, Nigeria	NGN 1	<b>1,00,00,000</b>	1,00,00,000	<b>0.36</b>	0.36
ATSL Holdings B.V. (Netherlands) * #	EUR 100	<b>180</b>	180	<b>0.12</b>	0.12
Campo Puma Oriente S.A.	USD 1	<b>6,441</b>	6,441	<b>0.03</b>	0.03
Gammon Holdings (Mauritius) Limited *	USD 1	<b>15,000</b>	15,000	<b>0.07</b>	0.07
Gammon Holdings B.V. *	EUR 100	<b>180</b>	180	<b>0.12</b>	0.12
Gammon International B.V. *	EUR 100	<b>180</b>	180	<b>0.12</b>	0.12
Gammon International FZE	AED 150000	<b>1</b>	1	<b>0.17</b>	0.17
P.Van Eerd Beheersmaatschappij B.V. * #	EUR 453.78	<b>35</b>	35	<b>0.05</b>	0.05
<b>(C)</b>				<b>1.04</b>	1.04
<b>Others :</b>					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 # (under Liquidation) (Fully Provided)		<b>1,142</b>	1,142	<b>0.18</b>	0.18
Finest S.p.A, Italy (Associate)	EUR 1	<b>7,80,000</b>	7,80,000	<b>19.52</b>	19.52
<b>(D)</b>				<b>19.70</b>	19.70
<b>TOTAL TRADE INVESTMENTS (A+B+C+D)</b>				<b>761.69</b>	111.78
<b>2. OTHER INVESTMENTS :</b>					
a) INVESTMENT IN EQUITY INSTRUMENTS					
Investments through Gammon India Trust (Company's own shares)/(Refer Note 11A 3(a))		<b>(E)</b>		<b>1.68</b>	1.68
b) INVESTMENT IN GOVERNMENT SECURITIES :					
Government Securities Lodged with Contractees as Deposit :					
Unquoted :					
Sardar Sarovar Narmada Nigam Limited - Bonds				<b>0.30</b>	0.30
Others				<b>0.12</b>	0.12
Government Securities Others - Unquoted (Indira Vikas Patras and National Savings Certificates)				<b>0.12</b>	0.12
<b>(F)</b>				<b>0.54</b>	0.54
c) INVESTMENT IN PARTNERSHIP FIRM - CAPITAL CONTRIBUTION					
Gammon Shah (Fully Provided) #		<b>(G)</b>		-	-
d) INVESTMENT IN OPTIONALLY FULLY CONVERTIBLE DEBENTURES ("OFCD")	159	<b>2,75,000</b>		<b>4.37</b>	-
<b>TOTAL OTHER INVESTMENTS (E+F+G)</b>				<b>6.59</b>	2.22
<b>TOTAL (A+B+C+D+E+F+G)</b>				<b>768.28</b>	114.00
Less : Provisions for diminution in the value of investment #		<b>Amount</b>	<b>Amount</b>		
Airscrew (India) Limited		<b>0.00</b>	0.00		
Bhagirathi Bridge Construction Company Limited		<b>0.00</b>	0.00		
Shah Gammon Limited		<b>0.01</b>	0.01		
STFA Piling (India) Limited		<b>0.22</b>	0.22		
Gammon Mideast Limited		<b>0.18</b>	0.18		
Gammon Shah		<b>0.00</b>	0.00		
P.Van Eerd Beheersmaatschappij B.V.		<b>0.05</b>	0.05		
ATSL Holdings B.V. (Netherlands)		<b>0.12</b>	0.12		
Transrail Lighting Limited		<b>6.98</b>	-		
Ansaldocaldaie Boilers India Private Limited		<b>37.15</b>	37.15		
<b>TOTAL NON CURRENT INVESTMENTS</b>				<b>44.70</b>	37.73
				<b>723.58</b>	76.27

\* These shares are pledged



Particulars	Face Value	Nos. as on	Nos. as on	31 Mar 2016	30 Sep 2014
	₹	31 Mar 2016	30 Sep 2014	₹ In Crore	₹ In Crore
<b>SUMMARY OF NON CURRENT INVESTMENTS :</b>					
<b>Unquoted</b>					
Aggregate Book Value of Foreign Investments				20.74	20.74
Aggregate Book Value of Indian Investments				745.86	91.58
				766.60	112.32
<b>Quoted</b>					
Aggregate Book Value of Indian Investments				1.68	1.68
Market Value of Quoted Investments				7.23	20.87

**3) Note :**

- Pursuant to the Scheme of Amalgamation, 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.
- During the previous year the Company has pledged the Equity Shares of the following Companies -
  - 1,20,00,000 Ansaldoaldiaie Boilers India Private Limited
  - 2,300 Deepmala Infrastructure Private Limited
  - 50,49,940 Gactel Turnkey Projects Limited
  - 3,09,99,940 Transrail Lighting Limited
- In accordance with the Business Transfer Agreement as detailed in Note 49 the company has been allotted 2,75,000 Unsecured Zero Coupon Optionally Fully Convertible Debentures ("OFCD") of ₹ 159 each amounting to ₹ 4,37,25,000 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 49 is not approved and 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.
- In the opinion of the Management, diminution in the value of Investment in share of Associated Transrail Structure Limited, Nigeria is considered to be temporary and, therefore, no provision has been made for the same.
- The details of Beneficial and Contractual Interest acquired and transferred in favour of it's subsidiary M/s Gammon Infrastructure Projects Limited is detailed herein below -

**ACQUIRED**

(₹ in Crore)

Name of the Company	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	Deposit Received	No of Shares	Deposit Received
Rajahmundry Expressway Limited	-	-	43,60,500	2.77
Andhra Expressway Limited	-	-	45,64,500	2.89
<b>TOTAL</b>				5.66

**TRANSFERRED**

(₹ in Crore)

Name of the Company	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	Deposit Received	No of Shares	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
<b>TOTAL</b>		26.43		70.91

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.

- The Board of Directors in their meeting held on 17<sup>th</sup> June, 2016 has decided to defer the decision to sell the stake in Gammon Infrastructure Projects Limited upto 30% and pursue negotiation with the banks in connection therewith. Therefore the said shares held though the wholly owned subsidiary has been considered as strategic non-current investments. Further the carrying value of the equity interest in Gammon Infrastructure Projects Limited is ₹ 884.41 Crore held through two wholly owned subsidiaries Gammon Power Limited and Gactel Turnkey Projects Limited. The current market value based on the traded price as on 31<sup>st</sup> March, 2016 is ₹ 270.25 Crore. The market price is not indicative of the intrinsic value of Gammon Infrastructure Projects Limited considering that the same is a Strategic Investment and being held for a long period of time. The diminution in the value is temporary in nature and does not require any provision for the same.

**Note - 11 B**

Particulars	Face Value	Nos. as on	Nos. as on	31 Mar 2016	30 Sep 2014
	₹	31 Mar 2016	30 Sep 2014	₹ In Crore	₹ In Crore
<b>CURRENT INVESTMENTS (AT BOOK VALUE)</b>					
<b>1. INVESTMENT IN EQUITY INSTRUMENTS :</b>					
<i>(Fully paid-up unless otherwise stated)</i>					
Ordinary Shares : (Quoted)					
Bank of Baroda	10	<b>4,200</b>	4,200	<b>0.04</b>	0.04
Cords Cable Industries Limited	10	<b>33,502</b>	33,502	<b>0.45</b>	0.45
Gujarat State Financial Corporation	10	<b>4,600</b>	4,600	<b>0.01</b>	0.01
HDFC Bank Limited	2		5,345	-	0.02
Housing Development Finance Corporation Limited	2		40,000	-	0.18
ICICI Bank Limited	2		2,500	-	0.04
Infosys Limited	5		400	-	0.03
Larsen and Toubro Limited	2		12,000	-	0.05
Sadbhav Engineering Limited	1		11,240	-	0.02
Technofab Engineering Limited	10	<b>1,75,000</b>	1,75,000	<b>0.47</b>	0.47
Ultratech Cement Limited	10		1,600	-	0.04
<b>(A)</b>				<b>0.97</b>	1.35
2. MUTUAL FUND (Quoted)					
HDFC Mutual Fund - Floating Rate Income Fund (Refer Note 47(ii))		<b>2,048</b>	2,048	-	-
Investments through Gammon India Trust					
SBI Dynamic Bond Fund		<b>6,67,967</b>	6,67,967	<b>1.00</b>	1.00
ICICI Liquid Plan		<b>18,478</b>	-	<b>0.36</b>	-
ICICI Prudential FMP		<b>2,00,000</b>	2,00,000	<b>0.20</b>	0.56
<b>(B)</b>				<b>1.56</b>	1.56
<b>TOTAL (A+B)</b>				<b>2.53</b>	2.91
Less : Provisions for diminution in the value of Investment					
Cords Cable Industries Limited				<b>0.31</b>	0.41
<b>TOTAL CURRENT INVESTMENTS</b>				<b>2.22</b>	2.50
<b>SUMMARY OF CURRENT INVESTMENTS :</b>					
<b>Unquoted</b>					
Aggregate Book Value of Foreign Investments					
Aggregate Book Value of Indian Investments					
<b>Quoted</b>					
Aggregate Book Value of Indian Investments					
Market Value of Quoted Investments					

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

Name of Party	Nature	Relation	Purpose	Period ended (Amount in ₹)	
				31 Mar 2016	30 Sep 2014
Gammon Power Limited	Equity	Subsidiary	Conversion of loan into equity	<b>6,750,449,940</b>	449,940
Gammon Retail Infra Private Limited (Partly paid ₹ 8 paid-up)	Equity	Subsidiary	Fresh investments	<b>400,000</b>	-



**12 Loans and Advances : (Unsecured, Considered Good unless otherwise stated)**

(₹ in Crore)

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Capital Advance</b>	<b>4.81</b>	0.72	-	-
<b>Loans and Advances to Related Parties :</b>				
Considered Good	<b>2,006.11</b>	1,719.41	<b>289.39</b>	122.22
Considered Doubtful	<b>164.35</b>	160.14	<b>22.69</b>	21.56
Less : Provision for Doubtful Loans	<b>(164.35)</b>	(160.14)	<b>(22.69)</b>	(21.56)
<b>Deposits</b>				
Considered Good	<b>8.30</b>	38.66	<b>46.48</b>	25.97
Considered Doubtful	-	-	<b>3.60</b>	3.60
Less : Provision for Doubtful Deposit	-	-	<b>(3.60)</b>	(3.60)
<b>Other Loans and Advances</b>				
Taxes Paid Net of Provisions	<b>394.95</b>	347.13	-	-
Indirect Taxes and Duties Recoverable	<b>36.96</b>	51.96	<b>17.15</b>	24.37
Staff Advances	-	-	<b>3.66</b>	5.16
Prepaid Expenses	<b>0.57</b>	1.65	<b>2.59</b>	5.56
Advance Gratuity	-	-	<b>0.08</b>	-
Advance to Creditors / Sub Contractor				
Unsecured and Considered Good	<b>17.97</b>	50.94	<b>195.14</b>	180.79
Unsecured and Considered Doubtful	-	-	<b>15.83</b>	7.18
Less : Provision for Doubtful	-	-	<b>(15.83)</b>	(7.18)
Other Advances	<b>9.30</b>	15.38	<b>12.93</b>	11.15
Unsecured and Considered Doubtful	<b>3.31</b>	3.31	<b>4.94</b>	4.94
Less : Provision for Doubtful	<b>(3.31)</b>	(3.31)	<b>(4.94)</b>	(4.94)
Deposits with Joint Stock Companies :				
Unsecured and Considered Good	<b>3.98</b>	-	<b>27.59</b>	56.31
Unsecured and Considered Doubtful	<b>25.00</b>	-	<b>6.40</b>	6.40
Less : Provision for Doubtful	<b>(25.00)</b>	-	<b>(6.40)</b>	(6.40)
<b>TOTAL</b>	<b>2,482.95</b>	2,225.85	<b>595.01</b>	431.53

(i) Detail of Loans and Advances given to Related Parties

Name of the Related Party	(₹ in Crore)			
	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Unsecured and Considered Good</b>				
Gammon International FZE	72.61	69.26	-	-
P.Van Eerd Beheersmaatschappij B.V.	-	-	-	-
Gammon International B.V.	323.07	307.77	-	-
Campo Puma Oriente S.A.	57.47	26.76	-	-
Gammon Holdings (Mauritius) Limited	111.29	93.99	-	-
Gammon Holdings B.V.	381.73	235.70	-	-
Finest S.p.A	0.56	0.59	-	-
ATSL Holding B.V. (Netherland)	84.96	92.03	-	-
SAE Power Lines S.r.l	-	-	11.05	11.08
RAS Cities and Township Private Limited	12.00	12.00	-	-
Transrail Lighting Limited	-	-	67.68	47.80
Associated Transrail Structure Limited, Nigeria	-	-	2.82	2.15
JV Gammon-FECP, Nigeria	-	-	-	-
Franco Tosi Turbines Private Limited	-	-	0.11	0.42
Deepmala Infrastructure Private Limited	198.07	195.45	-	-
Sikkim Hydro Power Ventures Limited	-	-	-	-
Gammon Cidade Tensacciai Joint Venture	-	-	63.09	51.92
Gammon OJSC Mosmetrostroy Joint Venture	-	-	-	-
Gammon Infrastructure Projects Limited	-	-	-	-
Vizag Seaport Private Limited	-	-	-	-
Gammon and Billimoria Limited	30.58	32.11	-	-
Gammon Realty Limited	110.35	110.35	-	-
Kosi Bridge Infrastructure Company	-	-	0.61	0.61
Haryana Biomass Projects Limited	0.07	0.07	-	-
Gammon Retail Infrastructure Private Limited	-	-	0.01	-
Youngthong Power Ventures Limited	-	-	-	-
Rajahmundry Godavari Bridge Limited	-	-	0.35	0.35
Ansaldocaldaie Boilers India Private Limited	29.34	8.46	-	-
Gammon Power Limited	-	-	135.81	1.30
Gammon Renewable Energy Infrastructure Limited	-	-	-	-
Franco Tosi Hydro Private Limited	-	-	-	-
Patna Water Supply Distribution Network Private Limited	50.83	-	-	-
Gammon Progressive Joint Venture	0.61	0.61	-	-
Gammon Rizzani Joint Venture	0.44	0.44	-	-
Gammon Srinivasa Joint Venture	-	-	-	-
Mumbai Nasik Expressway Limited	-	-	0.01	0.01
Jaeger Gammon Joint Venture	1.57	2.09	-	-
Gammon Archirodon Joint Venture	0.03	0.03	-	-
Gammon JMC Joint Venture	-	-	0.05	-
Gammon Encee Joint Venture	4.85	4.85	-	-
Gammon CMC Joint Venture	-	-	7.50	-
GIPL GIL Joint Venture	-	-	-	5.81
OSE Gammon Joint Venture	0.14	0.14	-	-
Atlanta India Limited Gammon Joint Venture	0.06	0.06	-	-
Gammon Sew Joint Venture	-	-	0.08	-
BBJ Gammon Joint Venture	1.35	1.35	-	-
Gactel Turnkey Projects Limited	44.70	35.96	-	-
Rajahmundry Expressway Limited	-	-	-	0.12
Andhra Expressway Limited	-	-	-	0.43
Metropolitan Infrahousing Private Limited	489.43	489.34	-	-
Preeti Township Private Limited	-	-	-	-
Sofinter S.p.A	-	-	-	-
SAE Transmission India Limited	-	-	0.20	0.20
Tidong Hydro Power Limited	-	-	0.02	0.02
<b>TOTAL A</b>	<b>2,006.11</b>	<b>1,719.41</b>	<b>289.39</b>	<b>122.22</b>
<b>Unsecured and Considered Doubtful (Refer Note 33)</b>				
Gammon International FZE	18.48	17.64	-	-
P.Van Eerd Beheersmaatschappij B.V.	9.30	7.78	-	-
Gammon International B.V.	2.76	0.78	-	-
Gammon Holdings B.V.	77.83	80.08	-	-
ATSL Holding B.V. (Netherland)	26.14	22.78	-	-
JV Gammon-FECP, Nigeria	-	-	14.75	13.62
SAE Power Lines S.r.l	29.84	31.08	7.94	7.94
<b>TOTAL B</b>	<b>164.35</b>	<b>160.14</b>	<b>22.69</b>	<b>21.56</b>
<b>TOTAL (A + B)</b>	<b>2,170.46</b>	<b>1,879.55</b>	<b>312.08</b>	<b>143.78</b>



(ii) Detail of Loans and Advances given to Related Parties

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	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
(₹ in Crore)				
<b>Subsidiaries / Fellow Subsidiaries : Interest Bearing</b>				
P.Van Eerd Beheersmaatschappij B.V.	-	1.07	-	1.07
Gammon International FZE	91.09	-	91.09	-
Gammon International B.V.	325.83	10.19	325.83	10.19
Gammon Holdings (Mauritius) Limited	111.29	5.46	111.29	5.46
Gammon Holdings B.V.	459.56	2.92	459.56	2.92
Campo Puma Oriente S.A.	57.47	26.76	57.46	26.76
ATSL Holding B.V. (Netherlands)	111.10	-	114.82	-
ATSL, Nigeria	2.82	2.15	2.82	2.15
Deepmala Infrastructure Private Limited	198.07	195.45	198.07	195.74
Gammon and Billimoria Limited	30.58	32.11	32.11	33.58
Gammon Realty Limited	110.35	110.35	110.55	111.98
Ansaldocaldaie Boilers India Private Limited	29.34	8.46	29.34	8.46
Gammon Power Limited	135.81	1.30	810.80	1.30
Metropolitan Infrahousing Private Limited	489.43	489.34	489.44	489.34
Gactel Turnkey Projects Limited	44.70	-	44.70	-
Franco Tosi Turbines Private Limited	0.11	-	0.11	-
SAE Power Lines S.r.l	48.83	-	50.23	-
Gammon Cidade Tensacciai Joint Venture	63.09	51.92	63.09	51.92
Patna Water Supply Distribution Network Private Limited	50.83	-	50.83	-
Gammon CMC Joint Venture	7.50	-	7.50	-
<b>Subsidiaries / Fellow Subsidiaries : Interest Free</b>				
Gammon International FZE	-	86.90	-	89.13
P.Van Eerd Beheersmaatschappij B.V.	9.30	6.71	9.30	6.71
Gammon International B.V.	-	298.36	-	298.36
Gammon Holdings (Mauritius) Limited	-	88.53	-	88.53
Gammon Holdings B.V.	-	312.86	-	312.86
ATSL Holding B.V. (Netherlands)	-	114.81	-	122.13
SAE Power Lines S.r.l	-	50.10	-	52.63
Gactel Turnkey Projects Limited	-	35.96	-	35.95
Franco Tosi Turbines Private Limited	-	0.42	-	0.42
RAS Cities and Township Private Limited	12.00	12.00	12.00	12.00
Kosi Bridge Infrastructure Company	0.61	0.61	0.61	0.61
Haryana Biomass Projects Limited	0.07	0.07	0.07	0.07
Gammon Retail Infrastructure Private Limited	0.01	-	0.01	-
Rajahmundry Godavari Bridge Limited	0.35	0.35	0.35	0.35
Gammon Progressive Joint Venture	0.61	0.61	0.61	0.61
Gammon Rizzani Joint Venture	0.44	0.44	0.44	0.44
Mumbai Nasik Expressway Limited	0.01	0.01	0.01	0.01
Jaeger Gammon Joint Venture	1.57	2.09	1.57	2.09
Gammon Archirodon Joint Venture	0.03	0.03	0.03	0.03
Gammon JMC Joint Venture	0.05	-	0.05	-
Gammon Ence Joint Venture	4.85	4.85	4.85	4.85
GIPIL GIL Joint Venture	-	5.81	-	5.81
OSE Gammon Joint Venture	0.14	0.14	0.14	0.14
Atlanta India Limited Gammon Joint Venture	0.06	0.06	0.06	0.06
Gammon Sew Joint Venture	0.08	-	0.08	-
BBJ Gammon Joint Venture	1.35	1.35	1.35	1.35
Rajahmundry Expressway Limited	-	0.12	0.12	0.12
Andhra Expressway Limited	-	0.43	0.43	0.43

(₹ in Crore)

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
SAE Transmission India Limited	0.20	0.20	0.20	0.20
Tidong Hydro Power Limited	0.02	0.02	0.02	0.02
JV Gammon-FECP, Nigeria	14.75	13.62	14.75	13.62
<b>Associates Companies : Interest Bearing</b>				
Transrail Lighting Limited	67.68	47.80	53.43	47.80
Finest S.p.A	0.56	0.59	0.59	0.59

Note - None of the above loanees have invested in shares of the Company.

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

Name of the Company	Invested in Subsidiary Company	31 Mar 2016	30 Sep 2014
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A	383.09	398.98
	Gammon Itlay S.r.L	0.13	0.13
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.L	96.30	109.52
Gammon & Billimoria Limited	G & B Contracting LLC	0.61	0.61
Gammon Realty Limited	Preeti Township Private Limited	0.12	0.12
	Deepmala Infrastructure Private Limited	0.00	0.00
Gammon Power Limited	Gammon Infrastructure Projects Limited	714.10	714.10
Gactel Turnkey Projects Limited	Gammon Infrastructure Projects Limited	68.17	68.17
PVan Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A	56.36	58.70
Gammon Retail Infrastructure Private Limited	Gammon Power Limited	0.01	0.01

- (iv) The balances of the project advances are subject to confirmation and consequent reconciliation, if any.
- (v) The Company has invested an amount of ₹ 49.75 Crore by way of loans and investments in Gactel Turnkeys Projects Limited (Gactel) having a negative networth as on 31<sup>st</sup> March, 2016 . Considering the intrinsic value of the assets and the business of Gactel, the net worth of Gactel does not represent its true market value. The diminution is of temporary nature and the loans together with interest accrued thereon are good and recoverable.
- (vi) The Company has exposure to Gammon and Billimoria Limited, a subsidiary of the Company, which has equity interest in the Company G & B Contracting LLC, Dubai. Although the said G & B Contracting LLC has a negative net worth it has bagged orders, which are under execution, and based on the projections and the business plans of the said G & B Contracting LLC, no provision is required against the exposure of the Company of ₹ 30.63 Crore to Gammon and Billimoria Limited.
- (vii) The Company has granted unsecured loans to its Joint Ventures, aggregating to ₹ 19.83 Crore including the facility provided by the bankers for the purposes of business operation out of the limits of the Company. This loan facility is in excess of the limits specified under section 186 of the Companies Act, 2013. The Company will obtain the shareholders consent in the next General Meeting.

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

Name of Party	Relation	Purpose	Period ended (₹ in Crore)
			31 Mar 2016
Ansaldoaldaiie Boilers India Private Limited	Subsidiary	Advance towards Operations	20.88
Associated Transrail Structure Limited, Nigeria	Subsidiary	Advance towards Operations	0.67
ATSL Holdings BV, Netherland	Subsidiary	Advance towards Operations	3.72
Campo Puma Oriente S.A.	Subsidiary	Advance towards Operations	30.70
Deepmala Infrastructure Private Limited	Subsidiary	Advance towards Operations	2.62
Gactel Turnkey Projects Limited	Subsidiary	Advance towards Operations	8.74
Gammon CMC Joint Venture	Joint Venture	Advance towards Operations	7.50
Gammon Cidade Tensacciai Joint Venture	Joint Venture	Advance towards Operations	11.17
Gammon Holdings (Mauritius) Limited	Subsidiary	Advance towards Operations	17.31
Gammon Holdings B.V.	Subsidiary	Advance towards Operations	143.79
Gammon International B.V.	Subsidiary	Advance towards Operations	17.28
Gammon International FZE	Subsidiary	Advance towards Operations	4.18
Gammon JMC Joint Venture	Joint Venture	Advance towards Operations	0.05
Gammon Power Limited	Subsidiary	Advance towards Operations	134.51



Name of Party	Relation	Purpose	Period ended (₹ in Crore)	
			31 Mar 2016	
Gammon Retail Infrastructure Private Limited	Subsidiary	Advance towards Operations		<b>0.01</b>
Gammon Sew Joint Venture	Joint Venture	Advance towards Operations		<b>0.08</b>
Gammon India Limited-FECP, Nigeria	Joint Venture	Advance towards Operations		<b>1.13</b>
Metropolitan Infrahousing Private Limited	Subsidiary	Advance towards Operations		<b>0.10</b>
PVan Eerd Beheersmaatschappij B.V.	Subsidiary	Advance towards Operations		<b>1.52</b>
Patna Water Supply Distribution Network Private Limited	Subsidiary	Advance towards Operations		<b>50.83</b>
Transrail Lighting Limited	Associates	Advance towards Operations		<b>19.87</b>

### 13 Other Assets

Particulars	(₹ in Crore)			
	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
Unbilled Revenue ( Refer Note 32)	<b>1,377.96</b>	-	<b>284.94</b>	100.32
Interest Accrued Receivable	<b>464.08</b>	293.59	<b>40.59</b>	28.38
Receivable against Sale of Investment - Related Party	-	-	-	712.80
Other Receivable	<b>1.65</b>	1.65	<b>6.42</b>	5.78
<b>TOTAL</b>	<b>1,843.69</b>	295.24	<b>331.95</b>	847.28

### 14 Inventories

Particulars	(₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
Raw Material	<b>13.58</b>	23.36
Material at Construction Site	<b>384.81</b>	451.96
Stores and Spares	<b>8.68</b>	8.63
Work In Progress - Real Estate	<b>21.95</b>	21.53
Work In Progress	<b>762.33</b>	1,183.19
Finished Goods	<b>18.56</b>	33.84
<b>TOTAL</b>	<b>1,209.91</b>	1,722.51

#### (i) Valuation Methodology :

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.
Work In Progress	Work In Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs. Work In Progress from manufacturing operation is valued at cost. Costs are determined on Weighted Average Method.
Finished Goods	Finished Goods are valued at lower of cost and net realisable value. Costs are determined on Weighted Average Method.
Stores and Spares Materials of Construction Site	Stores and Construction Materials are valued and stated at lower of cost and net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
Work In Progress - Real Estate	Work In Progress on construction contracts reflects value of land, material inputs and project expenses.
Other Scrap Material	At net realisable value.

### 15 Trade Receivables

Particulars	(₹ in Crore)			
	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Trade Receivables :</b>				
<i>(Unsecured, considered good unless otherwise stated)</i>				
<b>Long Term Trade Receivables :</b>	<b>704.38</b>	848.42	-	-
<b>Short Term Trade Receivables :</b>				
Outstanding for a period exceeding six months	-	-	<b>613.16</b>	700.79
Other Debts	-	-	<b>323.36</b>	651.41
Doubtful Debts	-	-	<b>155.13</b>	136.88
Provision for Doubtful Debts	-	-	<b>(155.13)</b>	(136.88)
<b>TOTAL</b>	<b>704.38</b>	848.42	<b>936.52</b>	1,352.20



(a) Trade Receivable include the following amount from Related Parties :

Name of the party	₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
Deepmala Infrastructure Private Limited	17.80	8.58
Gammon Archirodon	61.62	2.44
Gammon Cidade Tensacciai Joint Venture	27.65	16.79
Gammon OJSC Mosmetrostroy Joint Venture	467.99	53.13
Gammon OSE	38.05	1.55
Gammon Pratibha	1.07	2.58
Gammon Progressive	0.14	0.14
Gammon Sew	0.49	0.49
Gammon Srinivasa	48.41	1.63
GIL JMC	1.56	6.62
Indira Container Terminal Private Limited (Joint Venture)	43.55	6.54
Jaeger Gammon	62.41	1.61
Kosi Bridge Infrastructures Company Limited	42.71	66.20
Mumbai Nasik Expressway Limited	19.92	22.38
OSE Gammon	38.05	51.40
Patel Gammon	37.62	50.55
Patna Highway Project Limited	8.52	12.41
Pravara Renewable Energy Limited	4.96	28.45
Rajahmundry Godavari Bridge Limited	-	1.83
Transrail Lighting Limited	11.22	11.60
SAE Power lines S.r.l	205.05	154.70
Less : Provision made against SAE Power lines S.r.l receivable	(65.57)	(50.43)
<b>TOTAL</b>	<b>1,073.22</b>	<b>451.19</b>

16 Cash and Bank Balances

Particulars	₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
<b>Cash and Cash Equivalent</b>		
Cash Balances	3.30	5.52
Bank Balances	132.19	76.43
	<b>135.49</b>	81.95
<b>Others</b>		
Unpaid Dividend	0.71	0.71
Other Bank Balances	3.93	5.28
Bank Deposits (On Margin Account)	4.19	2.77
	<b>8.83</b>	8.76
<b>TOTAL</b>	<b>144.32</b>	<b>90.71</b>

(a) Other Bank balances include ₹ 3.93 Crore (Previous Period ₹ 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.

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

17 Revenue from Operations

Particulars	₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Turnover	6,129.60	2,968.39
Less : Excise Duty	(52.65)	(59.76)
	<b>6,076.95</b>	2,908.63
<b>TOTAL</b>	<b>6,076.95</b>	<b>2,908.63</b>



(a) Breakup of Turnover :

(₹ in Crore)		
Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Sale of Products</b>		
(i) Towers Sale	397.66	359.39
(ii) Conductor Sale	186.36	231.74
(iii) Wind mill	3.34	2.18
(iv) Brought out Sale	123.63	200.79
Less : Excise Duty	(52.65)	(59.76)
<b>Sub Total</b>	<b>658.34</b>	<b>734.35</b>
<b>Sale of Services</b>		
(i) Construction / Erection Services	5,395.73	2,169.03
(ii) Testing Charges	22.88	5.26
<b>Sub Total</b>	<b>5,418.61</b>	<b>2,174.29</b>
	<b>6,076.95</b>	<b>2,908.63</b>

(b) Disclosure in accordance with Accounting Standard - 7 (Revised), in respect of contracts entered into on or after 1<sup>st</sup> April, 2003:

(₹ in Crore)		
Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Turnover for the period	4,723.84	2,043.09
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end	27,844.01	24,105.88
Aggregate Contract Profits / Losses recognised for contracts existing as at the year end	1,776.10	1,989.68
Contract Advances (Net)	788.39	703.07
Gross amount due from customers for contract work	1,517.19	679.41
Retention amount due from customers	555.98	702.85
Gross amount due to customers for contract work	130.29	61.78

**18 Other Operating Revenue**

(₹ in Crore)		
Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Export Incentive	2.04	0.67
Sale of Scrap	24.67	14.69
Freight Charges	22.20	37.89
Miscellaneous Operating Income	16.63	5.11
Share of Profit on Joint Venture	4.51	-
Other Contractual Revenue	50.63	15.85
Less : Sub Contract Cost	(50.63)	(15.85)
	-	-
<b>TOTAL</b>	<b>70.05</b>	<b>58.36</b>

**19 Other Income**

(₹ in Crore)		
Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Interest Income	369.44	78.43
Miscellaneous Income	8.86	0.87
Prior Period Income	3.93	1.69
Profit on Sale of Assets	5.59	20.51
Profit on Sale of Investments	13.60	605.92
Sundry Balance Written Back	32.89	0.94
Excess Provision Written Back	0.60	-
Dividend Received from Current Investments	0.05	0.10
<b>TOTAL</b>	<b>434.96</b>	<b>708.46</b>

The Company has during the previous year sold its entire stake in its subsidiary M/s Gammon Infrastructure Projects Limited to its subsidiary M/s Gammon Power Limited. The excess of the consideration over the book value of the investments amounting to ₹ 605.92 Crore has been shown under Profit on Sale of Investments.

## 20 Cost of Materials Consumed

Particulars	₹ in Crore	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Opening Stock	475.32	458.20
Add : Purchases (Net of Discount)	1,784.52	1,312.89
Less : Closing Stock	398.39	475.32
<b>TOTAL</b>	<b>1,861.45</b>	<b>1,295.77</b>

### (a) Breakup of Material Consumed

Particulars	₹ in Crore	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Project Materials Consumed	1,506.53	919.08
Raw Material Consumed - Manufacturing	354.92	376.69
<b>TOTAL</b>	<b>1,861.45</b>	<b>1,295.77</b>

### (b) Raw Material Consumed - Manufacturing

Particulars	₹ in Crore			
	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014	
	Amount	%	Amount	%
Raw Materials :				
Imported	2.86	0.81%	5.34	1.42%
Indigenous	352.06	99.19%	371.35	98.58%
<b>TOTAL</b>	<b>354.92</b>	<b>100.00%</b>	<b>376.69</b>	<b>100.00%</b>

### (c) Consumption of Raw Material - Manufacturing

Particulars	₹ in Crore	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Transmission Line Towers and Parts</b>		
Steel	202.90	199.79
Zinc	28.77	24.64
<b>Conductor</b>		
Aluminium Ingots	51.29	42.63
Aluminium / EC Wire Rod	59.22	94.25
GI Wire	12.73	15.38
<b>TOTAL</b>	<b>354.92</b>	<b>376.69</b>

## 21 Purchase of Stock in Trade

Particulars	₹ in Crore	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Traded Item - Brought Out Material</b>	<b>147.19</b>	<b>164.37</b>
(Conductor, Insulators and Hardware Item)		
<b>TOTAL</b>	<b>147.19</b>	<b>164.37</b>

## 22 Changes in Inventories of Finished Goods and Work In Progress

Particulars	₹ in Crore	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Inventory Adjustments - Work In Progress;</b>		
Opening - Construction	1,180.47	1,180.51
- Manufacturing	2.72	8.53
	<b>1,183.19</b>	<b>1,189.04</b>
Less : Closing;		
- Construction	(762.33)	(1,180.47)
- Manufacturing	-	(2.72)
	<b>(762.33)</b>	<b>(1,183.19)</b>



(₹ in Crore)			
Particulars	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014
<b>Inventory Adjustments - FG</b>			
Stock at Commencement	33.84		74.23
Less : Stock at Closing	(18.56)		(33.84)
		15.28	40.39
<b>Stock Transfer on account of Business Transfer (Refer Note 37)</b>			
Work In Progress	(7.27)		-
Finish Goods	(21.00)		-
		(28.27)	-
<b>TOTAL</b>		<b>407.87</b>	46.24

### 23 Employee Benefits

(₹ in Crore)			
Particulars	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014
Salaries, Bonus, Perquisites etc.		510.69	310.10
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment		27.89	16.25
Staff Welfare Expenses		14.85	10.52
ESOP Compensation Cost		-	(0.22)
Other Expenses		0.03	0.42
<b>TOTAL</b>		<b>553.46</b>	337.07

- (a) The Ministry of Corporate Affairs vide its letter dated 5<sup>th</sup> February, 2016 has directed the Company to either recover remuneration paid to Mr Abhijit Rajan – Chairman and Managing Director for the period from 1<sup>st</sup> April, 2012 to 30<sup>th</sup> September, 2014 or to file application for waiver of remuneration paid. The Board on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. The remuneration paid/ provided for the period from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 is ₹ 9.11 Crore. The total amount of excess remuneration till 31<sup>st</sup> March, 2016 is ₹ 26.29 Crore which is pending for either approval for waiver of recovery or approval for payment of excess. Similarly the Company is applying for waiver of recovery of remuneration paid to its erstwhile Executive Director Mr Himanshu Parikh for an aggregate amount of ₹ 0.60 Crore. In view of the above facts, no adjustments are made in these financials.
- (b) Pursuant to the retrospective amendment to the Payment of Bonus Act, the Company was required to make provision for differential bonus for the year 2014-15 as per the amendment. However, various High Courts have granted interim stay to the applicability of the amendment for the year 2014-15. The Company has therefore not made provision for differential bonus for the year 2014-15. Provision for Bonus for the current year is made as per the amendment.

### 24 Foreign Exchange (Gain) / Loss

(₹ in Crore)			
Particulars	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014
Exchange (Gain) / Loss		(13.68)	7.71
<b>TOTAL</b>		<b>(13.68)</b>	7.71

### 25 Finance Cost

(₹ in Crore)			
Particulars	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014
Interest Expense		1,032.14	450.90
Other Borrowing Costs		6.15	1.82
<b>TOTAL</b>		<b>1,038.29</b>	452.72

### 26 Depreciation and Amortisation

(₹ in Crore)			
Particulars	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014
Depreciation		253.97	83.26
Less : Depreciation on Revalued Assets		-	(2.36)
Amortisation		0.19	0.95
<b>TOTAL</b>		<b>254.16</b>	81.85

In accordance with the provisions of Schedule II to the Companies Act, 2013, effective from 1<sup>st</sup> 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 31<sup>st</sup> March, 2016. Further for assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1<sup>st</sup> October, 2014 of ₹ 33.76 Crore has been charged to Profit and Loss Statement during the eighteen month period ended 31<sup>st</sup> March, 2016 which was earlier adjusted against the opening balance of surplus in the Profit and Loss Account in the quarterly interim financial results.

## 27 Other Expenses

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Plant Hire Charges	46.00	29.60
Consumption of Stores and Spares	83.42	50.42
Outward Freight	38.16	38.31
Power and Fuel	149.93	90.43
Fees and Consultations	41.40	31.86
Rent	45.21	23.44
Rates and Taxes	198.30	88.46
Travelling Expenses	41.65	25.31
Communication	8.46	4.60
Insurance	15.00	16.03
Repairs to Plant and Machinery	4.65	0.76
Repairs to Building	0.05	0.08
Other Repairs and Maintenance	15.12	9.33
Bank Charges and Commission	51.13	26.04
Other Site Expenses	70.70	34.80
Sundry Expenses	56.89	39.27
Prior Period Expenses	3.97	2.30
Sundry Balances write off	20.68	-
Bad Debts	28.55	2.77
Provision for Doubtful Debts / Advances	64.19	12.67
Provision for Risks and Contingencies	11.06	55.88
Loss on Sale of Assets	1.92	0.04
Share of Loss on Joint Venture	0.14	2.56
Foreign Branch Auditors Fees	0.14	0.08
Remuneration to Branch Auditors	2.14	0.81
Remuneration to Statutory Auditors	1.29	0.76
<b>TOTAL</b>	<b>1,000.15</b>	<b>586.61</b>

### (a) Remuneration to Statutory Auditors

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Audit Fees including Consolidation	0.92	0.59
Limited Review	0.18	0.06
Certification and Other Attest Services	0.19	0.10
Reimbursement of Out of Pocket Expenses	-	0.01
<b>TOTAL</b>	<b>1.29</b>	<b>0.76</b>

### (b) Remuneration to Branch Auditors

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Branch Audit Fees including Tax Audit	0.92	0.30
Limited Review	0.36	0.18
Taxation and Certification	0.86	0.33
<b>TOTAL</b>	<b>2.14</b>	<b>0.81</b>



(c) **Consumption of Stores and Spares**

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Project Site	55.46	27.98
Manufacturing	27.96	22.44
<b>TOTAL</b>	<b>83.42</b>	<b>50.42</b>

(d) **Stores and Spare Parts (Manufacturing)**

Particulars	(₹ in Crore)			
	Oct 2014 - Mar 2016		Jan 2014 - Sep 2014	
	Amount	%	Amount	%
Imported	0.05	0.18%	0.07	0.31%
Indigenous	27.91	99.82%	22.37	99.69%
<b>TOTAL</b>	<b>27.96</b>	<b>100.00%</b>	<b>22.44</b>	<b>100.00%</b>

**28 Exceptional Items**

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Loss on Sale of Investment	20.92	-
Diminution in the value of Investment	6.98	-
<b>TOTAL</b>	<b>27.90</b>	<b>-</b>

During the period the Company sold 75% of its stake in TLL to the Investor ( Refer Note 37) at a loss of ₹ 20.92 Crore on the balance 25% the Company has made provision for diminution in value of Investment of ₹ 6.98 Crore.

**29 CIF Value of Imports**

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Raw Materials	15.09	15.73
<i>Including Traded Goods ₹ 4.15 (Previous Period ₹ NIL)</i>		
Plant and Machinery	19.69	10.13
Stores and Spares	3.03	14.53
<b>TOTAL</b>	<b>37.81</b>	<b>40.39</b>

**30 Earnings in Foreign Currency**

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
FOB Value of Exports	128.49	84.37
Revenue from Overseas Project and receipts from World Bank Aided Projects in Foreign Currency	66.69	42.11
Interest	122.90	1.37
Tower Testing Charges	9.40	1.70
Profit on Sale of Fixed Assets	-	16.42
<b>TOTAL</b>	<b>327.48</b>	<b>145.97</b>

**31 Expenditure in Foreign Currency**

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Travelling	0.84	0.34
Interest Paid	1.16	0.40
Expenditure at Foreign Sites / Branch	67.61	64.35
Professional, Technical and Consultancy	10.60	3.86
Bank Charges and Commission	2.61	3.49
Other Matters (Books, Periodicals, Subscription etc.)	1.22	0.21
<b>TOTAL</b>	<b>84.04</b>	<b>72.65</b>

**32** The Company, as part of its restructuring scheme in which it is carving 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 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.

Based on the above opinion, the Company has during the year recognised claims of an aggregate amount of ₹ 1,343.97 Crore including a further claim of ₹ 300 Crore during the quarter ended 31<sup>st</sup> March, 2016 excluding amounts recognised earlier of ₹ 313.25 Crore based on management estimates of reasonable realisation. These claims have been accounted as unbilled revenue and the management expects 25% of such claims other than on terminated projects to be realised within the operating cycle. Accordingly unbilled revenue has been disclosed as current and non-current in the Balance Sheet. The effects in the Statement of Profit and Loss are dependent upon the percentage of completion of the project.

### 33 Foreign and Domestic Venture

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

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

(b) Pursuant to the put option exercised, one of the Subsidiaries of the Company had paid USD 32 Million for acquisition of further 35% stake in Sofinter Group. The transferor has created pledge in favour of the lenders of the transferee company. The process of transferring the ownership in favour of the transferee company is expected to be completed by 31<sup>st</sup> July, 2016. Considering the proposed holding of 67.5% in Sofinter Group, the order book position, the valuation carried out of the said Sofinter Group by an independent valuer and the current financials of Sofinter, the Management is of the view that no impairment is required in the exposure of the Company towards its combined exposure of ₹ 887.82 Crore in Sofinter Group.

(c) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹ 892.19 Crore (net of provisions already made) Crore as at 31<sup>st</sup> March, 2016 including Investments and guarantees towards the acquisition loan taken by the SPV. This also includes the corporate guarantee given.

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. 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 and no provision for impairment is accordingly made.

The Commissioner or the said FTM has not released any financials since 31<sup>st</sup> December, 2011 and therefore no further effects have been taken in respect of the said FTM in these financials.

(d) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for EUR 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.



- (e) The exposure of the Branch in SAE Powerlines S.r.l, Italy ("SAE"), a subsidiary of the Company and ATSL BV, Netherlands, the holding company of SAE, towards investments, loans, including guarantees towards the acquisition loan taken by the SPV is ₹ 196.84 Crore. The Branch has made provision for impairment of investments and Loan aggregating to ₹ 62.52 Crore and provision of ₹ 88.29 Crore for risk and contingencies for Corporate Guarantees for acquisition loan of the SPV and thus, the net exposure of the Branch is ₹ 46.03 Crore. The Branch has a further exposure of ₹ 139.48 Crore net of provision of ₹ 65.57 Crore towards receivables due from SAE which are outstanding for a long time. The Company had carried out a valuation of the business of SAE by an independent valuer in September, 2014, who determined an enterprise value of ₹ 71.34 Crore, which however is not updated to cover the present financial position. The Management is of the opinion that considering the order book position and adequate references and strengths in international markets especially the African and European Markets, the provision made by it for impairment of its investment, loan and trade receivable is adequate.
- (f) During the year, a further amount of ₹ 18.82 Crore has been debited to the said ACBI on account of the encashment of Bank Guarantee. Considering that the Company has initiated arbitration proceedings and based on legal advice that it has a sound case against the wrongful encashment and therefore no further provision is required against the increased exposure of ₹ 32.61 Crore as on 31<sup>st</sup> March, 2016.
- (g) 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. The exposure of the Company in the said subsidiary is ₹ 411.67 Crore net of provisions made. The Company has received a valuation report for USD 60 Million approximately from an independent merchant banker for its share. 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. Further the disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. In light of the same the management is confident that there will be no provision required for impairment.

### 34 ESOP Scheme

The erstwhile Associated Transrail Structures Limited ("ATSL"), had instituted an ESOP Scheme during the Financial Year 2006-07 which was approved by the shareholders vide their resolution dated 27<sup>th</sup> March, 2007. The Board of Directors of ATSL granted 1,06,300 stock options to its employees on 27<sup>th</sup> March, 2007 pursuant to the ESOP Scheme. Each option entitled an Employee to subscribe to one equity share of ATSL at an exercise price of ₹ 80 per share.

The following options vest in a graded manner over a period of four years and are exercisable during a period of three years from the date of vesting thereof as described hereinafter :-

Options Granted on 27<sup>th</sup> March, 2007 :

Vesting Date	No of Options	Exercise Period	Intrinsic Value on the date of grant of options	Fair Value of options as on date of grant of option
			₹	₹
28 September 2008	21,260	28.09.2008 to 27.09.2011	250.00	677.65
28 September 2009	26,575	28.09.2009 to 27.09.2012	250.00	677.65
28 March 2010	26,575	28.03.2010 to 27.03.2013	250.00	677.65
28 March 2011	31,890	28.03.2011 to 27.03.2014	250.00	677.65
	<b>1,06,300</b>			

The Intrinsic value was determined by independent valuer by following price to Net Assets Value (NAV) method, The fair value of options has been determined, using the Black-Scholes Option Pricing Model, by independent valuer as on 31<sup>st</sup> March, 2008.

Under this method, compensation expense, equivalent to the intrinsic value of the options granted, is amortised equally over the vesting period of the option following straight-line method. The intrinsic value is the excess of the value of the underlying stock as determined by the independent valuer over the exercise price at the measurement date, which typically is the grant date.

The fair value of 1,06,300 options, granted on 27<sup>th</sup> March, 2007 was determined using the Black-Scholes Option Pricing Model with the following assumptions:

Risk Free Interest Rate	7.50%
Expected Dividend Yield	0.39%
Expected Life of the Option	3 Years
Expected Volatility of Share Price	52.64%



**The status of employees stock options for the year ended 31<sup>st</sup> March, 2016 is as under :**

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Option Shares Outstanding at the beginning of the year	-	8,700
Option Exercised during the year	-	-
Option Shares Granted during the year	-	-
Option Shares Lapsed during the year	-	8,700
Option Shares Outstanding at the end of the year	-	-

NIL (Previous Period NIL) options were exercised by the employees during the year. NIL (Previous Period 8,700) options were lapsed during the year on account of cessation of employment / lapse of exercise period of option. None of the options granted have been forfeited during the year.

All the above options have an exercise price of ₹ 80 per share and have a weighted average remaining contractual life of 4 years.

Pursuant to the amalgamation of Associated Transrail Structures Limited (ATSL) with the Company, the outstanding options of the employees of the erstwhile ATSL outstanding as on 1<sup>st</sup> April, 2008, have been taken up as an obligation of the Company in accordance with the scheme approved by the Court. Accordingly, the Company has accounted for the grant of 1,06,300 options to such employees at an exercise price of ₹ 80 per share. The Company will issue two Equity Shares against each option in terms of the scheme of amalgamation approved by the Courts.

Since the assets and liabilities of the erstwhile ATSL have been accounted at the book value, the accounting effect in the accounts is continued at the same.

Had compensation cost been determined in accordance with the Fair Value Method described in the Guidance Note, the T&D Business net loss for the year ended 31<sup>st</sup> March, 2016 as reported would have changed to amounts indicated below

Particulars	(₹ in Crore)	
	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Net Profit After Tax and Prior Period Adjustments	(209.15)	(105.20)
Add: Stock based compensation expense included in the reported income	-	-
Less: Stock based compensation expenses determined using fair value of options	-	-
Net profit (adjusted)	(209.15)	(105.20)
Basic earnings per share as reported	-	-
Basic earnings per share (adjusted)	-	-
Diluted earnings per share as reported	-	-
Diluted earnings per share (adjusted)	-	-
Weighted average number of shares considered for diluted earnings per share (adjusted)	-	-

**35 In respect of the projects undertaken by the Company**

- i) The Company in evaluating its jobs has considered an amount of ₹153.29 Crore arising out of claims for work done on account of 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 recognised income to the extent of ₹ 135.75 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 favourable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favourable verdict from the Courts.
- 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.
- iv) There are disputes in six projects of the Company. The total exposure against these projects is ₹ 355.56 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.



- v) The Company, as part of its restructuring scheme in which it is carving 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 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.

Based on the above opinion, the Company has during the year recognised claims of an aggregate amount of ₹ 1,343.97 Crore including a further claim of ₹ 300 Crore during the quarter ended 31<sup>st</sup> March, 2016 excluding amounts recognised earlier of ₹ 313.25 Crore based on management estimates of reasonable realisation. These claims have been accounted as unbilled revenue and the management expects 25% of such claims other than on terminated projects to be realised within the operating cycle. Accordingly unbilled revenue has been disclosed as current and non-current in the Balance Sheet. The effects in the Statement of Profit and Loss are dependent upon the percentage of completion of the project.

- 36** 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 and 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. The Company is exploring several options for overcoming the liquidity crisis. The Group is in the process of development of its land parcel as well as monetising its overseas investments and to divest some of its businesses, recovery towards final bills, retention money, settlement of non-routine collection including claims, arbitration awards etc. to meet the working capital needs. The Company is also in discussion with client for overcoming bottlenecks in timely executing the existing projects and to increase the order book. The Company is having a good order book in hand as on March 2016 of ₹ 11,000 Crore.

The Company continues to negotiate with vendors for settlement, improved commercial terms and better credit facility and is in process of arranging additional working capital finance to improve short term liquidity position. The Company is evaluating and exploring various courses of action for raising funds for Company's operations, including options for strategic restructuring.

However due to the continuing stress and the inability of the Promoters to infuse fresh funds into the Company and the continuing losses, The Corporate Debt Restructuring Empowered Group in its meeting held on 23<sup>rd</sup> November, 2015 has discussed and noted the proposal of the CDR Lenders for invocation of Strategic Debt Restructuring ("SDR") in the Company and carve out of the Civil Engineering, Procurement and Construction and the Transmission and Distribution Businesses with change of management. The "Reference date" for the purpose of the SDR is 17<sup>th</sup> November, 2015. The lenders have invoked SDR and the requisite majority for approval of the SDR scheme in value and numbers had already been received and the CDR lenders have converted part of their loans and interest by taking a 62.65% stake in the Company upto the period ended 31<sup>st</sup> March, 2016. The Company has also as part of the SDR formulated a detailed restructuring package, which is detailed in a later paragraph.

Based on various developments including SDR by lenders resulting in lenders having majority stake and restructuring of businesses, the management is of the view that the Company will remain as going concern for future on the basis of existing order book, restructuring proposal, monetisation of the various non-core assets, future business potential, pre-qualifications for project bidding and previous track record

### **37 Strategic Debt Restructuring**

The lenders invoked SDR with reference date of 17<sup>th</sup> November, 2015. CDR EG noted the same in their meeting held on 23<sup>rd</sup> November, 2015 and approved by Joint Lenders Forum in its meeting held on 23<sup>rd</sup> November, 2015. As per the SDR proposal lenders can convert their debt into equity upto ₹ 300 Crore. As on date lenders have converted ₹ 272.22 Crore of the debt into equity representing 62.77 % of equity capital.

The Company as part of its revival plan has decided to carve out the Civil EPC and Transmission and Distribution (T&D) Businesses into separate companies through the process of BTA and Scheme of arrangement. This will help in getting new investors in the respective companies

#### **T&D Business :**

As part of the plan the Business Transfer Agreement (BTA) and the Court Scheme for transfer of the T&D Business in favour of Transrail Lighting Limited, a wholly owned subsidiary has been finalised. The BTA has been executed in October 2015 and the Court scheme is finalized and is pending approval of the Regulator. The Investor has been identified as Bilav Software Private Limited and the shareholder agreement is already signed with Bilav Software Private Limited for the T&D Businesses wherein they have acquired 75% stake in TLL at a cost of ₹ 2.33 Crore from GIL. They will also invest another ₹ 47.67 Crore approximately in TLL. As part of the carve out proposal of T&D Business ₹ 505 Crore funded and ₹ 3,350 Crore non-funded exposure will be transferred to TLL.

### Civil EPC :

Company is in process of transfer its Civil EPC Business to its WOS through BTA and Scheme of arrangement. Company has signed BTA with its WOS. An investor GP Group of Thailand has given proposal to invest ₹ 250 Crore in Civil EPC Business.

### Non-Core Assets:

Companies will develop / monetise its investments in India and also outside India in coming years to repay the loans remaining in the Company.

### Conversion of Loan in to Equity:

Under SDR the lenders has converted overdue principal and interest of ₹ 272.22 Crore in to equity at ₹ 11.89 per share.

## 38 Disclosure of Discontinuing Operations as per AS 24

As part of its restructuring of its business in order to create sector focused companies and to invite investments by strategic investors the Company decided to carve out its Transmission and Distribution Business into Transrail Lighting Limited. The Company entered into shareholders agreement with M/s Bilav Software Private Limited to divest 75% of its stake in Transrail Lighting limited. The Restructuring plan contemplated carving out of a portion of business vide a Business Transfer Agreement and the balance portion of the T&D Business by way of a scheme of arrangement of the retained T&D Business in GIL through a Court process. Accordingly the businesses transferred under the BTA and proposed to be transferred under the Court scheme are treated as discontinuing operations.

Similarly, the EPC Business is proposed to be transferred out into a wholly owned subsidiary either through a BTA or a Scheme or a mix of both. The Board of Directors vide its meeting dated 12<sup>th</sup> February, 2016 have approved the restructuring plan. Attention is invited to note no 37 where the identification of the investor and other terms of the same are detailed. The said EPC Business proposed to be carved out are also included in as discontinuing operations.

The Statements of Profit and Loss , Balance Sheet and Cashflow relating to the discontinuing operations is given in Annexure 3

## 39 Earning Per Share

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

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Net Profit attributable to the Equity Share holders (₹ in Crore)	14.64	67.80
Outstanding Number of Equity Shares at the end of the year	36,47,22,809	13,57,74,668
Weighted Number of Shares during the period – Basic	16,47,77,040	13,57,74,668
Weighted Number of Shares during the period – Diluted	16,55,02,840	13,65,00,468
Earning Per Share – Basic (₹)	0.89	4.99
Earning Per Share – Diluted (₹)	0.89	4.97

Since the options granted are anti dilutive hence diluted EPS is not computed.

### Reconciliation of weighted number of outstanding during the year :

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Nominal Value of Equity Shares ('₹' Per Share)	2.00	2.00
<b>For Basic EPS :</b>		
Number of Equity Shares at the beginning	13,57,74,668	13,57,74,668
Add : Issue of shares	22,89,48,141	-
Number of Equity Shares at the end	36,47,22,809	13,57,74,668
Weighted Average of Equity Shares at the end	16,47,77,040	13,57,74,668
<b>For Dilutive EPS :</b>		
Weighted Average no. of shares in calculating Basic EPS	16,47,77,040	13,57,74,668
Add : Shares kept in abeyance	7,25,800	725,800
Add : On grant of stock option under ESOP	-	-
Weighted Average no. of shares in calculating Dilutive EPS	16,55,02,840	13,65,00,468



#### 40 Disclosure under Accounting Standard – 19 “Leases” of the Companies (Accounting Standards) Rule, 2006

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 recognised 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 -

(₹ in Crore)		
Particulars	As at 31 Mar 2016	As at 30 Sep 2014
Payable not later than one year	4.64	3.35
Payable between one to five years	-	3.94
Payable after five years	-	-

#### 41 Contingent Liability

(₹ in Crore)		
Particulars	As at 31 Mar 2016	As at 30 Sep 2014
a Liability on contracts remaining to be executed on Capital Account	22.47	23.89
b Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of Subsidiary, erstwhile Subsidiary, Associate Companies	3,662.88	4,517.43
c Corporate Guarantees and Counter Guarantees given to Bankers towards Company's share in the Joint Ventures for Guarantees given by them to the Joint Venture Project Clients	55.77	89.22
d Disputed Sales Tax Liability for which the Company has gone into appeal	145.31	140.59
e Claims against the Company not acknowledged as debts	209.08	156.78
f Disputed Excise Duty Liability	18.04	0.97
g Disputed Service Tax Liability	60.77	52.37
h Outstanding Letters of Credit Pending Acceptance	50.49	164.77
i In respect of Income Tax Matters of Company and its Joint Ventures	337.28	364.09
j Commitment towards capital contribution in subsidiary under contractual obligation (Refer Note 46(iii))	51.32	47.36
k Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	4.93
l Other Matter	6.42	6.79
m Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96
n There is a disputed demand of UCO Bank pending since 1986, of USD 4,36,251 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.		
o Counter Claims in arbitration matters referred by the Company – liability unascertainable.		
p The Disputed Service Tax Liability disclosed above is after considering legal advice on the probability of the liability materialising being remote.		
q In respect of Borrowing transferred to TLL but Novation not yet carried out by the bankers till date amounting to ₹ 32.38 Crore		
r Corporate Guarantee issued for borrowings transferred to TLL but Novation not yet carried out by the bankers till date amounting to ₹ 212.89 Crore		

#### 42 Segment Reporting

The Company is engaged mainly in “Construction and Engineering” segment. During the previous year, the Company has started Real Estate Business which is a different segment of “Real Estate Development” and additionally the Company has revenue from Windmills. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard AS -17 “Segment Reporting” is done. The Company also primarily operates under one geographical segment namely India.

#### 43 Quantitative information of Derivative Instruments entered into by the Company and outstanding as at Balance Sheet date

##### (a) For Un-hedged Foreign Currency Exposures :

Unhedged Foreign Currency Exposure as at 31<sup>st</sup> March, 2016 is ₹ 1,608.50 Crore (Previous Period ₹ 1,363.54 Crore) receivables and ₹ 221.82 Crore (Previous Period ₹ 224.04 Crore) payables. Currency wise unhedged amounts are as follows -

Currency	As at 31 Mar 2016		As at 30 Sep 2014	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	181,741,040	20,699,060	150,415,453	22,677,449
EUR - Euro	44,129,177	1,606,520	44,385,166	3,777,550
GBP - British Pound	-	933	95,560	-
AED - UAE Dirham	95,560	-	-	945,203
SEK - Swedish Krona	-	-	-	17,106
DZD - Algerian Dinar	187,886,172	253,733,037	174,270,203	271,770,853
NGN - Nigerian Naira	1,170,092	6,213,707	1,170,092	6,213,707
KES - Kenyan Shilling	29,874,430	177,217,577	43,455,513	5,404,297
BTN - Bhutan Ngultrum	330,548,044	171,649,709	432,226,688	175,942,428
CAD - Canadian Dollar	1,992,563	-	2,789,531	-
ETB - Ethiopian Birr	48,787,634	27,139,571	48,882,591	49,277,493
RWF - Rwandan Franc	12,172,416	132,634,746	16,491,940	52,447,226
YER - Yemeni Rial	214,890	583,378	2,596,365	-
AFS - Afgan Afghani	282,642	209,638,909	-	-

##### (b) For Hedged Foreign Currency Exposures :

Hedged Foreign Currency Exposure as at 31<sup>st</sup> March, 2016 is ₹ Nil (Previous Period ₹ Nil) receivables and ₹ 19.34 Crore (Previous Period ₹ 20.22 Crore) payables. Currency wise hedged amounts are as follows -

Currency	As at 31 Mar 2016		As at 30 Sep 2014	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	-	1,987,568	-	1,711,053
EUR - Euro	-	820,000	-	1,137,932
SEK - Swedish Krona	-	-	-	919,716

44 The balance with The Freyssinet Prestressed Concrete Company Limited is as per books of accounts and subject to reconciliation.

#### 45 Joint Venture

##### (a) Details of Joint Ventures entered into by the Company :

	Name of Joint Venture	Description of Interest	% of involvement	
			31 Mar 2016	30 Sep 2014
1	Afghanistan ATSL AEPC Consortium	Jointly Controlled Operation	75.00%	75.00%
2	BBJ Gammon	Jointly Controlled Operation		49.00%
3	CMC - Gammon	Jointly Controlled Operation		50.00%
4	Consortium between SAE Powerlines S.r.l and ATSL	Jointly Controlled Operation	NIL	NIL
5	Consortium SAE - GAMMON	Jointly Controlled Operation	37.03%	37.03%
6	Gammon - CMC	Jointly Controlled Operation	50.00%	50.00%
7	Gammon - FCEP, Nigeria	Jointly Controlled Operation	80.13%	80.13%
8	Gammon AG	Jointly Controlled Operation		51.00%
9	GAMMON ARCHIRODON	Jointly Controlled Operation	98.50%	98.50%
10	Gammon Atlanta	Jointly Controlled Operation	50.00%	50.00%
11	Gammon BBJ	Jointly Controlled Operation	50.00%	50.00%



	Name of Joint Venture	Description of Interest	% of involvement	
			31 Mar 2016	30 Sep 2014
12	GAMMON LIMAK	Jointly Controlled Operation		51.00%
13	Gammon OSE	Jointly Controlled Operation	<b>50.00%</b>	50.00%
14	Gammon Pratibha (BWSSB)	Jointly Controlled Operation	<b>70.00%</b>	70.00%
15	Gammon Progressive	Jointly Controlled Operation	<b>50.00%</b>	50.00%
16	GAMMON RIZZANI	Jointly Controlled Operation	<b>50.00%</b>	50.00%
17	GAMMON SEW	Jointly Controlled Operation		90.00%
18	Gammon Srinivasa	Jointly Controlled Operation		80.00%
19	GIL JMC	Jointly Controlled Operation		70.00%
20	Hyundai Gammon	Jointly Controlled Operation	<b>49.00%</b>	49.00%
21	JFE - Gammon	Jointly Controlled Operation	<b>40.00%</b>	40.00%
22	Gammon -SINGLA	Jointly Controlled Operation	<b>55.00%</b>	55.00%
23	Gammon Ozkar	Jointly Controlled Operation	<b>51.00%</b>	51.00%
24	Gammon Ozkar	Jointly Controlled Operation	<b>70.00%</b>	
25	Gammon SPML	Jointly Controlled Operation	<b>51.00%</b>	
26	JV Siemens Limited And ATSL, Kenya	Jointly Controlled Operation	<b>NIL</b>	NIL
27	OSE GIL	Jointly Controlled Operation	<b>50.00%</b>	50.00%
28	Patel Gammon	Jointly Controlled Operation		49.00%
29	SAE - Gammon Consortium - Togo Benin	Jointly Controlled Operation	<b>85.46%</b>	85.46%
30	SAE - Gammon Consortium - Togo Benin	Jointly Controlled Operation	<b>40.00%</b>	40.00%
31	SAE - GAMMON Consortium	Jointly Controlled Operation	<b>51.56%</b>	51.56%
32	SAE - GIL Consortium	Jointly Controlled Operation	<b>33.91%</b>	33.91%
33	Bhutan Consortium Jyoti Structures Limited and Gammon India Limited	Jointly Controlled Entity	<b>50.00%</b>	50.00%
34	Gammon Encee Consortium	Jointly Controlled Entity		51.00%
35	Jaeger Gammon	Jointly Controlled Entity	<b>90.00%</b>	90.00%
36	Gammon Construtora Cidade Tensaccia	Jointly Controlled Entity	<b>60.00%</b>	60.00%
37	Gammon OJSC Mosmetrostroy	Jointly Controlled Entity		51.00%
38	GIPL GIL	Jointly Controlled Entity	<b>5.00%</b>	5.00%

(b) Details of Income and Expenditure and Assets and Liabilities of Jointly Controlled Entities as per the audited accounts of the Joint Venture Entity are as under-

Particulars of JV with share	Share of Assets	Share of Liabilities	Share of Income	Share of Expenditure
1 Jaeger Gammon (90%)	<b>7.03</b> (9.37)	<b>6.89</b> (9.21)	<b>6.62</b> (0.51)	<b>6.62</b> (0.48)
2 Gammon Construtora Cidade Tensaccia (60%)#	<b>94.18</b> (69.83)	<b>90.63</b> (63.67)	<b>110.33</b> (78.91)	<b>107.34</b> (79.67)
3 Bhutan Consortium Jyoti Structures Limited and Gammon India Limited (50%)	<b>46.52</b> (43.13)	<b>46.52</b> (43.13)	<b>33.87</b> (43.47)	<b>33.87</b> (43.47)
4 Gammon CMC (50%) #	<b>46.00</b> (23.25)	<b>45.76</b> (23.01)	<b>28.38</b> (0.78)	<b>28.38</b> (0.55)
5 Gammon OJSC Mosmetrostroy (51%)#	<b>108.65</b> (74.73)	<b>108.65</b> (99.02)	<b>122.21</b> (192.86)	<b>120.75</b> (195.56)

(Previous Period figures are in brackets)

# Based on Management Accounts.

The Company has entered into a Joint Venture ("JV") with M/s First Capital Energy and Power Industries Limited, Nigeria. The Company has not yet received Financial Statements of the JV and therefore, the Company's share of profit / loss for the year ended 31<sup>st</sup> March, 2016 in the said JV has not been accounted for.

- 46** Disclosure of transactions with Related Parties, as required by Accounting Standard - 18 "Related Party Disclosures" has been set out in a separate Annexure - 2.
- 47** The current period is from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 . The comparative figures for the Previous period are for the period from 1<sup>st</sup> January, 2014 to 30<sup>th</sup> September, 2014. The figures for both these periods are therefore not strictly comparable.
- 48** In the opinion of the Management, Current Assets and Non-Current Assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 49** The Company has during the year, with effect from 1<sup>st</sup> January, 2015 has extended the terms of the supports by way of loans to the overseas Special Purpose Vehicles which hold the Company's equity investment in overseas subsidiaries and Joint Ventures by treating the loans as long term loan repayable at the end of 5 years. Since these SPV's are in the nature of non integral operation of the Company, exchange gain / loss on restatement of such loan are carried in the Foreign Exchange Translation Reserves in accordance with AS -11 "The Effects of changes in Foreign Exchange Rates" issued under the Companies (Accounting Standard) Rules, 2006.
- 50** Balances of Trade Receivables, Trade Payables, Loans and Advances are as per the Books of Accounts are subject to confirmation and reconciliation.
- 51** Previous period figures are regrouped and rearranged with those of the current period.

## 52 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	(₹ in Crore)	
	As at 31 Mar 2016	As at 30 Sep 2014
<b>(i) Non Current Investment</b>		
Airscrew (India) Limited	1,000	1,000
Alpine Environmental Engineers Limited	20,000	20,000
Bhagirathi Bridge Construction Company Limited	30,000	30,000
Modern Flats Limited (Unquoted)	22,100	22,100
Neptune Tower Properties Private Limited	1,000	1,000
Investment In Partnership - Capital Contribution - Gammon Shah	25,000	25,000
<b>(ii) Current Investment</b>		
HDFC Mutual Fund - Floating Rate Income Fund	22,321	21,673
<b>(iii) Contingent Liability</b>		
Contingent Liability on Partly Paid Shares	19,000	19,000

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 : 17 June 2016

For and on behalf of the **Board of Directors**

**ABHIJIT RAJAN**  
Chairman and Managing Director  
DIN No. 00177173

**NAVAL CHOUDHARY**  
Non-Executive Director  
DIN No. 00192164

**VARDHAN DHARKAR**  
Chief Financial Officer

Mumbai, Dated : 17 June 2016

**AJIT B. DESAI**  
Executive Director and CEO  
DIN No. 00105836

**DIGAMBAR C. BAGDE**  
Deputy Managing Director - T&D Division  
DIN No. 00122564

**GITA BADE**  
Company Secretary



## ANNEXURE 1

Details of Continuing default as on 31 Mar 2016				(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type
Allahabad Bank	WCTL	0.66	Mar-16	Interest
Allahabad Bank	Priority Loan	0.55	Mar-16	Interest
Allahabad Bank	NCD	0.04	Mar-16	Interest
Allahabad Bank	NCD	0.07	Jan-16	Interest
Allahabad Bank	NCD	0.08	Jan-16	Interest
Allahabad Bank	NCD	0.07	Feb-16	Interest
Allahabad Bank	NCD	0.08	Mar-16	Interest
Allahabad Bank	NCD FITL	0.13	Mar-16	Interest
Bank of Baroda	WCTL	0.56	Jan-16	Interest
Bank of Baroda	WCTL	0.55	Dec-15	Interest
Bank of Baroda	WCTL	0.39	Nov-15	Interest
Bank of Baroda	Priority Loan	0.57	Jan-16	Interest
Bank of Baroda	Priority Loan	0.56	Dec-15	Interest
Bank of Baroda	Priority Loan	0.56	Nov-15	Interest
Bank of Baroda	Rupee Term Loan	1.95	Jan-16	Interest
Bank of Baroda	Rupee Term Loan	1.94	Dec-15	Interest
Bank of Baroda	Rupee Term Loan	1.37	Nov-15	Interest
Bank of Baroda	FITL	0.27	Jan-16	Interest
Bank of Baroda	FITL	0.26	Dec-15	Interest
Bank of Baroda	FITL	0.19	Nov-15	Interest
Bank of Maharashtra	NCD	0.08	Mar-16	Interest
Bank of Maharashtra	NCD FITL	0.01	Mar-16	Interest
Canara Bank	WCTL	1.09	Feb-16	Interest
Canara Bank	WCTL	0.24	Jan-16	Interest
Canara Bank	Priority Loan	1.50	Feb-16	Interest
Canara Bank	Priority Loan	0.37	Jan-16	Interest
Canara Bank	FITL	0.25	Feb-16	Interest
Canara Bank	FITL	0.03	Jan-16	Interest
Canara Bank	Rupee Term Loan	1.88	Feb-16	Interest
Canara Bank	Rupee Term Loan	2.02	Jan-16	Interest
Central Bank of India	NCD	0.17	Nov-15	Interest
Central Bank of India	NCD	0.17	Dec-15	Interest
Central Bank of India	NCD	0.17	Jan-16	Interest
Central Bank of India	NCD	0.16	Feb-16	Interest
Central Bank of India	NCD	0.17	Mar-16	Interest
Central Bank of India	NCD FITL	0.02	Aug-15	Interest
Central Bank of India	NCD FITL	0.02	Sep-15	Interest
Central Bank of India	NCD FITL	0.02	Oct-15	Interest
Central Bank of India	NCD FITL	0.02	Nov-15	Interest
Central Bank of India	NCD FITL	0.02	Dec-15	Interest
Central Bank of India	NCD FITL	0.02	Jan-16	Interest
Central Bank of India	NCD FITL	0.02	Feb-16	Interest
Central Bank of India	NCD FITL	0.02	Mar-16	Interest
Development Bank of Singapore	Priority Loan	0.50	Oct-15	Interest
Development Bank of Singapore	Priority Loan	0.48	Nov-15	Interest
Development Bank of Singapore	Priority Loan	0.49	Dec-15	Interest
GIC India	NCD	0.13	May-15	Interest
GIC India	NCD	0.13	Jun-15	Interest
GIC India	NCD	0.13	Jul-15	Interest
GIC India	NCD	0.13	Aug-15	Interest
GIC India	NCD	0.13	Sep-15	Interest
GIC India	NCD	0.13	Oct-15	Interest
GIC India	NCD	0.13	Nov-15	Interest



Details of Continuing default as on 31 Mar 2016					(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type	
Oriental Bank of Commerce	NCD	0.03	Aug-15	Interest	
Oriental Bank of Commerce	NCD	0.03	Sep-15	Interest	
Oriental Bank of Commerce	NCD	0.04	Oct-15	Interest	
Oriental Bank of Commerce	NCD	0.03	Nov-15	Interest	
Oriental Bank of Commerce	NCD	0.03	Dec-15	Interest	
Oriental Bank of Commerce	NCD	0.03	Jan-16	Interest	
Oriental Bank of Commerce	NCD	0.03	Feb-16	Interest	
Oriental Bank of Commerce	NCD	0.03	Mar-16	Interest	
GIC India	NCD	0.13	Dec-15	Interest	
GIC India	NCD	0.13	Jan-16	Interest	
GIC India	NCD	0.12	Feb-16	Interest	
GIC India	NCD	0.13	Mar-16	Interest	
GIC India	NCD	0.15	May-15	Interest	
GIC India	NCD	0.16	Jun-15	Interest	
GIC India	NCD	0.16	Jul-15	Interest	
GIC India	NCD	0.16	Aug-15	Interest	
GIC India	NCD	0.16	Sep-15	Interest	
GIC India	NCD	0.16	Oct-15	Interest	
GIC India	NCD	0.16	Nov-15	Interest	
GIC India	NCD	0.16	Dec-15	Interest	
GIC India	NCD	0.16	Jan-16	Interest	
GIC India	NCD	0.15	Feb-16	Interest	
GIC India	NCD	0.16	Mar-16	Interest	
GIC India	NCD FITL	0.02	Apr-15	Interest	
GIC India	NCD FITL	0.04	May-15	Interest	
GIC India	NCD FITL	0.04	Jun-15	Interest	
GIC India	NCD FITL	0.04	Jul-15	Interest	
GIC India	NCD FITL	0.04	Aug-15	Interest	
GIC India	NCD FITL	0.04	Sep-15	Interest	
GIC India	NCD FITL	0.04	Oct-15	Interest	
GIC India	NCD FITL	0.04	Nov-15	Interest	
GIC India	NCD FITL	0.04	Dec-15	Interest	
GIC India	NCD FITL	0.04	Jan-16	Interest	
GIC India	NCD FITL	0.04	Feb-16	Interest	
GIC India	NCD FITL	0.04	Mar-16	Interest	
ICICI Bank	Priority Loan	0.99	Mar-16	Interest	
ICICI Bank	WCTL	0.63	Mar-16	Interest	
IDBI Bank	WCTL	1.07	Oct-15	Interest	
IDBI Bank	WCTL	1.05	Nov-15	Interest	
IDBI Bank	WCTL	1.09	Dec-15	Interest	
IDBI Bank	WCTL	1.12	Jan-16	Interest	
IDBI Bank	WCTL	1.05	Feb-16	Interest	
IDBI Bank	WCTL	1.12	Mar-16	Interest	
IDBI Bank	Priority Loan	0.83	Sep-15	Interest	
IDBI Bank	Priority Loan	0.81	Nov-15	Interest	
IDBI Bank	Priority Loan	0.84	Dec-15	Interest	
IDBI Bank	Priority Loan	0.86	Jan-16	Interest	
IDBI Bank	Priority Loan	0.81	Feb-16	Interest	
IDBI Bank	Priority Loan	0.86	Mar-16	Interest	
IDBI Bank	STL	2.14	Oct-15	Interest	
IDBI Bank	STL	2.09	Nov-15	Interest	
IDBI Bank	STL	2.17	Dec-15	Interest	
IDBI Bank	STL	1.91	Jan-16	Interest	
IDBI Bank	STL	1.81	Feb-16	Interest	



Details of Continuing default as on 31 Mar 2016				(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type
IDBI Bank	STL	1.82	Mar-16	Interest
Indian Bank	NCD	0.06	Nov-15	Interest
Indian Bank	NCD	0.06	Dec-15	Interest
Indian Bank	NCD	0.09	Jan-16	Interest
Indian Bank	NCD	0.08	Feb-16	Interest
Indian Bank	NCD	0.09	Mar-16	Interest
Indian Bank	NCD FITL	0.00	Nov-15	Interest
Indian Bank	NCD FITL	0.01	Dec-15	Interest
Indian Bank	NCD FITL	0.01	Jan-16	Interest
Indian Bank	NCD FITL	0.01	Feb-16	Interest
Indian Bank	NCD FITL	0.01	Mar-16	Interest
Karnataka Bank	NCD	0.08	Nov-15	Interest
Karnataka Bank	NCD	0.09	Dec-15	Interest
Karnataka Bank	NCD	0.09	Jan-16	Interest
Karnataka Bank	NCD	0.08	Feb-16	Interest
Karnataka Bank	NCD	0.09	Mar-16	Interest
Karnataka Bank	NCD FITL	0.02	Nov-15	Interest
Karnataka Bank	NCD FITL	0.01	Dec-15	Interest
Karnataka Bank	NCD FITL	0.01	Jan-16	Interest
Karnataka Bank	NCD FITL	0.01	Feb-16	Interest
Karnataka Bank	NCD FITL	0.01	Mar-16	Interest
LIC of India	NCD	0.85	May-15	Interest
LIC of India	NCD	0.91	Jun-15	Interest
LIC of India	NCD	0.94	Jul-15	Interest
LIC of India	NCD	0.94	Aug-15	Interest
LIC of India	NCD	0.91	Sep-15	Interest
LIC of India	NCD	0.94	Oct-15	Interest
LIC of India	NCD	0.91	Nov-15	Interest
LIC of India	NCD	0.94	Dec-15	Interest
LIC of India	NCD	0.94	Jan-16	Interest
LIC of India	NCD	0.88	Feb-16	Interest
LIC of India	NCD	0.94	Mar-16	Interest
LIC of India	NCD	0.37	May-15	Interest
LIC of India	NCD	0.39	Jun-15	Interest
LIC of India	NCD	0.40	Jul-15	Interest
LIC of India	NCD	0.40	Aug-15	Interest
LIC of India	NCD	0.39	Sep-15	Interest
LIC of India	NCD	0.40	Oct-15	Interest
LIC of India	NCD	0.39	Nov-15	Interest
LIC of India	NCD	0.40	Dec-15	Interest
LIC of India	NCD	0.40	Jan-16	Interest
LIC of India	NCD	0.38	Feb-16	Interest
LIC of India	NCD	0.40	Mar-16	Interest
LIC of India	NCD	2.48	Mar-16	Interest
LIC of India	NCD	2.49	Sep-15	Interest
LIC of India	NCD FITL	0.17	May-15	Interest
LIC of India	NCD FITL	0.19	Jun-15	Interest
LIC of India	NCD FITL	0.19	Jul-15	Interest
LIC of India	NCD FITL	0.19	Aug-15	Interest
LIC of India	NCD FITL	0.19	Sep-15	Interest
LIC of India	NCD FITL	0.19	Oct-15	Interest
LIC of India	NCD FITL	0.18	Nov-15	Interest
LIC of India	NCD FITL	0.19	Dec-15	Interest
LIC of India	NCD FITL	0.19	Jan-16	Interest

Details of Continuing default as on 31 Mar 2016					(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type	
LIC of India	NCD FITL	0.17	Feb-16	Interest	
LIC of India	NCD FITL	0.19	Mar-16	Interest	
Syndicate Bank	WCTL	0.50	Mar-16	Interest	
Syndicate Bank	WCTL	0.46	Feb-16	Interest	
Syndicate Bank	WCTL	0.53	Jan-16	Interest	
Syndicate Bank	Priority Loan	0.50	Mar-16	Interest	
Syndicate Bank	Priority Loan	0.47	Feb-16	Interest	
Syndicate Bank	Priority Loan	0.30	Jan-16	Interest	
Syndicate Bank	FITL	0.30	Mar-16	Interest	
Syndicate Bank	FITL	0.28	Feb-16	Interest	
Syndicate Bank	FITL	0.03	Jan-16	Interest	
Syndicate Bank	Rupee Term Loan	1.97	Mar-16	Interest	
Syndicate Bank	Rupee Term Loan	1.83	Feb-16	Interest	
Syndicate Bank	Rupee Term Loan	1.53	Jan-16	Interest	
Syndicate Bank	WCDL	0.53	Mar-16	Interest	
Syndicate Bank	WCDL	0.50	Feb-16	Interest	
Syndicate Bank	WCDL	0.53	Jan-16	Interest	
Syndicate Bank	WCDL	0.53	Dec-15	Interest	
Syndicate Bank	WCDL	0.49	Nov-15	Interest	
UCO Bank	FITL	0.28	Oct-15	Interest	
UCO Bank	FITL	0.27	Nov-15	Interest	
UCO Bank	FITL	0.28	Dec-15	Interest	
UCO Bank	FITL	0.28	Jan-16	Interest	
UCO Bank	FITL	0.27	Feb-16	Interest	
UCO Bank	FITL	0.29	Mar-16	Interest	
UCO Bank	Rupee Term Loan	1.04	Oct-15	Interest	
UCO Bank	Rupee Term Loan	1.85	Nov-15	Interest	
UCO Bank	Rupee Term Loan	1.93	Dec-15	Interest	
UCO Bank	Rupee Term Loan	1.95	Jan-16	Interest	
UCO Bank	Rupee Term Loan	1.85	Feb-16	Interest	
UCO Bank	Rupee Term Loan	2.00	Mar-16	Interest	
United India Insurance	NCD	0.15	Jun-15	Interest	
United India Insurance	NCD	0.16	Jul-15	Interest	
United India Insurance	NCD	0.16	Aug-15	Interest	
United India Insurance	NCD	0.16	Sep-15	Interest	
United India Insurance	NCD	0.16	Oct-15	Interest	
United India Insurance	NCD	0.16	Nov-15	Interest	
United India Insurance	NCD	0.16	Dec-15	Interest	
United India Insurance	NCD	0.16	Jan-16	Interest	
United India Insurance	NCD	0.15	Feb-16	Interest	
United India Insurance	NCD	0.16	Mar-16	Interest	
United India Insurance	NCD FITL	0.02	Jul-15	Interest	
United India Insurance	NCD FITL	0.02	Aug-15	Interest	
United India Insurance	NCD FITL	0.02	Sep-15	Interest	
United India Insurance	NCD FITL	0.02	Oct-15	Interest	
United India Insurance	NCD FITL	0.02	Nov-15	Interest	
United India Insurance	NCD FITL	0.02	Dec-15	Interest	
United India Insurance	NCD FITL	0.02	Jan-16	Interest	
United India Insurance	NCD FITL	0.02	Feb-16	Interest	
United India Insurance	NCD FITL	0.02	Mar-16	Interest	
Union Bank	FITL	0.28	Nov-15	Interest	
Union Bank	FITL	0.29	Dec-15	Interest	
Union Bank	FITL	0.30	Jan-16	Interest	
Union Bank	FITL	0.30	Feb-16	Interest	



<b>Details of Continuing default as on 31 Mar 2016</b>				<b>(₹ in Crore)</b>
<b>Bank / Party Name</b>	<b>Facility</b>	<b>Amount</b>	<b>Due On</b>	<b>Type</b>
Union Bank	FITL	0.28	Mar-16	Interest
Union Bank	Rupee Term Loan	2.16	Nov-15	Interest
Union Bank	Rupee Term Loan	2.09	Dec-15	Interest
Union Bank	Rupee Term Loan	2.14	Jan-16	Interest
Union Bank	Rupee Term Loan	2.15	Feb-16	Interest
Union Bank	Rupee Term Loan	2.03	Mar-16	Interest
United Bank	FITL	0.46	Oct-15	Interest
United Bank	FITL	0.34	Nov-15	Interest
United Bank	FITL	0.36	Dec-15	Interest
United Bank	FITL	0.36	Jan-16	Interest
United Bank	FITL	0.34	Feb-16	Interest
United Bank	FITL	0.37	Mar-16	Interest
United Bank	Rupee Term Loan	1.02	Nov-15	Interest
United Bank	Rupee Term Loan	2.50	Dec-15	Interest
United Bank	Rupee Term Loan	2.48	Jan-16	Interest
United Bank	Rupee Term Loan	2.34	Feb-16	Interest
United Bank	Rupee Term Loan	2.52	Mar-16	Interest
Canara Bank	WCTL	1.14	Mar-16	Interest
Bank of Baroda	WCTL	0.56	Feb-16	Interest
Bank of Baroda	WCTL	0.57	Mar-16	Interest
Canara Bank	Priority Loan	1.56	Mar-16	Interest
Bank of Baroda	Priority Loan	0.57	Feb-16	Interest
Bank of Baroda	Priority Loan	0.58	Mar-16	Interest
Development Bank of Singapore	Priority Loan	0.49	Jan-16	Interest
Development Bank of Singapore	Priority Loan	0.46	Feb-16	Interest
Development Bank of Singapore	Priority Loan	0.49	Mar-16	Interest
Canara Bank	Rupee Term Loan	1.99	Mar-16	Interest
Bank of Baroda	Rupee Term Loan	1.96	Mar-16	Interest
Bank of Baroda	Rupee Term Loan	1.95	Feb-16	Interest
Bank of Baroda	FITL	0.26	Feb-16	Interest
Bank of Baroda	FITL	0.27	Mar-16	Interest
Canara Bank	FITL	0.27	Mar-16	Interest
Oriental Bank of Commerce	NCD FITL	0.00	Jan-16	Interest
Oriental Bank of Commerce	NCD FITL	0.00	Feb-16	Interest
Oriental Bank of Commerce	NCD FITL	0.00	Mar-16	Interest
Canara Bank	Rupee Term Loan	2.00	Jan-16	Principal
Canara Bank	FITL	0.29	Jan-16	Principal
Canara Bank	Priority Loan	5.92	Jan-16	Principal
Syndicate Bank	Rupee Term Loan	2.00	Jan-16	Principal
Syndicate Bank	Priority Loan	1.85	Jan-16	Principal
Syndicate Bank	FITL	0.29	Jan-16	Principal
Bank of Baroda	Rupee Term Loan	2.00	Jan-16	Principal
Bank of Baroda	Priority Loan	2.15	Jan-16	Principal
Bank of Baroda	FITL	0.27	Jan-16	Principal
IDBI Bank	Priority Loan	3.19	Jan-16	Principal
Development Bank of Singapore	Priority Loan	1.82	Oct-15	Principal
Development Bank of Singapore	Priority Loan	1.82	Jan-16	Principal
UCO Bank	FITL	0.29	Oct-15	Principal
UCO Bank	Rupee Term Loan	2.00	Oct-15	Principal
UCO Bank	FITL	0.29	Jan-16	Principal
UCO Bank	Rupee Term Loan	2.00	Jan-16	Principal
United Bank	FITL	0.36	Jan-16	Principal
United Bank	Rupee Term Loan	2.50	Jan-16	Principal
Union Bank	FITL	0.32	Oct-15	Principal
Union Bank	Rupee Term Loan	1.50	Oct-15	Principal

Details of Continuing default as on 31 Mar 2016					(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type	
Union Bank	FITL	0.32	Jan-16	Principal	
UNION BANK	Rupee Term Loan	2.25	Jan-16	Principal	
LIC of India	NCD	1.00	Apr-15	Principal	
LIC of India	NCD	0.50	Apr-15	Principal	
LIC of India	NCD	1.00	Jul-15	Principal	
LIC of India	NCD	0.50	Jul-15	Principal	
LIC of India	NCD FITL	0.11	Oct-15	Principal	
LIC of India	NCD FITL	0.06	Oct-15	Principal	
LIC of India	NCD	1.00	Oct-15	Principal	
LIC of India	NCD	0.50	Oct-15	Principal	
LIC of India	NCD FITL	0.14	Jan-16	Principal	
LIC of India	NCD FITL	0.06	Jan-16	Principal	
LIC of India	NCD	1.00	Jan-16	Principal	
LIC of India	NCD	0.50	Jan-16	Principal	
LIC of India	NCD	15.00	Jan-16	Principal	
GIC India	NCD	0.15	Apr-15	Principal	
GIC India	NCD	0.20	Apr-15	Principal	
GIC India	NCD	0.15	Jul-15	Principal	
GIC India	NCD	0.20	Jul-15	Principal	
GIC India	NCD FITL	0.04	Oct-15	Principal	
GIC India	NCD	0.15	Oct-15	Principal	
GIC India	NCD	0.20	Oct-15	Principal	
GIC India	NCD FITL	0.04	Jan-16	Principal	
GIC India	NCD	0.15	Jan-16	Principal	
GIC India	NCD	0.20	Jan-16	Principal	
Central Bank of India	NCD FITL	0.03	Oct-15	Principal	
Central Bank of India	NCD	0.20	Oct-15	Principal	
Central Bank of India	NCD FITL	0.03	Jan-16	Principal	
Central Bank of India	NCD	0.20	Jan-16	Principal	
Indian Bank	NCD FITL	0.01	Jan-16	Principal	
Indian Bank	NCD	0.10	Jan-16	Principal	
Karnataka Bank	NCD FITL	0.01	Oct-15	Principal	
Karnataka Bank	NCD	0.10	Oct-15	Principal	
Karnataka Bank	NCD FITL	0.01	Jan-16	Principal	
Karnataka Bank	NCD	0.10	Jan-16	Principal	
Bank of Maharashtra	NCD FITL	0.01	Jan-16	Principal	
Bank of Maharashtra	NCD	0.18	Jan-16	Principal	
United India Insurance	NCD	0.20	Apr-15	Principal	
United India Insurance	NCD	0.20	Jul-15	Principal	
United India Insurance	NCD FITL	0.02	Oct-15	Principal	
United India Insurance	NCD	0.20	Oct-15	Principal	
United India Insurance	NCD FITL	0.02	Jan-16	Principal	
United India Insurance	NCD	0.20	Jan-16	Principal	
ICICI BANK	Cash Credit	1.94	Mar-16	Overdrawn	
IDBI Bank	Cash Credit	31.79	Mar-16	Overdrawn	
IDBI Bank	Cash Credit	2.59	Mar-16	Overdrawn	
IDBI Bank	LC Dev	36.94	Mar-16	LC Devolvement	
Syndicate Bank	Cash Credit	30.45	Mar-16	Overdrawn	
Syndicate Bank	Cash Credit	1.39	Feb-16	Overdrawn	
Syndicate Bank	Cash Credit	1.40	Jan-16	Overdrawn	
Syndicate Bank	Cash Credit	0.71	Dec-15	Overdrawn	
Syndicate Bank	LC Dev	12.89	Mar-16	LC Devolvement	
Punjab National Bank	Cash Credit	1.68	Mar-16	Overdrawn	
ICICI BANK	LC Dev	7.20	Mar-16	LC Devolvement	
IDBI Bank	Rupee Term Loan	0.07	Oct-15	Interest	



Details of Continuing default as on 31 Mar 2016				(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type
IDBI Bank	Rupee Term Loan	0.07	Nov-15	Interest
IDBI Bank	Rupee Term Loan	0.07	Dec-15	Interest
IDBI Bank	Rupee Term Loan	0.08	Jan-16	Interest
IDBI Bank	Rupee Term Loan	0.07	Feb-16	Interest
IDBI Bank	Rupee Term Loan	0.08	Mar-16	Interest
IDBI Bank	FITL	0.01	Oct-15	Interest
IDBI Bank	FITL	0.01	Nov-15	Interest
IDBI Bank	FITL	0.01	Dec-15	Interest
IDBI Bank	FITL	0.01	Jan-16	Interest
IDBI Bank	FITL	0.01	Feb-16	Interest
IDBI Bank	FITL	0.01	Mar-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.41	Mar-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.48	Sep-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.49	Oct-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.47	Nov-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.49	Dec-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.49	Jan-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.47	Feb-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.46	Mar-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.34	Sep-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.34	Oct-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.32	Nov-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.34	Dec-15	Interest
Bank of Maharashtra	Rupee Term Loan	0.34	Jan-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.32	Feb-16	Interest
Bank of Maharashtra	Rupee Term Loan	0.32	Mar-16	Interest
Bank of Maharashtra	FITL	0.07	Sep-15	Interest
Bank of Maharashtra	FITL	0.07	Oct-15	Interest
Bank of Maharashtra	FITL	0.07	Nov-15	Interest
Bank of Maharashtra	FITL	0.07	Dec-15	Interest
Bank of Maharashtra	FITL	0.07	Jan-16	Interest
Bank of Maharashtra	FITL	0.07	Feb-16	Interest
Bank of Maharashtra	FITL	0.07	Mar-16	Interest
Bank of Maharashtra	FITL	0.11	Sep-15	Interest
Bank of Maharashtra	FITL	0.12	Oct-15	Interest
Bank of Maharashtra	FITL	0.11	Nov-15	Interest
Bank of Maharashtra	FITL	0.12	Dec-15	Interest
Bank of Maharashtra	FITL	0.12	Jan-16	Interest
Bank of Maharashtra	FITL	0.11	Feb-16	Interest
Bank of Maharashtra	FITL	0.11	Mar-16	Interest
Bank of Baroda	Rupee Term Loan	1.93	Sep-15	Interest
Bank of Baroda	Rupee Term Loan	1.94	Oct-15	Interest
Bank of Baroda	Rupee Term Loan	1.85	Nov-15	Interest
Bank of Baroda	Rupee Term Loan	1.94	Dec-15	Interest
Bank of Baroda	Rupee Term Loan	1.95	Jan-16	Interest
Bank of Baroda	Rupee Term Loan	1.83	Feb-16	Interest
Bank of Baroda	Rupee Term Loan	1.97	Mar-16	Interest
Bank of Baroda	FITL	0.22	Nov-15	Interest
Bank of Baroda	FITL	0.23	Dec-15	Interest
Bank of Baroda	FITL	0.23	Jan-16	Interest
Bank of Baroda	FITL	0.22	Feb-16	Interest
Bank of Baroda	FITL	0.23	Mar-16	Interest
Oriental Bank of Commerce	WCTL	0.23	Feb-16	Interest
Oriental Bank of Commerce	WCTL	0.25	Mar-16	Interest

Details of Continuing default as on 31 Mar 2016					(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type	
Oriental Bank of Commerce	WCTL	0.28	Jan-16	Interest	
Oriental Bank of Commerce	WCTL	0.26	Feb-16	Interest	
Oriental Bank of Commerce	WCTL	0.27	Mar-16	Interest	
Oriental Bank of Commerce	Priority Loan	0.33	Feb-16	Interest	
Oriental Bank of Commerce	Priority Loan	0.33	Mar-16	Interest	
Development Bank of Singapore	WCTL	0.24	Oct-15	Interest	
Development Bank of Singapore	WCTL	0.23	Nov-15	Interest	
Development Bank of Singapore	WCTL	0.23	Dec-15	Interest	
Development Bank of Singapore	WCTL	0.23	Jan-16	Interest	
Development Bank of Singapore	WCTL	0.22	Feb-16	Interest	
Development Bank of Singapore	WCTL	0.23	Mar-16	Interest	
IDBI Bank	Rupee Term Loan	0.08	Jan-16	Principal	
IDBI Bank	FITL	0.01	Jan-16	Principal	
Bank of Baroda	Rupee Term Loan	2.00	Jan-16	Principal	
Bank of Baroda	FITL	0.24	Jan-16	Principal	
Oriental Bank of Commerce	Priority Loan	1.43	Jan-16	Principal	
Bank of Maharashtra	Rupee Term Loan	0.45	Jan-16	Principal	
Bank of Maharashtra	Rupee Term Loan	0.35	Jan-16	Principal	
Bank of Maharashtra	Rupee Term Loan	0.50	Jan-16	Principal	
Bank of Maharashtra	FITL	0.11	Jan-16	Principal	
Bank of Maharashtra	FITL	0.07	Jan-16	Principal	
LIC of India	NCD	0.37	Jan-16	Interest	
IDBI Bank	OD	1.51	Mar-16	Interest	
Bank of Baroda	OD	3.54	Mar-16	Interest	
Canara Bank	OD	4.03	Mar-16	Interest	
Development Bank of Singapore	OD	3.57	Mar-16	Interest	
Punjab National Bank	BG Invoked	5.56	Nov-15	Overdrawn	
Punjab National Bank	BG Invoked	16.06	Dec-15	Overdrawn	
IDBI Bank	WCTL	0.53	Jan-16	Principal	
Development Bank of Singapore	WCTL	0.24	Sep-15	Principal	
Development Bank of Singapore	WCTL	0.24	Jan-16	Principal	
Oriental Bank of Commerce	WCTL	0.27	Jan-16	Principal	
Oriental Bank of Commerce	WCTL	0.29	Jan-16	Principal	
IDBI Bank	Priority Loan	2.87	Jan-16	Principal	
Bank of Baroda	Priority Loan	0.18	Jan-16	Principal	

Details of Continuing default as on 30 Sep 2014					(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type	
IDBI Bank	Cash Credit	0.64	Sep-14	Overdrawn	
Canara Bank	Cash Credit	11.02	Sep-14	Overdrawn	
ICICI Bank	Cash Credit	1.09	Sep-14	Overdrawn	
Bank of Baroda	Cash Credit	0.90	Sep-14	Overdrawn	
Syndicate Bank	Cash Credit	0.14	Sep-14	Overdrawn	
Allahabad Bank	Cash Credit	2.29	Sep-14	Overdrawn	
Development Bank of Singapore	Cash Credit	1.06	Sep-14	Overdrawn	
Punjab National Bank	Cash Credit	6.95	Sep-14	Overdrawn	
Canara Bank	FITL	0.29	Aug-14	Interest	
Canara Bank	FITL	0.28	Sep-14	Interest	
Syndicate Bank	FITL	0.30	Jul-14	Interest	
Syndicate Bank	FITL	0.31	Aug-14	Interest	
Syndicate Bank	FITL	0.30	Sep-14	Interest	
Bank of Baroda	FITL	0.27	Jul-14	Interest	
Bank of Baroda	FITL	0.28	Aug-14	Interest	
Bank of Baroda	FITL	0.27	Sep-14	Interest	
UCO Bank	FITL	0.29	Jul-14	Interest	



Details of Continuing default as on 30 Sep 2014				(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type
UCO Bank	FITL	0.29	Aug-14	Interest
UCO Bank	FITL	0.28	Sep-14	Interest
Union Bank	FITL	0.32	Aug-14	Interest
Union Bank	FITL	0.32	Sep-14	Interest
United Bank	FITL	0.21	Jul-14	Interest
United Bank	FITL	0.35	Aug-14	Interest
United Bank	FITL	0.34	Sep-14	Interest
Bank of Baroda	FITL	0.24	Jul-14	Interest
Bank of Baroda	FITL	0.24	Aug-14	Interest
Bank of Baroda	FITL	0.23	Sep-14	Interest
IDBI Bank	FITL	0.01	Jul-14	Interest
IDBI Bank	FITL	0.01	Aug-14	Interest
IDBI Bank	FITL	0.01	Sep-14	Interest
Bank of Maharashtra	FITL	0.05	Jul-14	Interest
Bank of Maharashtra	FITL	0.20	Aug-14	Interest
Bank of Maharashtra	FITL	0.19	Sep-14	Interest
LIC of India	FITL NCD	0.13	Jun-14	Interest
LIC of India	FITL NCD	0.14	Jul-14	Interest
LIC of India	FITL NCD	0.14	Aug-14	Interest
LIC of India	FITL NCD	0.13	Sep-14	Interest
Central Bank of India	FITL NCD	0.02	Jul-14	Interest
Central Bank of India	FITL NCD	0.03	Aug-14	Interest
Central Bank of India	FITL NCD	0.03	Sep-14	Interest
GIC India	FITL NCD	0.02	Jun-14	Interest
GIC India	FITL NCD	0.02	Jul-14	Interest
GIC India	FITL NCD	0.02	Aug-14	Interest
GIC India	FITL NCD	0.02	Sep-14	Interest
GIC India	FITL NCD	0.02	Jun-14	Interest
GIC India	FITL NCD	0.02	Jul-14	Interest
GIC India	FITL NCD	0.02	Aug-14	Interest
GIC India	FITL NCD	0.02	Sep-14	Interest
Indian Bank	FITL NCD	0.01	Jun-14	Interest
Indian Bank	FITL NCD	0.01	Jul-14	Interest
Indian Bank	FITL NCD	0.01	Aug-14	Interest
Indian Bank	FITL NCD	0.01	Sep-14	Interest
Karnataka Bank	FITL NCD	0.01	Jul-14	Interest
Karnataka Bank	FITL NCD	0.01	Aug-14	Interest
Karnataka Bank	FITL NCD	0.01	Sep-14	Interest
Bank of Maharashtra	FITL NCD	0.01	Jun-14	Interest
Bank of Maharashtra	FITL NCD	0.01	Jul-14	Interest
Bank of Maharashtra	FITL NCD	0.01	Aug-14	Interest
Bank of Maharashtra	FITL NCD	0.01	Sep-14	Interest
Oriental Bank of Commerce	FITL NCD	0.00	Sep-14	Interest
Allahabad Bank	FITL NCD	0.01	Sep-14	Interest
United India Insurance	FITL NCD	0.02	Jun-14	Interest
United India Insurance	FITL NCD	0.02	Jul-14	Interest
United India Insurance	FITL NCD	0.02	Aug-14	Interest
United India Insurance	FITL NCD	0.02	Sep-14	Interest
LIC of India	FITL NCD	0.05	Jun-14	Interest
LIC of India	FITL NCD	0.06	Jul-14	Interest
LIC of India	FITL NCD	0.06	Aug-14	Interest
LIC of India	FITL NCD	0.06	Sep-14	Interest
Franco Tosi Turbines Private Limited	ICD	1.30	Mar-13	Interest
Franco Tosi Turbines Private Limited	ICD	0.46	Dec-13	Interest
Franco Tosi Turbines Private Limited	ICD	0.52	Sep-14	Interest



Details of Continuing default as on 30 Sep 2014				(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type
GACTEL Turnkeys Project Limited	ICD	0.03	Mar-13	Interest
Gammon Road Infrastructure Limited	ICD	0.00	Mar-13	Interest
Gammon Road Infrastructure Limited	ICD	0.01	Dec-13	Interest
Gammon Road Infrastructure Limited	ICD	0.01	Sep-14	Interest
LIC of India	NCD	0.37	Mar-14	Interest
LIC of India	NCD	0.41	Apr-14	Interest
LIC of India	NCD	0.41	May-14	Interest
LIC of India	NCD	0.41	Jun-14	Interest
LIC of India	NCD	0.41	Jul-14	Interest
LIC of India	NCD	0.41	Aug-14	Interest
LIC of India	NCD	0.41	Sep-14	Interest
LIC of India	NCD	0.86	Jun-14	Interest
LIC of India	NCD	0.94	Jul-14	Interest
LIC of India	NCD	0.94	Aug-14	Interest
LIC of India	NCD	0.91	Sep-14	Interest
Central Bank of India	NCD	0.18	Aug-14	Interest
Central Bank of India	NCD	0.17	Sep-14	Interest
GIC India	NCD	0.13	Jul-14	Interest
GIC India	NCD	0.13	Aug-14	Interest
GIC India	NCD	0.13	Sep-14	Interest
Allahabad Bank	NCD	0.04	Aug-14	Interest
Allahabad Bank	NCD	0.04	Sep-14	Interest
Indian Bank	NCD	0.09	Jul-14	Interest
Indian Bank	NCD	0.09	Aug-14	Interest
Indian Bank	NCD	0.09	Sep-14	Interest
Karnataka Bank	NCD	0.09	Aug-14	Interest
Karnataka Bank	NCD	0.09	Sep-14	Interest
Bank of Maharashtra	NCD	0.09	Jul-14	Interest
Bank of Maharashtra	NCD	0.09	Aug-14	Interest
Bank of Maharashtra	NCD	0.09	Sep-14	Interest
Oriental Bank of Commerce	NCD	0.04	Aug-14	Interest
Oriental Bank of Commerce	NCD	0.03	Sep-14	Interest
United India Insurance	NCD	0.16	Jul-14	Interest
United India Insurance	NCD	0.16	Aug-14	Interest
United India Insurance	NCD	0.16	Sep-14	Interest
Allahabad Bank	NCD	0.08	Aug-14	Interest
Allahabad Bank	NCD	0.08	Sep-14	Interest
GIC India	NCD	0.16	Jul-14	Interest
GIC India	NCD	0.16	Aug-14	Interest
GIC India	NCD	0.16	Sep-14	Interest
LIC of India	NCD	0.37	Jun-14	Interest
LIC of India	NCD	0.40	Jul-14	Interest
LIC of India	NCD	0.40	Aug-14	Interest
LIC of India	NCD	0.39	Sep-14	Interest
Canara Bank	Priority Loan	1.78	Aug-14	Interest
Canara Bank	Priority Loan	1.73	Sep-14	Interest
IDBI Bank	Priority Loan	0.92	Jul-14	Interest
IDBI Bank	Priority Loan	0.93	Aug-14	Interest
IDBI Bank	Priority Loan	0.90	Sep-14	Interest
Development Bank of Singapore	Priority Loan	0.53	Aug-14	Interest
Development Bank of Singapore	Priority Loan	0.51	Sep-14	Interest
Bank of Baroda	Priority Loan	0.62	Jul-14	Interest
Bank of Baroda	Priority Loan	0.63	Aug-14	Interest
Bank of Baroda	Priority Loan	0.61	Sep-14	Interest
Syndicate Bank	Priority Loan	0.17	Jul-14	Interest

# BUILDING FUTURE POSSIBILITIES



Details of Continuing default as on 30 Sep 2014				(₹ in Crore)
Bank / Party Name	Facility	Amount	Due On	Type
Syndicate Bank	Priority Loan	0.52	Aug-14	Interest
Syndicate Bank	Priority Loan	0.51	Sep-14	Interest
Punjab National Bank	Priority Loan	0.85	Sep-14	Interest
Allahabad Bank	Priority Loan	0.63	Sep-14	Interest
ICICI Bank	Priority Loan	1.17	Aug-14	Interest
ICICI Bank	Priority Loan	1.28	Sep-14	Interest
Oriental Bank of Commerce	Priority Loan	0.24	Sep-14	Interest
Canara Bank	Rupee Term Loan	2.11	Aug-14	Interest
Canara Bank	Rupee Term Loan	2.05	Sep-14	Interest
Bank of Baroda	Rupee Term Loan	2.02	Jul-14	Interest
Bank of Baroda	Rupee Term Loan	2.04	Aug-14	Interest
Bank of Baroda	Rupee Term Loan	1.98	Sep-14	Interest
Union Bank	Rupee Term Loan	2.19	Jul-14	Interest
Union Bank	Rupee Term Loan	2.27	Aug-14	Interest
Union Bank	Rupee Term Loan	2.29	Sep-14	Interest
United Bank	Rupee Term Loan	2.34	Jul-14	Interest
United Bank	Rupee Term Loan	2.47	Aug-14	Interest
United Bank	Rupee Term Loan	2.41	Sep-14	Interest
UCO Bank	Rupee Term Loan	2.01	Jul-14	Interest
UCO Bank	Rupee Term Loan	2.02	Aug-14	Interest
UCO Bank	Rupee Term Loan	1.97	Sep-14	Interest
Syndicate Bank	Rupee Term Loan	1.00	Jul-14	Interest
Syndicate Bank	Rupee Term Loan	1.01	Aug-14	Interest
Syndicate Bank	Rupee Term Loan	0.99	Sep-14	Interest
Syndicate Bank	Rupee Term Loan	1.00	Jul-14	Interest
Syndicate Bank	Rupee Term Loan	1.01	Aug-14	Interest
Syndicate Bank	Rupee Term Loan	0.99	Sep-14	Interest
Bank of Baroda	Rupee Term Loan	0.34	Jul-14	Interest
Bank of Baroda	Rupee Term Loan	2.03	Aug-14	Interest
Bank of Baroda	Rupee Term Loan	1.98	Sep-14	Interest
Bank of Maharashtra	Rupee Term Loan	1.32	Jul-14	Interest
Bank of Maharashtra	Rupee Term Loan	1.33	Aug-14	Interest
Bank of Maharashtra	Rupee Term Loan	1.29	Sep-14	Interest
IDBI Bank	Rupee Term Loan	0.05	Sep-14	Interest
Syndicate Bank	WCDL	0.02	Sep-14	Interest
Canara Bank	WCTL	1.22	Aug-14	Interest
Canara Bank	WCTL	1.19	Sep-14	Interest
Bank of Baroda	WCTL	0.58	Jul-14	Interest
Bank of Baroda	WCTL	0.58	Aug-14	Interest
Bank of Baroda	WCTL	0.56	Sep-14	Interest
ICICI Bank	WCTL	0.93	Sep-14	Interest
Syndicate Bank	WCTL	0.34	Jul-14	Interest
Syndicate Bank	WCTL	0.35	Aug-14	Interest
Syndicate Bank	WCTL	0.34	Sep-14	Interest
Syndicate Bank	WCTL	0.15	Jul-14	Interest
Syndicate Bank	WCTL	0.15	Aug-14	Interest
Syndicate Bank	WCTL	0.15	Sep-14	Interest
Punjab National Bank	WCTL	0.55	Sep-14	Interest
IDBI Bank	WCTL	1.13	Jul-14	Interest
IDBI Bank	WCTL	1.14	Aug-14	Interest
IDBI Bank	WCTL	1.12	Sep-14	Interest
Allahabad Bank	WCTL	0.71	Sep-14	Interest
Oriental Bank of Commerce	WCTL	0.25	Sep-14	Interest
Oriental Bank of Commerce	WCTL	0.28	Sep-14	Interest
Development Bank of Singapore	WCTL	0.11	Aug-14	Interest

## ANNEXURE 2

### A Related Party Disclosure (AS - 18)

SUBSIDIARIES	
1	Ansaldoaldai 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 and 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	Cochin Bridge Infrastructure Company Limited
28	Dohan Renewable Energy Private Limited
29	Earthlink Infrastructure Projects Private Limited
30	Franco Tosi Meccanica S.p.A
31	Gammon and Billimoria LLC
32	Gammon Italy S.r.l
33	Gammon Logistics Limited
34	Gammon Projects Developers Limited
35	Gammon Renewable Energy Infrastructure Limited
36	Gammon Renewable Energy Private Limited
37	Gammon Road Infrastructure Limited
38	Gammon Seaport Infrastructure Limited
39	Ghaggar Renewable Energy Private Limited
40	Gorakhpur Infrastructure Company Limited
41	Haryana Biomass Power Limited
42	Indori Renewable Energy Private Limited
43	Jaguar Projects Developers Limited
44	Kasavati Renewable Energy Private Limited
45	Kosi Bridge Infrastructure Company Limited
46	Lilac Infrastructure Developers Limited
47	Marine Projects Services Limited
48	Markanda Renewable Energy Private Limited
49	Mormugao Terminal Limited
50	Mumbai Nasik Expressway Limited
51	Pataliputra Highway Limited
52	Patna Buxar Highways Limited
53	Patna Highway Projects Limited
54	Pravara Renewable Energy Limited
55	Preeti Township Private Limited
56	Rajahmundry Expressway Limited
57	Rajahmundry Godavari Bridge Limited
58	Ras Cities And Townships Private Limited
59	SAE Powerlines S.r.l
60	Satluj Renewable Energy Private Limited
61	Sidhi Singrauli Road Project Limited
62	Segue Infrastructure Projects Private Limited
63	Sikkim Hydro Power Ventures Limited
64	Sirsa Renewable Energy Private Limited
65	Tada Infra Development Company Limited
66	Tangri Renewable Energy Private Limited
67	Tidong Hydro Power Limited
68	Vijaywada Gundugolanu Road Projects Private Limited
69	Vizag Seaport Private Limited
70	Yamuna Minor Minerals Private Limited
71	Yamunanagar Panchkula Highway Private Limited
72	Youngthang Power Ventures Limited
Joint Venture	
1	Gammon Atlanta
2	Gammon Archirodon
3	Gammon BBJ
4	Gammon Construtora Cidade Tensaccia
5	Gammon Encee Consortium
6	Gammon OJSC Mosmetrostroy
7	Gammon OSE
8	Gammon Pratibha
9	Gammon Progressive
10	Gammon Rizzani
11	Gammon SEW
12	Gammon SEW
13	Gammon Srinivasa
14	GIL JMC
15	Haryana Bio Mass Power Limited
16	Hyundai Gammon
17	Indira Container Terminal Private Limited
18	Jaeger Gammon
19	OSE Gammon
20	Patel Gammon
21	Sofinter S.p.A
22	Gammon-FECP, Naigeria
23	Consortium of Jyoti Structure and GIL
24	GILP GIL
25	Gammon CMC
26	Gammon Singla
ASSOCIATES	
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A Italy
4	Transrail Lighting Limited (TLL)
KEY MANAGERIAL PERSONNEL	
1	Mr Abhijit Rajan
2	Mr Rajul A. Bhansali
3	Mr Digambar C. Bagde
4	Mr Ajit B. Desai
RELATIVES OF KEY MANAGERIAL PERSONNEL	
1	Mr Harshit Rajan

\* Transaction discloser of TLL is made under subsidiaries



**B Related Parties transactions during the year in normal course of business :**

(₹ in Crore)

Nature of Transactions / relationship / major parties	Current Period Oct 14 - Mar 16		Current Period Jan - Sep 2014	
	Amounts	Amounts Major Related Parties	Amounts	Amounts Major Related Parties
<b>SUBSIDIARIES</b>				
<b>Subcontracting Income</b>	<b>82.44</b>		101.38	
Deepmala Infrastructure Private Limited		<b>39.83</b>		9.48
Patna Highway Projects Limited		<b>40.62</b>		25.66
Pravara Renewable Energy Limited		<b>1.99</b>		34.73
Rajahmundry Godavari Bridge Limited		-		23.30
<b>Operating And Maintenance Income</b>	<b>50.63</b>		15.85	
Andhra Expressway Limited		<b>22.83</b>		7.71
Rajahmundry Expressway Limited		<b>27.80</b>		8.14
<b>Operating And Maintenance Expenses</b>	<b>50.63</b>		15.85	
Gammon Infrastructure Projects Limited		<b>50.63</b>		15.85
<b>Purchase of Goods</b>	<b>23.18</b>		8.02	
GACTEL Turnkey Project Limited		-		2.39
Transrail Lighting Limited		<b>23.18</b>		5.63
<b>Sale of Goods</b>	<b>43.62</b>		9.39	
SAE Power Lines S.r.l		<b>39.10</b>		3.79
GACTEL Turnkey Project Limited		<b>4.46</b>		-
Transrail Lighting Limited		<b>0.06</b>		5.60
<b>Purchase of Investment</b>	<b>4.41</b>		-	
Transrail Lighting Limited		<b>4.37</b>		-
<b>Sale of Investment</b>	-		712.80	
Gammon Power Limited		-		712.80
<b>Receiving of Services</b>	<b>11.63</b>		10.33	
GACTEL Turnkey Project Limited		-		3.38
SAE Power Lines S.r.l		<b>11.61</b>		6.84
<b>Finance provided (incl. Loans and equity contribution in cash or in kind)</b>	<b>862.13</b>		39.12	
Ansaldo Caldaie Boilers India Private Limited		<b>51.69</b>		1.73
ATSL Holding B.V., Netherlands		<b>0.81</b>		3.07
Gammon Power Limited		<b>712.80</b>		-
Gammon International B.V.		-		10.19
Metropolitan Infrahousing Private Limited		-		11.27
<b>Finance provided for expenses and on account payments</b>	<b>158.65</b>		11.43	
Ansaldo Caldaie Boilers India Private Limited		<b>0.36</b>		0.39
Campo Puma Oriente S.A.		<b>8.44</b>		-
Deepmala Infrastructure Private Limited		<b>2.62</b>		0.70
GACTEL Turnkey Project Limited		<b>8.74</b>		0.04
Gammon CMC		<b>14.84</b>		8.43
Gammon Holding BV		<b>120.20</b>		-
Gammon Power Limited		<b>0.36</b>		1.28
SAE Power Lines S.r.l		<b>0.71</b>		-
<b>Amount liquidated towards the finance provided</b>	<b>771.37</b>		34.09	
ATSL Holding B.V., Netherlands		<b>4.53</b>		10.39
Deepmala Infrastructure Private Limited		-		0.98
Gammon and Billimoria Limited		-		0.00
Gammon Power Limited		<b>675.00</b>		-
Gammon CMC		<b>4.39</b>		11.25
Gammon Realty Limited		-		1.63
Metropolitan Infrahousing Private Limited		-		0.00
Transrail Lighting Limited		<b>53.43</b>		-
Ansaldo Caldaie Boilers India Private Limited		<b>31.17</b>		0.00
Patna Water Supply Distribution Network Private Limited		<b>0.87</b>		6.98
SAE Power Lines S.r.l		<b>1.97</b>		2.84

Nature of Transactions / relationship / major parties	Current Period Oct 14 - Mar 16		Current Period Jan - Sep 2014	
	Amounts	Amounts Major Related Parties	Amounts	Amounts Major Related Parties
<b>Interest Income during the year</b>	<b>354.81</b>		61.95	
Campo Puma Oriente S.A.		4.26		1.13
Deepmala Infrastructure Private Limited		26.44		13.15
Gammon and Billimoria Limited		6.91		3.29
Gammon Realty Limited		14.88		7.48
Gammon Power Limited		96.35		-
Gammon Holding B.V.		49.35		0.09
Metropolitan Infrahousing Private Limited		66.01		32.61
<b>Finance received (incl. Loans and equity contribution in cash or in kind)</b>	<b>-</b>		0.15	
Franco Tosi Turbines Private Limited		-		0.15
<b>Finance received for expenses and on a/c payments</b>	<b>2.94</b>		0.11	
Gammon CMC		1.39		-
GIPL		-		0.10
Gammon and Billimoria Limited		1.53		0.01
<b>Amount liquidated towards the above finance</b>	<b>6.82</b>		4.30	
SAE Power Lines S.r.l		2.74		-
Transrail Lighting Limited		4.06		3.85
<b>Interest Paid</b>	<b>1.50</b>		2.33	
Franco Tosi Turbines Private Limited		1.16		0.58
Patna Water Supply Distribution Network Private Limited		0.32		1.75
<b>Assets Sold Under BTA</b>	<b>468.87</b>		-	
Transrail Lighting Limited		468.87		-
<b>Liabilities Transfer Under BTA</b>	<b>470.64</b>		-	
Transrail Lighting Limited		470.64		-
<b>Contract Advance received</b>	<b>2.41</b>		11.34	
Gorakhpur Infrastructure Company Limited		-		9.34
Patna Highway Projects Limited		1.47		2.00
SAE Power Lines S.r.l		0.94		-
<b>Refund against Contract advance</b>	<b>42.11</b>		16.55	
Deepmala Infrastructure Private Limited		5.58		9.68
Gorakhpur Infrastructure Company Limited		27.26		-
Pravara Renewable Energy Limited		-		0.07
SAE Power Lines S.r.l		1.97		2.17
Patna Highway Projects Limited		7.11		-
Sikkim Hydro Power Venture Limited		-		4.65
<b>Guarantees and Collaterals Outstanding</b>	<b>2,173.35</b>		3,331.31	
Ansaldo Caldaie Boilers India Private Limited		-		252.90
Campo Puma Oriente S.A.		338.30		314.23
Deepmala Infrastructure Private Limited		-		33.80
Franco Tosi Meccanica S.p.A		195.62		504.30
Gammon Holding B.V.		505.68		706.13
Gammon International B.V.		519.18		492.51
Metropolitan Infrahousing Private Limited		-		175.00
<b>Pledge of Shares (Number of shares)</b>				
Ansaldo Caldaie Boilers India Private Limited		12,000,000		12,000,000
Deepmala Infrastructure Private Limited		2,300		2,300
GACTEL Turnkey Project Limited		5,049,940		5,049,940
Transrail Lighting Limited		30,999,940		30,999,940
<b>Outstanding Balances Receivables</b>				
<b>Loans and Advances</b>	<b>2,019.94</b>		1,757.54	
ATSL Holding B.V., Netherlands		84.91		92.04
Deepmala Infrastructure Private Limited		198.07		195.45
Gammon Holding B.V.		381.74		235.70
Gammon International B.V.		323.07		307.77
Gammon Realty Limited		110.35		110.34
Metropolitan Infrahousing Private Limited		489.44		489.22



Nature of Transactions / relationship / major parties	Current Period Oct 14 - Mar 16		Current Period Jan - Sep 2014	
	Amounts	Amounts Major Related Parties	Amounts	Amounts Major Related Parties
<b>Interest Receivable</b>	<b>453.40</b>		282.70	
Deepmala Infrastructure Private Limited		<b>77.65</b>		54.70
Gammon Realty Limited		<b>57.57</b>		53.36
Gammon Holding B.V.		<b>49.44</b>		0.09
Metropolitan Infrahousing Private Limited		<b>150.23</b>		150.12
<b>Trade and Other Receivable</b>	<b>461.49</b>		1,009.92	
Kosi Bridge Infrastructure Company Limited		<b>42.70</b>		66.80
Mumbai Nasik Expressway Limited		<b>17.65</b>		22.38
Gammon Power Limited		<b>135.80</b>		714.10
Transrail Lighting Limited		<b>79.97</b>		14.13
SAE Power Lines S.r.l		<b>139.48</b>		104.27
<b>Outstanding Balances Payable</b>				
<b>Trade and Other Payable</b>	<b>60.27</b>		87.77	
Deepmala Infrastructure Private Limited		<b>1.24</b>		6.82
Franco Tosi Turbines Private Limited		<b>6.45</b>		8.73
Gorakhpur Infrastructure Company Limited		<b>27.26</b>		27.26
Transrail Lighting Limited		<b>21.66</b>		2.45
Patna Water Supply Distribution Network Private Limited		-		16.41
Pravara Renewable Energy Limited		-		0.89
Rajahmundry Godavari Bridge Limited		-		7.12
<b>Associates</b>				
<b>Interest Income during the year</b>	<b>0.07</b>		0.04	
Finest S.p.A		<b>0.07</b>		0.04
<b>Outstanding Balances Receivables</b>	<b>1.95</b>		1.94	
Finest S.p.A		<b>1.95</b>		1.94
<b>Key Managerial Personnel</b>				
<b>Remuneration paid</b>	<b>13.22</b>		6.30	
Mr Abhijit Rajan		<b>9.10</b>		4.72
Mr Digambar C. Bagde		<b>1.74</b>		0.96
Mr Rajul A. Bhansali		<b>1.21</b>		0.62
Mr Ajit B. Desai		<b>1.17</b>		-
<b>Loan and Advances Received</b>	-		-	
Mr Abhijit Rajan				
<b>Relatives of Key Managerial Personnel</b>				
<b>Remuneration paid</b>	<b>1.79</b>		0.49	
Mr Harshit Rajan		<b>1.79</b>		0.49
<b>Sale of Flat</b>	-		0.94	
Mr Harshit Rajan		-		0.94
<b>Joint Venture</b>				
<b>Subcontracting Income</b>	<b>1,188.25</b>		276.88	
Consortium of Jyoti Structure and GIL		<b>34.93</b>		19.56
Gammon Cidade Tensacciai		<b>73.91</b>		74.85
Gammon OJSC Mosmetrostroy		<b>792.17</b>		131.98
Indira Container Terminal Private Limited		<b>37.11</b>		3.34
Jaeger Gammon		<b>64.36</b>		0.33
Gammon SPSCPL Joint Venture		<b>34.46</b>		-
Gammon Srinivasa		<b>45.00</b>		0.04
Gammon Archirodon		<b>59.18</b>		-
Patel Gammon		<b>25.69</b>		38.64

Nature of Transactions / relationship / major parties	Current Period Oct 14 - Mar 16		Current Period Jan - Sep 2014	
	Amounts	Amounts Major Related Parties	Amounts	Amounts Major Related Parties
<b>Sale of Goods</b>	<b>10.52</b>		32.76	
Consortium of Jyoti Structure and GIL		<b>10.52</b>		32.76
<b>Finance provided for expenses and on a/c payments</b>	<b>130.95</b>		117.21	
Gammon-FECP, Naigeria		<b>1.13</b>		1.18
Gammon Cidade Tensacciai		<b>124.98</b>		109.38
Gammon OJSC Mosmetrostroy		<b>3.61</b>		6.18
Gammon SEW		<b>0.15</b>		0.07
<b>Amount liquidated towards the finance provided</b>	<b>173.37</b>		83.32	
Gammon Cidade Tensacciai		<b>167.59</b>		64.32
Gammon OJSC Mosmetrostroy		<b>5.72</b>		18.65
Gammon SEW		<b>0.05</b>		0.16
<b>Interest income during the year</b>	<b>4.05</b>		0.77	
Gammon Cidade Tensacciai		<b>4.05</b>		0.77
<b>Interest paid during the year</b>	-		2.22	
Gammon Cidade Tensacciai		-		0.70
Gammon OJSC Mosmetrostroy		-		1.52
<b>Contract Advance received</b>	<b>28.39</b>		17.41	
Gammon Cidade Tensacciai		<b>24.25</b>		6.23
Gammon OJSC Mosmetrostroy		<b>3.54</b>		-
Patel Gammon		<b>0.59</b>		11.18
<b>Refund received against Contract Advance</b>	<b>37.00</b>		88.41	
Gammon Cidade Tensacciai		<b>4.41</b>		11.82
Gammon OJSC Mosmetrostroy		<b>29.98</b>		48.41
Indira Container Terminal Private Limited		<b>0.02</b>		8.40
Patel Gammon		-		14.10
<b>Guarantees and Collaterals Outstanding</b>	<b>310.86</b>		467.31	
Gammon Cidade Tensacciai		<b>65.46</b>		121.76
JV Gammon-FECP, Naigeria		<b>9.62</b>		10.79
Gammon OJSC Mosmetrostroy		<b>124.23</b>		212.10
Hyundai Gammon		<b>13.09</b>		13.09
Gammon Archirodon		<b>10.37</b>		10.37
Jaeger Gammon		<b>78.59</b>		32.94
<b>Outstanding Balances Receivables</b>				
<b>Trade and Other Receivable</b>	<b>1,231.13</b>		297.49	
Consortium of Jyoti Structure and GIL		<b>27.66</b>		39.15
Gammon Cidade Tensacciai		<b>94.59</b>		69.08
Gammon OJSC Mosmetrostroy		<b>787.80</b>		53.13
OSE Gammon		<b>38.19</b>		51.54
Patel Gammon		<b>37.62</b>		50.55
<b>Outstanding Balances Payable</b>				
<b>Trade and Other Payable</b>	<b>55.54</b>		80.90	
Consortium of Jyoti Structure and GIL		<b>5.36</b>		7.94
Gammon Cidade Tensacciai		<b>3.68</b>		6.95
Gammon OJSC Mosmetrostroy		<b>35.43</b>		58.58
Indira Container Terminal Private Limited		<b>8.27</b>		5.00
Patel Gammon		<b>0.59</b>		0.00



## ANNEXURE 3

### Disclosure of Discontinuing Operations (AS - 24)

(₹ in Crore)

#### Statement of Assets and Liabilities

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>Total Assets</b>	<b>4,160.31</b>	4,595.76
<b>Total Liabilities</b>	<b>4,160.31</b>	4,595.76

#### Statement of Profit and Loss

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Income</b>		
Revenue from Operations	<b>4,840.66</b>	2,517.00
Other Operating Revenue	<b>84.88</b>	62.41
Other Income	<b>31.29</b>	21.78
<b>Total Income</b>	<b>4,956.82</b>	2,601.19
<b>Expenses</b>		
Operating Expenses	<b>4,225.39</b>	2,351.49
Employee Cost	<b>214.60</b>	147.30
Depreciation and Amortisation	<b>214.12</b>	69.58
Finance Cost	<b>454.94</b>	191.24
<b>Total Expenses</b>	<b>5,109.05</b>	2,759.61
<b>Profit / (Loss) Before Tax</b>	<b>(152.23)</b>	(158.42)
<b>Less : Tax Expense</b>	<b>(27.05)</b>	(31.39)
<b>Profit / (Loss) After Tax For The Period</b>	<b>(125.18)</b>	(127.03)

#### Cash Flow Statement

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Net Cash from Operating Activities</b>	<b>272.89</b>	241.22
<b>Net Cash from Investing Activities</b>	<b>(39.54)</b>	4.54
<b>Net Cash from Financing Activities</b>	<b>(203.86)</b>	(243.79)



# INDEPENDENT AUDITORS' REPORT

**To The Members Of  
Gammon India Limited**

## **1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Gammon India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and jointly controlled entities (the Holding Company, its subsidiaries and jointly controlled entities together referred to as "the Group"), its associates, (as defined in the Companies (Accounting Standards) Rules, 2006) comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the period October 01, 2014 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## **2. Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Governing Bodies of the entities included in the Group and of its associates and jointly controlled entities 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 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 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 there under.

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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 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 audit opinion on the consolidated financial statements.

## **4. Basis for qualified opinion**

- a. *The accounts of one of the Subsidiaries M/s Franco Tosi Meccanica S.p.A, Italy (FTM) have not been audited since December 2011 for reasons mentioned in note 1(a)(ii) 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 the on-going procedure the Commissioner in charge of the restructuring procedure has not released any financials. The said Subsidiary has not been consolidated in accordance with para 11.b of AS-21-Consolidated Financial Statements as the management contends that considering the status as detailed in*



the above referred note the Subsidiary operates under severe restrictions, which significantly impairs its ability to transfer funds to its parent. The said Subsidiary has therefore been accounted as per AS-13 – Accounting for Investments. The funded and non-funded exposure of the group to FTM net of eliminations is Rs. 383.09 Crores as at 31<sup>st</sup> March 2016 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. Against this the Company has appropriated the prior losses and provision for impairment of goodwill made when the said FTM was being consolidated as provision for diminution in the value of investment in the previous period of Rs. 322. 93 Crores. 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 therefore also the effect on the consolidated loss/ of the Group for the eighteen month period ended 31<sup>st</sup> March 2016.

- b. The Company's Application for managerial remuneration aggregating to Rs. 26.29 Crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December 2013 and 30<sup>th</sup> September 2014 and for the current eighteen months ended 31<sup>st</sup> March 2016 for want of NOC from the CDR lenders. The MCA has directed to recover the excess remuneration or make an application for waiver. The Company had once again made applications to the Ministry for the aforementioned periods on obtaining the NOC from the CDR Lenders. The Board however on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. Pending the same no adjustments have been made for the amount of Rs. 26.29 Crores. In the absence of the final decision of the MCA pursuant to the application being made by the Company we are unable to ascertain the impact on profits on this account for the eighteen-month period ended 31<sup>st</sup> March 2016 (Refer Note 24(i)). Similarly the audit report of Gammon Infrastructure Projects Limited (GIPL) is also qualified for the payment of Rs. 2.04 Crores for the previous period and Rs. 1.84 Crores for the current period to the Managing Director of GIPL, which is in excess of the limits, specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The said GIPL proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31<sup>st</sup> March 2016 (Refer Note 24(iii)).
- c. Trade receivables and loans and advances includes an amount of Rs. 355.56 Crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 16(v)).
- d. We invite attention to note No. 1(c)(i)(d) relating to the going concern assumption of the Sofinter S.p.A, group, in the unaudited financial statements for the 12 month period ended 31<sup>st</sup> December 2015. The management of sofinter has not evaluated the going concern assumption while preparing the financials of Sofinter group. The Gammon Group management has represented on the same saying that the going concern assumption is valid for the reasons mentioned in note no 1(c)(i)(d). In the absence of any definitive agreements for the identification of the investor and the terms of the agreement we are unable to comment upon the appropriateness of the going concern assumption in the preparation of the financial statements of Sofinter.
- e. We invite attention to note no 11C (ii) relating to the carrying value of the Goodwill of the equity interest in GIPL of Rs. 58.00 Crores. The market value based on the traded price as on March 31, 2016 is Rs. 270.25 Crores as against the carrying value in the two wholly owned subsidiary of Rs. 884.41 Crores. The management contends that the market price is not indicative of the intrinsic value of GIPL considering that the same is a strategic Investment. However in the absence of a detailed valuation of the intrinsic value of GIPL being carried out by the Management we are unable to comment whether any provision for diminution or impairment in the carrying amount of the goodwill relating to the equity interest of GIPL is required.
- f. We invite attention to note no 18(g), detailing the recognition of claims during the year ended 31<sup>st</sup> March 2016 in respect of on-going, completed and/or terminated contracts aggregating to Rs. 1343.97 Crores but excluding amounts recognised in quarters before September 2015 of Rs. 313.25 based on management estimates of reasonable realisation which were subject matter of our emphasis of matter in our earlier reports. These additional 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 eighteen-month period ended 31<sup>st</sup> March 2016.
- g. 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 as follows.
  - i. M/s Sofinter S.p.A, Italy, a material Associate whose consolidated financial statements reflect the group's share of loss being Rs. 55.43 Crores,

- ii. *M/s Campo Puma Oriente S.A, Panama, a Subsidiary of the Company whose financial statements reflect Total Assets of Rs. 361.03 Crores, Revenue of Rs. 53.27 Crores for the period ended 31<sup>st</sup> December 2015. 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 31<sup>st</sup> December 2011.*
- iii. *M/s Ansaldoaldai Boilers (India) Private Limited a Subsidiary of the Company whose financial statements reflect Total Assets of Rs. 107.24 Crores, Revenue of Rs. 16.38 Crores for the eighteen-month period ended 31<sup>st</sup> March 2016.*
- iv. *M/s Gammon Holdings (Mauritius) Limited a Subsidiary of the Company whose financial statements reflect Total Assets of Rs. 212.27 Crores, Revenue of Rs. Nil for eighteen month period ended 31<sup>st</sup> March 2016.*
- v. *M/s Ansaldoaldie GB Engineering Private Limited, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 61.15 Crores, Revenue of ₹ 4.57 Crores and Net Cash Flows of Rs. NIL, the groups share in the Total Assets being 30.58 Crores, Revenue being 2.28 Crores and Net Cash Flow of Rs. NIL..*
- vi. *M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of Rs. 213.04 Crores, Revenue of Rs. 239.63 Crores and Net Cash outflow of Rs. 1.68 Crores for the eighteen-month ended 31<sup>st</sup> March 2016, the groups share in the Total Assets being 108.65 Crores, Revenue being 122.21 Crores and Net Cash outflow of Rs. 0.85 Crores.*

*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.*

- h. *The auditors of one of the Subsidiaries M/s Gammon & Billimoria LLC, Dubai have qualified their audit opinion for the eighteen month period ended 31<sup>st</sup> March 2016 regarding receivables of AED 2.70 Million (Rs. 4.86 Crore) which is due to the Company as a sub-contractor. Since the said Company has back to back terms with the main contractor, the recoverability of the said amounts is dependent on successful outcome of the main contractor's dispute with the client, the auditors are of the opinion that substantial portion of the same should be considered as impaired (Refer Note 16(iv)).*

## 5. Qualified Opinion

Except for the possible effect of the matter mentioned hereinabove in the basis of qualified opinion, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the period October 01, 2014 to March 31, 2016.

## 6. Emphasis of Matter:

Without qualifying our opinion, we report the following matters which were also referred to in our audit report issued for the nine months period ended September 30, 2014:

- a. Note no 31 detailing that the lenders have invoked Strategic Debt Restructuring and have converted part of their principal and interest outstanding into equity shares and as part of the SDR scheme is in the process of approving the restructuring scheme, which includes carving out the EPC business, and the T & D business into separate entities wherein new investors would be invited to take control as detailed in the Note. Pending the same due to the liquidity situation and the continuing losses the Company is unable to meet its various liabilities on time. These conditions, along with other matters as set forth in the note, indicate the existence of a significant uncertainty as to timing and realisation of cash flow to support the going concern assumption and operations of the Company.
- b. The Company as detailed in Note 1(c)(i) has exposure of Rs. 317.05 Crores towards the combined stake of 67.50 %, which includes 35% stake which is under process of being transferred in favour of M/s Gammon Holding Mauritius Limited, wholly owned subsidiary of the Company, that is pending from a long time. Considering the combined stake held through two separate SPVs, the Company's exposure does not require any impairment which is supported by the order book position and valuation made by an independent valuer. The said Sofinter is accounted as an associate in view of the fact that the Group does not control the majority of the voting powers pending the transfer of the 35% as aforesaid.
- c. We draw attention to Note no 16(i), 16(ii) and 16(iii) of the Statement relating to recoverability of an amount of Rs.135.75 Crores as at 31<sup>st</sup> March 2016 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs. 153.29 Crores and Rs. 155.03 Crores where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.



- d. The auditors of subsidiary Gammon Infrastructure Projects Limited have made the following emphasis of matter
- i. Regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/ arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to a subsidiary. The Group exposure towards the said project (funded and non-funded) is Rs. 26.30 Crores. Pending conclusion on these legal matters, no adjustments have been made in these financial results.
  - ii. Regarding intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms. The group exposure towards the said project is Rs. 67.85 Crores. Pending conclusion between the parties, no adjustments have been made in these financial results.
  - iii. Regarding the container terminal project in Mumbai where the group exposure is an amount of Rs. 356.14 Crores (funded and non-funded). The only project of the JV Company has been delayed resulting in the company incurring losses and consequent default in repayment of its debt obligation culminating in the bank facility being designated as NPA. Considering the MbPT permission to allow RORO operations on a trial basis and based on the management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.
  - iv. Regarding a tolling bridge project in Andhra Pradesh, where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA, considering the steps the management proposes to take to replace the high cost debts and the terms of the concession agreement in which the Company is eligible for revenue shortfall loans, no provision is considered necessary against the group exposure of Rs. 1063.80 Crores.
  - v. Regarding the going concern status where the Company has stated that as of that date the Company's current liabilities exceeded current assets despite the sale of some of the SPVs. These conditions, along with other matters as set forth in their Note in the financial Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

## **7. Other Matters**

- a) The consolidated results of the Group include results of
- i. 36 subsidiaries, whose financial statements reflect total assets of Rs. 4196.13 Crores as at March 31, 2016, total revenues of Rs. 409.28 Crores and net cash out flows amounting to Rs. 67.64 Crores for the eighteen months period ended on that date,
  - ii. 3 Jointly controlled entities, whose financial statements reflect total assets of Rs. 194.82 Crores as at March 31, 2016, total revenues of Rs. 255.02 Crores and net cash out flows amounting to Rs. 10.97 Crores for the eighteen months period ended on that date, Group's share of total assets, total revenue and net cash out flows in respect of two joint venture amounting to Rs. 118.29 Crores, Rs. 149.54 Crores and Rs. 6.58 Crores respectively.
  - iii. 2 Associates, whose financial statements reflect Group's share of net profit of Rs. 1.06 Crores for the eighteen months period ended on that date in respect of one associate,  
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.
- b) We did not audit the financial statements of 9 subsidiaries whose financial statements reflect total assets of Rs. 2425.12 Crores, total revenue of Rs. 219.91 Crores and net cash out flow of Rs. 1.82 Crores, 8 joint ventures whose financial statements reflect total assets of Rs. 1152.34 Crores, total revenue of Rs. 319.51 Crores and net cash inflow of Rs. 4.60 Crores the group's share of total assets, total revenue and net cash flows of which is Rs. 581.00 Crores, Rs. 162.22 Crores and Rs. 2.25 Crores, two associate whose group's share of net loss of Rs. 55.43 Crores respectively and which are considered in the preparation of these consolidated financial statements. These financial statements are unaudited and 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 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 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.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## 8. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India to whom the Order is applicable and further subject to our comments in respect of companies which are not material and not audited, stated in clause (b) of Other Matters paragraph, and for which we have not received audit report, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, *except for the possible effects matters specified in the basis for qualified opinion in paragraph 4 above*, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 financial statements.
  - (d) *Except for the possible effects of the matter mentioned in the basis of qualified opinion above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.*
  - (e) *The matters mentioned in the basis of qualified opinion paragraph and the matters mentioned in paragraph 6(a) of the emphasis of matter paragraph, relating to the matter of significant uncertainty in the timing and realisation of cash flows, may have an adverse impact on the functioning of the Company.*
  - (f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 34 to the consolidated financial statements.
    - ii. The Group has provided for all material foreseeable losses on long-term contracts including derivative contracts.
    - iii. The Holding Company has to transfer amount of Rs. 0.33 Crores to Investor Education and Protection Fund during the period. No dues were payable to Investor Education and Protection fund by any of the subsidiary companies incorporated in India.

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

**N Jayendran**  
Partner  
Membership No. 40441  
Mumbai  
Dated: July 20, 2016



## **ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE**

With respect to Gammon India Limited ("Holding Company") and its subsidiary jointly controlled entities incorporated in India to whom the provisions of the Order apply (together referred as "Covered Entities" in this report). Refer Statement 1 for the list of Covered entities. Our reporting, hereunder, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, not audited by us, is based solely on the reports of the other auditors who audited the financial statements / financial information of these subsidiaries, jointly controlled entities and associates.

- (i) (a) The Holding Company and the 16 Covered Entities as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets,

In case of 26 Covered entities as reported by the auditors who audited the financial Statements/ financial information of these Covered Entities there were no Fixed Assets and therefore the requirements of clause 4(i)(a) of the Companies (Auditors Report) Order, 2015 are not applicable to these Covered Entities.

- (b) In case of Holding Company fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies were identified on such verification except assets at some of their terminated sites where the access to the assets are presently prohibited and the matter is under dispute. The total value of assets at such sites is Rs. 23.56 Crores (Net WDV).

In case of 16 Covered Entities as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities all fixed assets have been physically verified during the year by the management and no material discrepancies were noticed on such verification.

In case of 26 Covered entities as reported by the auditors who audited the financial Statements/ financial information of these Covered Entities there were no Fixed Assets and therefore the requirements of clause 4(i)(b) of the Companies (Auditors Report) Order, 2015 are not applicable to these Covered Entities.

- (ii) (a) In case of Holding Company, Inventories being project materials have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. Also, as reported by the auditors who audited the financial Statements/ financial information of the 7 Covered Entities, the managements of these Covered Entities have conducted physical verification of inventory at reasonable intervals during the year and the frequency of such verification is reasonable.

In case of 35 Covered entities as reported by the auditors who audited the financial Statements/ financial information of these Covered Entities there were no Inventories and therefore the requirements of clause 4(ii)(a) of the Companies (Auditors Report) Order, 2015 are not applicable to these Covered Entities.

- (b) In our opinion and according to the information and explanations given to us and as reported by the auditors who audited the financial Statements / financial information of the 7 Covered Entities, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Covered Entities and the nature of their businesses.

In case of 35 Covered entities as reported by the auditors who audited the financial Statements/ financial information of these Covered Entities there were no Inventories and therefore the requirements of clause 4(ii)(b) of the Companies (Auditors Report) Order, 2015 are not applicable to these Covered Entities.

- (c) In case of Holding Company 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.

In our opinion and according to the information and explanations given to us and as reported by the auditors who audited the financial Statements/ financial information of the 7 Covered Entities, the Covered Entities are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

In case of 35 Covered entities as reported by the auditors who audited the financial Statements/ financial information of these Covered Entities there were no Inventories and therefore the requirements of clause 4(ii)(c) of the Companies (Auditors Report) Order, 2015 are not applicable to these Covered Entities.

- (iii) According to the information and explanation given to us, the Holding Company has granted unsecured loan to 5 parties covered in the register maintained u/s 189 of the Companies Act 2013. In respect of such loans;

- (a) Loans granted during the year amounts to Rs. 889.48 Crores and the amount outstanding as at the end of the year is Rs. 907.17 Crores. As per the terms of the loan the same is given for long term and hence the repayment of interest and loan is not due as at Balance sheet date.



- (b) Since repayment of aforesaid loans is not due, there is no overdue amounts for more than Rs. one lakhs 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.

In case of 8 covered entities as reported by the other auditors who audited the financial statements / financial information of these Covered entities, have granted ₹ 78.27 Crores loans to companies, firms or other parties covered in the register maintained under section 189 of the Act. These loans are repayable on demand and therefore the question of overdue amounts does not arise in these covered entities.

In case of 34 Covered entities as reported by the auditors who audited the financial Statements/ financial information of these Covered Entities there were no loans granted during the year and therefore the requirements of clause 4(iii) of the Companies (Auditors Report) Order, 2015 are not applicable to these Covered Entities.

- (iv) In our opinion and according to the information and explanations given to us, in case of Holding Company the implementation of the *internal control procedure and assessment of risks in respect of the sub-contract and other site expenditure, material reconciliations, purchases needs strengthening to make it commensurate with the size and nature of its operations.* In respect of the purchase of fixed assets and sale of goods and services the internal control procedures are commensurate with the size of the company and the nature of its business. *The weakness with respect to the adherence to the Internal control procedures for above referred activities are still continuing as at the balance sheet date which were reported upon in the previous audit reports.*

In case of Covered Entities as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered Entities and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services. As reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, no major weakness or continuing failure to correct any major weakness in the internal control system was observed in respect of these areas.

- (v) According to the information and explanation given to us and as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, neither these Covered Entities nor Holding Company have accepted any deposits from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed there under. Therefore, the provisions of clause 3(v) of the Companies (Auditors Report) Order 2015 are not applicable to the Holding Company and the Covered Entity. 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 against either the Holding Company or the covered entities, *except in case of one covered entity where the Company has accepted a term loan of Rs. 0.24 Crores from the relatives of its director during the year. The Outstanding balance of loan taken from such parties is Rs. 10.96 Crores as on balance sheet date. The said Covered Entity has not complied with the deposit rules which include credit rating, issuing circular, creating deposit repayment reserve account etc as stated under section 73 of the Companies Act 2013.*
- (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 in case of Holding Company and 6 of the Covered Entity, and we and other auditors who have audited such entity 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.

As reported by the other auditors who audited the financial statements / financial information of 36 Covered entities, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the product/ services of these entities.

- (vii) (a) *The Holding Company has several instances of delay in depositing undisputed statutory dues including Provident Fund, Professional Tax, Employees State Insurance, works contract tax, Service tax/VAT, Cess and sales tax dues with the appropriate authorities observed on a test check basis. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to Rs. 11.45 crores in case of Income Tax, Rs. 1.62 crores in case of Provident Fund, Rs. 1.90 crores in case of Works contract tax, Rs. 0.61 crores in case of Entry tax, Rs. 0.04 crores in case of Value added tax, Rs. 0.34 crores in case of Professional tax Rs. 0.01 crores in case of labour welfare fund, Rs. 0.01 crores in case of Health Contribution Bhutan, Rs. 0.26 crores in case of Employee's State Insurance Scheme, Rs. 1.23 crores in case of Royalty and Rs. 0.49 crores in case of Road tax 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.*

In case of Covered Entities as reported by the auditors who audited the financial Statements / financial information of the Covered Entities, the Covered Entities are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues with the appropriate authorities during the period. Except in case of 1 entity where there was delay in payment of Profession Tax Rs. 0.01 Crores, Service Tax- Rs. 0.58 Crores, TDS - Rs. 0.28 Crores, PF- Rs. 0.1 Crores, Labour Welfare fund - Rs. 0.001 Crores, VAT - Rs. 0.05 Crores, ESIC- Rs. 0.001 Crores.



- (b) In respect of Holding Company, 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 annexed in the Statement 2.

Based on the reports of the auditors who audited the financial Statements/ financial information of the 38 Covered Entities, there are no disputed dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax or Cess that has not been deposited.

In case of four Covered Entities dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or Custom duty or Excise Duty or Value Added Tax or Cess that have not been deposited on account of any dispute except as given in the statement 2.

- (c) In case of Holding company 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 Rs. 0.33 Crores which is required to be transferred to Investor Education and protection funds.

In case of 1 Covered Entity the amount required to be transferred to Investor Education and Protection fund was paid within due date.

Based on the reports of the auditors who audited the financial Statements/ financial information of the covered entities there is no amount to be transferred to the said fund by any of the Covered Entities ( 40 entities)

- (viii) The Holding Company has accumulated losses at the end of the financial period which is more than 50% of its net worth. However, except for the possible effect of the matters mentioned in our basis of qualified opinion, the Company has not incurred cash losses during the current financial period and in the immediately preceding financial period.

According to the records of the Covered Entities and as reported by auditors of the Covered Entities, we report that;

- a) 3 Covered entities have been incorporated for less than five years and hence auditors of these entities have not commented upon the requirements of clause (viii) of the Order;
- b) 5 Covered entities do not have accumulated losses;
- c) 6 Covered entities have accumulated losses are less than fifty percent of their respective net worth while the 18 Covered entities have accumulated losses more than fifty percent of their respective net worth;
- d) 4 Covered entities have not incurred cash losses both in the current and immediately preceding financial years while 19 Covered entities have incurred cash losses both in the current and immediately preceding financial years;
- e) 6 Covered entities have incurred cash losses in either the current year or in the immediately preceding financial year.
- (ix) 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 Rs. 646.61 Crores for a period ranging from 1 to 366 days. And Principal for the said facility amounts to Rs. 231.98 Crores ranging from 16 to 366 days. The amounts of default on account of overdrawn of Cash credit facility was Rs. 150.58 Crores as at March 2016. The amounts include the continuing defaults at balance sheet on repayment of interest and principal which is annexed to the financial statements.

Based on the audit reports of the auditors who audited the financial Statements/ financial information of Covered Entities, there are no defaults in repayment of Principal and interest to Bank, Financial Institution and debenture holders except in case of 7 Covered Entities where delays in payment of Interest and Instalment to banks, financial institutions and debenture holders

- i) Principal and interest default of Rs. 454.98 Crores ranging from 1-275 days
- ii) Repayment of debenture amounting to Rs. 175 Crores o/s since March 2015 and interest there on of Rs. 21.96 Crores o/s since May 2015.
- (x) According to the information and explanations given to us and the records examined by us in case of Holding Company and One of the covered entity, the terms and conditions of guarantee given by the Company for loan taken by its wholly owned subsidiary from bank are not prima facie prejudicial to the interest of the Company.

On the basis of the report of auditors who audited the financial Statements/ financial information of the Covered Entities, no guarantee is given for loans taken by others from banks and financial institutions by the Covered Entities.

- (xi) According to the information and explanations given to us by the management in case of Holding Company, no fresh term loans were taken during the year except availing of working capital term loan which were applied for the business. Therefore the requirements of clause 4(xi) of the Companies (Auditors Report) Order, 2015 are not applicable.





On the basis of the information and explanations given to us by the management and reports of auditors who audited the financial Statements/ financial information of Covered Entities, 34 Covered entities has not obtained any term loans during the period and hence provision of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.

However in case of 7 Covered Entities term loans taken during the year were applied for the purpose for which the loans were obtained.

- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of auditors who audited the financial Statements/ financial information of Covered Entities, we report that no fraud on or by the Holding Company and the Covered Entities has been noticed or reported during the year.

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

**N Jayendran**  
Partner  
Membership No. 40441  
Mumbai  
Dated: July 20, 2016



## STATEMENT 1

### LIST OF COVERED ENTITIES

Sr No	Name of the Entities	Nature of relationship
1	Gammon Infrastructure Projects Limited	Subsidiary
2	Cochin Bridge Infrastructure Company Limited ('CBICL')	Subsidiary
3	Chittoor Infra Company Private Limited ('CICPL')	Subsidiary
4	Earthlink Infrastructure Projects Private Limited ('EIPPL')	Subsidiary
5	Gammon Logistics Limited ('GLL')	Subsidiary
6	Gammon Projects Developers Limited ('GPDL')	Subsidiary
7	Gammon Renewable Energy Infrastructure Projects Limited ('GREIL')	Subsidiary
8	Gammon Road Infrastructure Limited ('GRIL')	Subsidiary
9	Gammon Seaport Infrastructure Limited ('GSIL')	Subsidiary
10	Ghaggar Renewable Energy Private Limited ('GREPL')	Subsidiary
11	Haryana Biomass Power Limited ('HBPL')	Subsidiary
12	Jaguar Projects Developers Limited ('JPDL')	Subsidiary
13	Lilac Infraprojects Developers Limited ('LIDL')	Subsidiary
14	Marine Project Services Limited ('MPSL')	Subsidiary
15	Patna Highway Projects Limited ('PHPL')	Subsidiary
16	Pravara Renewable Energy Limited ('PREL')	Subsidiary
17	Ras Cities and Townships Private Limited ('RCTPL')	Subsidiary
18	Rajahmundry Godavari Bridge Limited ('RGBL')	Subsidiary
19	Satluj Renewable Energy Private Limited ('SREPL')	Subsidiary
20	Sikkim Hydro Power Ventures Limited ('SHPVL')	Subsidiary
21	Segue Infrastructure Projects Private Limited ('SIPPL')	Subsidiary
22	Tada Infra Development Company Limited ('TIDCL')	Subsidiary
23	Tangri Renewable Energy Private Limited ('TREPL')	Subsidiary
24	Tidong Hydro Power Limited ('THPL')	Subsidiary
25	Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	Subsidiary
26	Vizag Seaport Private Limited ('VSPL')	Subsidiary
27	Yamuna Minor Minerals Private Limited ('YMMPL')	Subsidiary
28	Youngthang Power Ventures Limited ('YPVL')	Subsidiary
29	Birmitrapur Barkote Highway Private Limited ('BBHPL')	Subsidiary
30	Sidhi Singrauli Road Project Limited ('SSRPL')	Subsidiary
31	Yamunanagar Panchkula Highway Private Limited ('YPHPL')	Subsidiary
32	ATSL Infrastructure Projects Limited	Subsidiary
33	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary
34	Gammon & Billimoria Limited. ('GB')	Subsidiary
35	G & B Contracting LLC ('GBLLC')	Subsidiary
36	Gammon International FZE ('GIFZE')	Subsidiary
37	PVan Eerd Beheersmaatschappaji B.V. Netherlands ('PVAN')	Subsidiary
38	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary
39	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary

Sr No	Name of the Entities	Nature of relationship
40	Gammon Power Limited. ('GPL')	Subsidiary
41	Campo Puma Oriente S.A.	Subsidiary
42	ATSL Holding B.V. Netherlands	Subsidiary
43	SAE Powerlines S.r.L ( Subsidiary of ATSL Holdings B.V.)	Subsidiary
44	Associated Transrail Structures Limited., Nigeria	Subsidiary
45	Gammon Realty Limited. ('GRL')	Subsidiary
46	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
47	Franco Tosi Meccanica S.p.A	Subsidiary
48	Gammon Italy S.r.L	Subsidiary
49	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
50	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary
51	Gammon Transmission Limited ('GTL')	Subsidiary
52	Franco Tosi Hydro Private Limited ('FTH')	Subsidiary
53	Franco Tosi Turbines Private Limited. ('FTT')	Subsidiary
54	Preeti Townships Private Limited	Subsidiary
55	Ansaldoaldaie Boilers India Private Limited ('ACB')	Subsidiary
56	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
57	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
58	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	Jointly Controlled Entities
59	Indira Container Terminal Private Limited ('ICTPL')	Jointly Controlled Entities
60	SEZ Adityapur Limited ('SEZAL')	Jointly Controlled Entities
61	GIPL - GIL JV	Jointly Controlled Entities
62	Gammon Eence Rail (Consortium) (GEC)	Jointly Controlled Entities
63	Gammon - Cons - Tensaccia – JV('GCT')	Jointly Controlled Entities
64	Gammon – Ojsc Mosmetrostroy – JV('GOM')	Jointly Controlled Entities
65	Ansaldoaldaie-GB Engineering Private Limited.('ACGB')	Jointly Controlled Entities
66	Gammon SEW('GSEW')	Jointly Controlled Entities
67	Gammon CMC JV('CMC')	Jointly Controlled Entities
68	GAMMON-SPSCPL JOINT VENTURE	Jointly Controlled Entities
69	Eversun Sparkle Maritime Services Private Limited (ESMSPL)	Associate
70	Fin est S.p.A	Associate
71	Sofinter S.p.A	Associate
72	Transrail Lighting Limited. ('TLL')	Associate



## STATEMENT 2

### STATEMENT OF STATUTORY DUES OUTSTANDING ON ACCOUNT OF DISPUTES, AS ON 31ST MARCH 2016, 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
Holding Company					
Direct Tax		Income Tax Assessment Order	303.96	A.Y. 2006-07 to A.Y. 2011-12	CIT Appeal
Direct Tax		TDS Intimation U/s 200A	16.06	A.Y. 2007-08 to A.Y. 2015-16	Not yet Filled
Direct Tax		Joint Venture Assessment	10.85	A.Y. 2010-11 to 2013-14	CIT Appeal
	<b>Total</b>		<b>330.87</b>		
Excise	Karnataka Road Works / Thumkur Haveri 8712/13 & HDIL-Whispering Tower	As per C.E. Dept. RMC manufactured are taxable W.E.F. 1.3.2011. 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
Excise	Silvassa	Excise - Silvassa	13.94	April, 2011 to December, 2011	CESTAT, Western Region, Ahmedabad
Excise	Silvassa	Excise - Silvassa	1.07	July, 2008 to October, 2010	CESTAT, Western Region, Ahmedabad
Excise	Silvassa	Excise - Silvassa	2.41	April, 2010 to December, 2014	CESTAT, Western Region, Ahmedabad
Excise	Silvassa	Excise - Silvassa	0.52	September, 2014	CESTAT, Western Region, Ahmedabad
	<b>Total</b>		<b>18.04</b>		
Sales Tax	Andhra Pradesh	Reassessment matter	0.19	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	Gujarat	Dis Allowance Of Concessional Sales & TDS credit	2.64	2010-11	1st Appeal filed before Joint Commissioner of Appeals @ Vadodara.
Sales Tax	Madhya Pradesh	Entry Tax & VAT	0.12	2010-11	Audit
Sales Tax	Madhya Pradesh	Vat-El/II transaction Disallow	0.97	2011-12	Appeal
Sales Tax	Bihar	Penalty	34.89	2008-09 & 2009-10	Bihar Commercial Tax Tribunal
Sales Tax	Bihar	Major disallowance of deduction claim & ITC	9.17	2010-11	Asst. Comm. Commercial tax
Sales Tax	Bihar	Entry tax levied on direct & indirect material	4.97	2010-11	Asst. Comm. Commercial tax
Sales Tax	Bihar	Major disallowance of deduction claim & ITC	2.43	2011-12	Asst. Comm. Commercial tax

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	ITC of sand & Grit not allowed and Complete allowable deductions are not allowed	1.64	2008-09 & 2009-10	A 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.	0.78	2003-04	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Same as above	1.88	2004-05	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Entry Tax on Vehicle, VAT levied on RMC rather than its components, whereas we have not purchased any RMC. Tax levied on structural steel which should be allowed as deduction.	3.09	2007-08	Additional Commissioner ,Appeal
Sales Tax	Uttar Pradesh	1. Disallowance of deductions. 2. Tax on higher rate of 13.5% instead of 5% 3. Tax on sale under section 6(2) of CST Act.	0.58	2010-11	Additional Commissioner ,Appeal
Sales Tax	Delhi	Disallowance on deduction claimed on Subcontractor TO and Labour & Service	19.60	2011-12	Objection has to be filled before J C
Sales Tax	Kerala	Interest payment against tax dues	0.38	1999-2000 to 2001-02	D C Sales Tax
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	0.19	1998-99 to 2001-02	Bombay High Court / Jt. Appeal
Sales Tax	Maharashtra	Disallowance of TO	3.89	2009-10	J C Appeal
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	0.25	2001-02	A C Appeal
Sales Tax	Orissa	Entry Tax	0.07	2007-12	A C Appeal
Sales Tax	West Bengal	Arbitrary demand	1.17	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax	West Bengal	Arbitrary demand	17.27	2008-09 & 2009-10	Revision Board
Sales Tax	West Bengal	Arbitrary demand	4.98	2007-08	Tribunal
Sales Tax	West Bengal	Arbitrary order	1.31	2007-08 (CST)	Tribunal
Sales Tax	West Bengal	Arbitrary demand based on prejudice about books of accounts is not reliable.	1.81	2012-13	JC Appeal
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C T
Sales Tax	Chattisgarh	Entry Tax, Sales Tax on Boulders & Sand/ Dispute over Applicability of VAT Rate	0.38	1979-80 to 2007-08	Tribunal/ D C Appeal
Sales Tax	Assam	Arbitrary Demand	0.64	2004-05 and 2006-07	Board of Revenue (GHC Ordered) / Appeal



Name of the Statute	State	Nature of the dues	Amount in Crore	Period to which it relates	Forum where Dispute is pending
Sales Tax	Rajasthan	Increase in EC Fees	0.05	2007-08	Tax Law Board – Ajmer
Sales Tax	Gujarat	VAT - Gujarat	0.11	2007-08	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	VAT - Gujarat	0.51	2008-09	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	VAT - Gujarat	0.30	2009-10	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	CST - Gujarat	7.64	2008-09	GVAT Tribunal, Ahmedabad
Sales Tax	Gujarat	VAT & CST – Gujarat	0.37	2007-08	GVAT Tribunal, Ahmedabad
Sales Tax	Maharashtra	CST - Maharashtra	2.66	2008-09	Joint Commissioner, MVAT, Nagpur
Sales Tax	Jharkhand	VAT - Jharkhand	1.48	2009-10	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	CST - Jharkhand	0.77	2009-10	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	VAT - Jharkhand	2.56	2009-10	Commissioner of VAT, Ranchi
Sales Tax	Jharkhand	CST - Jharkhand	0.31	2010-11	Commissioner of VAT, Ranchi
	<b>Total</b>		<b>145.32</b>		
Service Tax	Mumbai / Jaigarh	Construction of port service is exempted only if it is construction of new port. Whereas GIL has rendered services in port which are already exit, hence tax is applicable.	-	2008-11	DGCEI
Service Tax	Various	Tax is payable under Consulting Engineering Services	1.91	2004 to 2009	DGCEI
Service Tax	Various	Tax payable on Advance Received	0.97	2008 to 2013	ST-1/ MUM / DIV-III.
Service Tax	Himachal Pradesh	Non registration under Public Relation Service & Tax on Consulting Engineer Services	0.11	2008 to 2011	ST-1/ MUM / DIV-III.
Service Tax	Bangalore	Steel Supplied by Client	0.25	2006-2008	DGCEI
Service Tax	Bangalore	Import of Services	0.01	2007-08	DGCEI
Service Tax		Service Tax	11.89	April, 2008 to January, 2009	Supreme Court, New Delhi
Service Tax		Service Tax	9.53	February, 2009 to September, 2009	Supreme Court, New Delhi
Service Tax		Service Tax	13.07	October, 2009 to March, 2010	Supreme Court, New Delhi
Service Tax		Service Tax	14.37	April, 2010 to March, 2011	Supreme Court, New Delhi
Service Tax		Service Tax	8.46	April, 2011 to March, 2012	Supreme Court, New Delhi
Service Tax	Gujarat	Service Tax – Gujarat	0.20	2006-07	CESTAT, Western Region, Ahmedabad
	<b>Total</b>		<b>60.77</b>		

Name of the Statute	State	Nature of the dues	Amount in Crore	Period to which it relates	Forum where Dispute is pending
<b>Covered Entities</b>					
Service Tax		Service tax	0.84	Nov 2009- Oct 2011	CESTAT Ahmedabad
VAT, 2002	Maharashtra	Ex party order passed Pending appeal	0.89	2008-09	
VAT, 2002	Maharashtra	Ex party order passed Pending appeal	0.35	2007-08	
CST Act, 1956		Order passed with a demand due to non-submission of E-1 & C-form	1.05	2009-10	
CST Act, 1956		Order passed with a demand due to non-submission of E-1 & C-form	1.82	2010-11	
CST Act, 1956		Order passed with a demand due to non-submission of E-1 & C-form	1.43	2011-12	
VAT, 2002	Madhya Pradesh	Ex-Party order for non-submission of Form 3A by client	2.31	2011-12	
VAT, 2002	Madhya Pradesh	Ex-Party order for non-submission of Form 3A by client	0.63	2013-14	
VAT, 2003	West Bengal	Ex Party order passed	0.19	2009-10	
VAT, 2008	Uttar Pradesh	Order passed with demand due to rejection of Form E-I/C	0.59	2008-09	
VAT, 2008	Uttar Pradesh	Order passed with demand due to rejection of Form E-I/C	3.03	2009-10	
VAT, 2003	Gujarat	Order passed with a demand due to non-submission of E-1 and C form	4.15	2010-11	
VAT, 2008	Uttar Pradesh	Ex party order passed	0.15	2011-12	
VAT, 2005	Jharkhand	Ex party order passed	0.43	2011-12	
VAT, 2005	Andhra Pradesh	Demand raised in the Assessment order	0.72	2010-11	
Income Tax Act, 1961		Demand under u/s 153A	4.53	A.Y. 2005-06 to A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961		Demand of Penalty u/s 271(1)(c)	1.34	A.Y. 2007-08	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961		Demand under u/s 143(3)	2.54	A.Y. 2012-13	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961		Penalty	5.91	A.Y. 2007-08	Commissioner of Income-Tax (Appeals) Mumbai
Income Tax Act, 1961		Penalty	5.13	A.Y. 2010-11	Commissioner of Income-Tax (Appeals) Mumbai
	<b>Total</b>		<b>38.03</b>		





# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR 18 MONTHS ENDED 31 MARCH 2016

(₹ in Crore)				
Particulars	Note No.	Oct 2014 - March 2016		Jan 2014 - Sep 2014
<b>Total Revenue</b>				
Revenue from Operations (Net)	18	7,948.87		3,763.25
Other Operating Revenue	19	150.41		79.36
Other Income	20	132.73		58.32
			<b>8,232.01</b>	3,900.93
<b>Expenses</b>				
Cost of Material Consumed	21	2,006.59		1,361.74
Purchase of Stock in Trade	22	156.18		166.48
Change in Inventory - WIP and FG	23	389.92		15.17
Subcontracting Expenses		1,912.12		887.43
Employee Benefit Expenses	24	700.92		429.85
Foreign Exchange (Gain) / Loss	25	98.65		29.58
Finance Costs	26	1,478.86		699.25
Depreciation and Amortisation	27	681.73		275.17
Other Expenses	28	1,334.43		759.15
			<b>8,759.40</b>	4,623.82
<b>Profit / (Loss) Before Exceptional and Extraordinary Items</b>			<b>(527.39)</b>	(722.89)
Exceptional Items	38		63.90	-
<b>Profit After Exceptional Items</b>			<b>(463.49)</b>	(722.89)
Profit/(Loss) in Associates			<b>(54.36)</b>	(49.47)
<b>Profit Before Tax</b>			<b>(517.85)</b>	(772.36)
<b>Profit Before Tax from Continuing Operations</b>			<b>(375.68)</b>	(669.62)
<b>Less : Tax Expense</b>			<b>28.62</b>	43.18
Current Tax			49.56	34.51
Mat Credit Entitlement			(15.04)	11.46
Deferred Tax			(26.51)	(2.89)
Prior period tax adjustment			20.60	0.11
Less : Minority interest from continuing operations			39.71	31.09
<b>Profit/(Loss) From Continuing Operations after Tax</b>			<b>(364.59)</b>	(681.71)
<b>Profit Before Tax from discontinuing Operations</b>			<b>(142.17)</b>	(102.74)
<b>Less : Tax Expense</b>			<b>(6.11)</b>	(55.32)
Current Tax			8.96	(13.19)
Mat Credit Entitlement			(2.56)	-
Deferred Tax			(25.25)	(42.14)
Prior period tax adjustment			12.75	-
Less : Minority interest from discontinuing operations			(1.86)	0.25
<b>Profit/(Loss) from Discontinuing Operations after Tax</b>	42		<b>(137.91)</b>	(47.17)
<b>Profit After Tax For The Period</b>			<b>(502.51)</b>	(728.88)
<b>Earning Per Equity Share</b>	30			
Face Value per Share			2.00	2.00
Basic EPS			(30.50)	(53.68)
Diluted EPS			(30.50)	(53.68)

Statement of significant accounting policies and explanatory notes forms an integral part of the consolidated 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 : 20 July 2016

For and on behalf of the **Board of Directors**

**ABHIJIT RAJAN**  
Chairman & Managing Director  
DIN No. 00177173

**DIGAMBAR C. BAGDE**  
Deputy Managing Director - T&D Division  
DIN No. 00122564

**CHANDRAHAS C. DAYAL**  
Director  
Din 00178583

Mumbai, Dated : 20 July 2016

**VARDHAN DHARKAR**  
Chief Financial Officer

**AJIT DESAI**  
Chief Operating Officer  
DIN No. 00105836

**GITA BADE**  
Company Secretary



## CASH FLOW STATEMENT FOR 18 MONTH PERIOD ENDED 31 MARCH 2016

(₹ in Crore)

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax and Extraordinary Items</b>	<b>(463.49)</b>	<b>(722.89)</b>
Adjustments for :		
Depreciation	<b>681.73</b>	275.17
Employees Stock Options	<b>(0.17)</b>	1.22
(Profit)/Loss on Sale of Assets	<b>(4.12)</b>	(20.81)
(Profit)/Loss on Sale of Investments	<b>(14.82)</b>	(1.49)
Dividend Income	<b>(0.86)</b>	(0.10)
Interest Income	<b>(14.84)</b>	(21.62)
Interest Expenses	<b>1,478.86</b>	699.25
Foreign Exchange loss /gain	<b>34.31</b>	36.60
Provision for Periodic Maintenance	-	35.16
Provision towards Investments in Intangible Assets	-	(2.71)
Exceptional Items	<b>(63.90)</b>	-
Provision for Doubtful Debt	<b>54.07</b>	11.76
Bad Debts Written off	<b>28.57</b>	2.88
Provision for Contingency	<b>2.98</b>	55.88
	<b>2,181.81</b>	1,071.19
<b>Operating Profit Before Working Capital Changes</b>	<b>1,718.32</b>	348.30
Effect of Foreign Currency Translation of Cash Flows	-	0.01
Trade and Other Receivables	<b>(98.21)</b>	15.55
Inventories	<b>122.29</b>	(110.51)
Trade Payables and Working Capital Finance	<b>551.68</b>	206.89
Loan and Advances	<b>(1,600.24)</b>	7.24
	<b>(1,024.48)</b>	119.17
Cash Generated From The Operations	<b>693.84</b>	467.47
Direct Taxes paid	<b>(88.92)</b>	(281.17)
<b>Net Cash from Operating Activities</b>	<b>604.92</b>	186.30
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(1,061.40)</b>	(256.11)
Other Bank Balances	<b>(0.19)</b>	-
Sale of Fixed Assets	<b>10.26</b>	37.99
Cash and Bank balance reduced due to Stake Change	<b>(0.55)</b>	(19.11)
Loans Given to Subsidiaries, Associates and Others	<b>(3.96)</b>	(13.03)
Loans Refund from Subsidiaries, Associates and Others	<b>246.60</b>	3.26
Other Bank Balances	<b>(358.20)</b>	35.81
Purchase of Investments		
Subsidiary, Joint Ventures and Associates	-	(7.91)
Others	<b>(588.20)</b>	(287.12)
Sale of Investments:		
Subsidiary, Joint Ventures and Associates	<b>10.52</b>	-
Others	<b>559.38</b>	217.63
Foreign Currency Difference in Investments	<b>18.23</b>	5.36
(Acquisition) / Reduction of Stake in Subsidiaries	<b>138.17</b>	(6.71)

(₹ in Crore)

Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
Interest received	3.90	73.08
Dividend received	0.86	0.10
<b>Net Cash from Investment Activities</b>	<b>(1,024.58)</b>	<b>(216.77)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(1,234.68)	(502.52)
Minority Interest Contribution	2.26	138.34
Dividend Paid (Including Tax)	-	(0.02)
Proceeds from Long Term Borrowings	680.67	447.34
Repayment of Long Term Borrowings	(398.52)	(229.80)
Proceeds from / (Repayment of) Short Term Borrowings	1,216.26	(36.42)
Foreign Currency Translation Reserve	-	7.65
Movement in Other Reserves	138.99	22.40
Proceeds from issue of Share Capital and Share Premium	-	249.26
<b>Net Cash from Financing Activities</b>	<b>404.98</b>	<b>96.21</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14.67)</b>	<b>65.74</b>
Balance as on 30 Sep 2014 / 31 Dec 2013	255.33	189.71
Balance as on 31 Mar 2016 / 30 Sep 2014	240.66	255.45
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14.67)</b>	<b>65.74</b>
Note: Figure in brackets denote outflows		
	<b>As at 31 Mar 2016</b>	As at 30 Sep 2014
Cash and Cash Equivalents	240.66	255.33
Effect of Exchange Rate Changes	-	0.12
Balance Restated above	240.66	255.45
Statement of significant accounting policies and explanatory notes forms an integral part of the consolidated 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 : 20 July 2016

For and on behalf of the **Board of Directors**

**ABHIJIT RAJAN**  
Chairman & Managing Director  
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Deputy Managing Director - T&D Division  
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**CHANDRAHAS C. DAYAL**  
Director  
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Mumbai, Dated : 20 July 2016

**VARDHAN DHARKAR**  
Chief Financial Officer

**AJIT DESAI**  
Chief Operating Officer  
DIN No. 00105836

**Gita Bade**  
Company Secretary



# SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## A. SIGNIFICANT ACCOUNTING POLICIES :

### 1 Basis of preparation of Financial Statements :

The Consolidated Financial Statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting. The Consolidated Financial Statements comprise the financial statements of GAMMON INDIA LTD. ("the Company") and its Subsidiary companies (the Company and its Subsidiaries are hereinafter referred to as 'the Group'), Associates and Joint Ventures in the form of jointly controlled entities. The Consolidated Financial Statement has been prepared on the following basis:

#### (a) Interests in Subsidiaries

The Financial Statements of the Company and its subsidiary companies have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard - 21 "Consolidated Financial Statements" of Company's Accounting Standard Rules, 2006.

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

The excess of cost of investments of the Company over its share of equity in the Subsidiary is recognised as goodwill. The excess of share of equity of Subsidiary over the cost of investments is recognised as capital reserve.

The revenue related to construction services in respect of the BOT contracts, which are governed by Service concession agreements with government authorities (grantor), is considered as exchanged with the grantor against toll collection rights/ annuities receivable, profit from such contracts is considered as realized. Accordingly, BOT contracts awarded where work is subcontracted within the group, the inter group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated.

#### (b) Interests in Joint Ventures

The Company's interests in Joint Ventures in the nature of Jointly controlled entities are included in these Consolidated Financial Statements using the proportionate consolidation method as per the Accounting Standard – 27 "Financial Reporting of Interests in Joint Ventures" of Company's Accounting Standard Rules, 2006. The group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, on a line by line basis.

#### (c) Investment in Associates

Investments in Associate Companies are accounted under the equity method as per the Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" of Company's Accounting Standard Rules, 2006.

Under the equity method, the investment in associates is carried in the Balance Sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. The income statement reflects the Group's share of the results of operations of the associates.

The excess of the Company's cost of investment over its share of net assets in the associate on the date of acquisition of investment is accounted for as goodwill. The excess of the Company's share of net assets in the associate over the cost of its investment is accounted for as capital reserve.

Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

### 2 Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known.

### 3 Revenue Recognition :

#### (a) On 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, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job.

Additional claims (including for escalation), which in the opinion of the Management are recoverable on the contract, are recognised at the time of evaluating the job.

- (b) In case of certain high end boilers the milestones method is used for the measurement of the stage of completion, so as to ensure greater compliance of the valuation in the financial statements with respect to the effective stage of completion of the activities
- (c) On supply of materials related to the transmission towers, revenue is recognized upon the delivery of goods to the client in accordance with the terms of contract. Sales include excise duty and other receivable from the customers but exclude Value Added Tax, wherever applicable.
- (d) Revenue from providing services are recognized in income statement at the moment said services are completed. As for works in progress, they are measured based on the status of completion of work. Whenever the results of the agreement cannot be reliably evaluated, revenues are recognized only to the extent that costs are deemed to be recoverable.
- (e) Insurance claims are accounted for on cash basis.
- (f) On Infrastructure Development Business :
  - (i) Annuity and Toll Receipts :
 

Toll revenue from operations of tollable roads is recognised on usage and recovery of the usage charge thereon.

The cash compensation due on account of multiple entries of cars has been accounted on accrual basis as per the order of Government of Kerala for which Supplementary Concession Agreement is being worked out between the Government of Kerala, Greater Cochin Development Authority and Cochin Bridge Infrastructure Company Limited (a subsidiary of the Company).

The annuity income earned from Build, Operate, Transfer ('BOT') projects is recognised on a time basis over the period during which the annuity is earned. Revenues from bonus and other claims are recognised upon acceptance from customer/counterparty.
  - (ii) Berth Operations :
 

Revenue by way of berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharf age, barge freight, other charges etc. are recognised on an accrual basis and is billed as per the terms of the contract with the customers at the rates approved by Tariff Authority for Marine Ports (TAMP) as the related services are performed.

Other operating income is recognised on an accrual basis.
- (g) Cargo freight income :
 

Cargo freight income is recognized at the time of booking of the consignment and is being accounted net of rebates, discounts and booking commission.
- (h) Revenue on developer fees is reconised on an accrual basis.
- (i) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- (j) Dividend is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

#### **4 Turnover :**

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

Turnover in respect of the BOT contracts, governed by Service concession agreements with government authorities (grantor), is considered as exchanged with the grantor against toll collection rights/annuities receivable and not eliminated.

Turnover also includes the revenue from the supply of material in the transmission tower contracts in accordance with the terms of contract and revenues in respect of the infrastructure development business.



## **5 Research and Development Expenses :**

The Costs of research are charged at the moment they are borne.

The Costs for development in relation to a specific project are capitalized only when the Company is able to show the technical possibility of carrying out the intangible asset in order to make it available for use and sale, its intention to make it available for use and sale, the modalities the activity can provide for future economic benefits, the availability of technical, financial, as well as any other kind of resources in order to carry out development and its capacity to reliably assess the cost attributable to the activity during its development.

After the original recognition, the costs of development are assessed net of the corresponding quotas of amortization and of the impairment loss. Further capitalized costs for development are amortized with reference to the period of time where it is expected that the project thereof will produce revenue for the Company.

## **6 Joint Venture :**

- (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 and advances or current liabilities.

## **7 Employee Retirement Benefits :**

The Companies of the Group have both defined contribution plans and defined benefit plans.

Retirement benefits in the form of provident fund and superannuation is a defined contribution scheme and contributions are charged to the Profit and Loss Account for the year/period when the contributions are due.

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.

Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year on projected Unit Credit Method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

In case of certain Subsidiaries and a Joint Venture the entitlement of employee's retirement benefit is based upon the employee's final salary and length of service, subject to the completion of a minimum service period based on the laws of the respective country. The expected costs of these benefits are accrued over the period of employment. The terminal benefits are paid to employees' on their termination or leaving employment. Accordingly, the Company does not expect settlement against terminal benefit obligation in the near future.

## **8 Fixed Assets**

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Revalued assets are stated at the revalued amount. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Assets held by virtue of financial lease agreements, through which the risks and benefits associated with ownership thereof are essentially transferred to the Group, are recognised as Group assets and accounted for at their current value or, if lower, the current value of the minimum payments due for the leasing, including any sum to be paid for exercising the purchase option. The corresponding liability to the lessor is represented in the accounts under financial payables.

Capital work in progress represents the costs incurred on project activity till completion of the project. It includes all direct material, labour and sub-contracting costs and those indirect costs related to constructions that are identifiable with or allocable to the project including borrowing costs.

### **Depreciation and Amortization :**

#### **Indian Operations**

Depreciation for the accounting period is provided on :

- (a) Straight Line Method, for assets purchased after 2<sup>nd</sup> April, 1987, at the rates specified in Schedule II to the Companies Act, 2013 based on useful life of Assets.

- (b) Written Down Value Method, for assets acquired on or prior to 2<sup>nd</sup> April, 1987, at the rates specified in Schedule II to the Companies Act, 2013 based on useful life of Assets.
- (c) Depreciation on revalued component of the assets is charged to Profit and Loss account.
- (d) The depreciation on assets used for construction has been treated as period cost.
- (e) The Infrastructure Projects Assets are amortized over a period of the rights given under the various Concession Agreements to which they relate.
- (f) Expenses incurred by the Company on periodic maintenance (required to be incurred by it in the 5<sup>th</sup>, 10<sup>th</sup> and 15<sup>th</sup> year as per the Contract with NHAI) are capitalised on the completion of said activity as the same enhances the useful life of the project. These costs are amortised over the period up to which the next periodic maintenance is due. The periodic maintenance of 15<sup>th</sup> year is written off over the balance concession period.

### Overseas Operations

Depreciation is charged on a straight line basis over the useful life of the assets or as prescribed as per the relevant local laws of such country. Where the asset being depreciated is made up of distinctly identifiable elements, whose useful life significantly differs from that of the other parts the depreciation is provided separately in accordance with the component approach.

The percentage of depreciation considering the estimated useful lives of the assets are as follows:

Asset	Percentage
Building	12.50%
Plant and Machinery	15.00%
Computer	20.00%
Furniture and Fixtures	12.00%
Office Equipment	40.00%
Motor Vehicles	25.00%

### Intangible Assets :

Intangible assets are amortised over the period of the useful life of the rights and it begins when the asset is available for use. Intangible assets of infinite useful lives are not amortized but subject to impairment test, on an annual basis.

Intangible assets are represented by non-monetary elements, identifiable and lacking physical consistency, controllable and capable of generating future economic benefits. These elements are recorded at purchase and/or production cost, inclusive of any directly attributable expenses for preparing the asset for use, net of accumulated amortisation and any impairment losses.

Intangible assets also represents the concession rights in relation to toll roads to collect toll fees for improvement, operations and maintenance, rehabilitation and strengthening of existing 2 lane road and widening to 4 lane divided carriageway from Km. 539.500 to Km. 440.000 (Vadape-Gonde Section) of NH-3 on Build, Operate and Transfer (BOT) basis in the State of Maharashtra. Such costs include all construction costs including sub-contract costs and other costs attributable to the said project asset including borrowing costs and the proportionate cash payout (negative grant) at the end of concession period to NHAI.

Hitherto the amortisation of intangible assets arising out of service concession agreements was based on units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the management. During the year, based on notification dated 17<sup>th</sup> April, 2012 issued by the Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of service concession agreement prospectively. Effective 1<sup>st</sup> April, 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll and annuity revenue i.e. expected to be collected over the balance concession period. Had the Company followed the earlier method, the amortisation would have been higher by ₹ 1.85 Crore.

### 9 Impairment of Assets :

On annual basis 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 net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to the Profit and Loss Account 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.



## 10 Investments :

Investments are classified as current and long term investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

Investments in associates are accounted under Equity Method as per Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" of Company's Accounting Standard Rules, 2006.

Amortisation of Oil Assets in overseas operations:

The amortisation realised during the year is based on the Accounting regulations for service contracts and to the reforms of the Regulations of Internal Tax regime law of Panama.

## 11 Inventories :

- (a) In case of the Indian Operations, the Stores and Construction Materials are valued and stated at lower of cost or net realisable value. The Weighted Average method of inventory valuation is used to determine the cost. 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 realizable value thereof.
- (b) Work In Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profit in evaluated jobs.
- (c) Work In Progress from manufacturing operation is valued at cost and Costs are determined on Weighted Average method.
- (d) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average method except in case of overseas operations and an Indian subsidiary where the finished goods are valued on Weighted Average Cost basis.
- (e) In case of the overseas Operations and an Indian subsidiary, the Stores and spares and Construction materials are valued at Weighted Average Cost basis.
- (f) Works In Progress for service contracts are measured based on the status of completion of work. Whenever the results of the agreement cannot be reliably evaluated, revenues are recognized only to the extent that costs are deemed to be recoverable. The costs for purchasing goods and services are recognized in the income statement on accrual basis and develop into decreases in economic benefits, which occur in the form of cash outflows, or of impairment of assets or incurring liabilities.

## 12 Foreign Currency Translation :

### Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Fixed Assets acquired in foreign currencies are translated at the rate prevailing on the date of Bill of Lading.

### Conversion

Current Assets and Current Liabilities are translated at the yearend rate or forward contract rate.

### Exchange Differences

- (a) Any Gain or Loss on account of exchange difference either on settlement or translation is recognized in the Profit and Loss Account.
- (b) The exchange gain / loss on long term loans to non integral operations being Subsidiaries are restated to Foreign Exchange Translation Reserve Account and will be transferred to the Profit and Loss Account in the year when the disposal of or otherwise transfer of the operations are done.

### Translation

- (a) The transactions of Oman branch are accounted as a non-integral operation. The related exchange difference on conversion is accounted under Foreign Currency Translation Reserve Account.
- (b) The transactions of branches at Kenya, Nigeria, Bhutan and Algeria are accounted as integral operation.



- (c) The conversion of component financial statements expressed in foreign currency are as follows:
- 1) the assets and liabilities are converted using the exchange rates in effect as of the Balance Sheet date;
  - 2) the income and expenditure are converted using the average exchange rate for the period/year;
  - 3) the "Foreign Exchange Translation Reserve" comprises both the exchange differences generated by the conversion of the economic quantities using a rate other than the closing one and those generated by the conversion of the opening shareholders' equities at an exchange rate other than the closing one for the reporting period;
  - 4) goodwill and adjustments deriving from the fair value linked to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted using the period end exchange rate.
- (d) In line with notification of the Companies (Accounting Standards) Amendment Rules 2011 issued by Ministry of Corporate Affairs on 31<sup>st</sup> March, 2011 amending Accounting Standard - 11 (AS - 11) The Effects of Changes in Foreign Exchange Rates (revised 2003), the Company has chosen to exercise the option under para 46 inserted in the standard by the notification. Accordingly, exchange differences on all long term monetary items, with retrospective effect from 1<sup>st</sup> April, 2007, are:
- 1) To the extent such items are used for the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
  - 2) In other cases accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised to the Profit and Loss Account over the balance life of the long term monetary item but not beyond 31<sup>st</sup> March, 2012

### 13 Borrowing Cost :

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. 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.

### 14 Employee Stock Option Scheme :

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding which is shown under Reserves and Surplus.

### 15 Taxation:

Tax expense comprises current and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets and Deferred Tax liabilities are offset, if a legally enforceable right exists to set-off Current Tax Assets against Current Tax Liabilities and the Deferred Tax Assets and the Deferred Tax Liabilities related to the taxes on income levied by same governing taxation laws. Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all Deferred Tax Assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognised Deferred Tax Assets. It recognises unrecognised Deferred Tax Assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.



Few Subsidiaries are eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

The carrying amount of Deferred Tax Assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

In case of overseas Subsidiaries and Joint Ventures, current taxes are calculated on the basis of the taxable income for the year, applying the tax rate in force, in those countries, as of the Balance Sheet date.

## **16 Provision, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Provisions for risks and charges are recognized for losses and liabilities whose existence is certain or probable but the timing or amount of the obligation is uncertain as of the financial year end date.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, Customs, Income tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

Contingent Assets are neither recognized nor disclosed in the financial statements.

## **17 Earnings per share :**

Basic and diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of share split.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## **18 Operating Lease :**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

## **19 Derivatives :**

As of the date the contract is entered into, the derivative instruments are recorded at fair value and, if the derivative instruments do not qualify for being recorded as hedging instruments, the changes in the fair value recorded after initial statement as handled as components of the operating result for the year if they relate to forward transactions (sales or purchases) and the financial result for the year if relating to interest rate swaps. If instead the derivative instruments satisfy the requirements for being classified as hedging instruments, the subsequent changes in the fair value are recorded following the specific criteria indicated below. With regard to each financial derivative qualified for recording as a hedging instrument, its relationship with the hedged item is documented, along with the risk management objectives, the hedging strategy and the methods for checking the effectiveness.

The effectiveness of each hedge is checked both at the time of initiating each derivative instrument, and over its duration. As a rule, a hedge is considered highly effective if, both at the start and over its duration, the changes in the fair value in the event of a fair value hedge or in the cash flows expected in the future in the event of a cash flow hedge of the hedged element, are essentially offset by the changes in the fair value of the cash flows of the hedging instrument.

When the hedge concerns the fair value changes of assets or liabilities recorded in the financial statements (fair value hedge), both the changes in the fair value of the hedging instruments and the changes in the hedged item are charged to the income statement. If the hedge is not perfectly effective, or differences are noted between the aforementioned changes, the “ineffective” part represents financial expense/income recorded among the negative/positive components of the profit for the year.

In the event of hedging aimed at neutralising the risk of the changes in cash flows originated by the future execution of obligations contractually defined at the Balance Sheet date (cash flow hedge), the changes in the fair value of the derivative instrument registered after the initial statement are recorded, solely in relation to the effective part, under the item “Cash flow reserve” as part of the shareholders’ equity. When the economic effects originated by the hedged item occur, the reserve is transferred to the income statement. If the hedge is not perfectly effective, the fair value change of the hedging instrument, referring to the ineffective portion of it is immediately recorded in the income statement. If, over the duration of a derivative instrument, the occurrence of the expected cash flows and the hedged item is no longer considered highly probable, the portion of the “cash flow reserve” relating to this instrument is immediately transferred to the income statement for the year. Vice versa, in the event that a derivative instrument is transferred or can no longer be qualified as an effective hedging instrument, the portion of the “Cash flow reserve” representative of the fair value changes of the instrument, recorded up to that moment, is maintained as a component of shareholders’ equity and transferred to the income statement following the classification approach described above, at the same time as the manifestation of the transaction originally hedged.

The fair value of financial instruments listed on an active market is based on the market prices as of the Balance Sheet date. The fair value of instruments which are not listed on an organised market is determined by using valuation techniques based on a series of methods and assumptions linked to market conditions as of the Balance Sheet date. Other techniques, such as the estimation of the discounted cash flows, are used for the purpose of determining the fair value of the other financial instruments. The fair value of interest rate swaps is calculated using the average rate at maturity as of the Balance Sheet date.

Given the short-term characteristics of trade receivables and payables, it is deemed that the book values, net of any bad debts provisions for doubtful receivables, represent a good approximation of the fair value.

## **20 Grant :**

Public Grants, in the presence of a formal allocation resolution, and in any event, when the right to their disbursement is considered definitive since reasonably certainty exists that the Group will observe the conditions envisaged for perception thereof and that the grants will be collected, are recorded on an accrual basis in direct correlation with the costs incurred. The public grants provided for investments are therefore booked against the purchase price or the production costs of the asset. Other operating grants are credited to the income statement under the item “Other revenues and income”.

The SPV on receipt of grant as equity support from NHAI accounts the same under Shareholders funds under Reserves and Surplus, in accordance with the terms of the concession granted to the Company. The grant related to operations not forming part of equity support will be credited to the Profit and Loss account.

## **21 Deferred Payment Liability :**

The deferred payment liability represents the cash payout (Negative grant) payable to the NHAI as per the terms of the Concession agreement at the end of the Concession period. The said deferred payment liability does not carry any interest thereon.

## **22 Minority Interest :**

Minority interest comprises of amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the Subsidiaries and further movements in their share in the equity, subsequent to the date of the investments.



**B. OTHER NOTES**

1 The consolidated financial statements comprise the financial statements of **GAMMON INDIA LIMITED (GIL)** (the Holding Company), its Subsidiary Companies, Joint Ventures and Associates consolidated on the basis of the relevant accounting standards.

**(a) Subsidiaries :**

The following Subsidiary Companies have been consolidated in the financial statement as per AS-21 as on 31<sup>st</sup> March, 2016.

Name of the Subsidiaries	Country of Incorporation	Mar 2016		Sep 2014	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Gammon Infrastructure Projects Limited	India	58.44%	58.44%	58.67%	58.67%
Andhra Expressway Limited ('AEL')*	India	-	-	100.00%	58.44%
Aparna Infraenergy India Private Limited ('AIPL')*	India	-	-	100.00%	58.44%
Cochin Bridge Infrastructure Company Limited ('CBICL')	India	97.66%	57.07%	97.66%	57.07%
Chittoor Infra Company Private Limited ('CICPL')	India	100.00%	58.44%	100.00%	58.44%
Earthlink Infrastructure Projects Private Limited ('EIPPL')	India	100.00%	58.44%	100.00%	58.44%
Gammon Logistics Limited ('GLL')	India	100.00%	58.44%	100.00%	58.44%
Gammon Projects Developers Limited ('GPDL')	India	100.00%	58.44%	100.00%	58.44%
Gammon Renewable Energy Infrastructure Projects Limited ('GREIL')	India	100.00%	58.44%	100.00%	58.44%
Gammon Road Infrastructure Limited ('GRIL')	India	100.00%	58.44%	100.00%	58.44%
Gammon Seaport Infrastructure Limited ('GSIL')	India	100.00%	58.44%	100.00%	58.44%
Ghaggar Renewable Energy Private Limited ('GREPL')	India	100.00%	58.44%	100.00%	58.44%
Gorakhpur Infrastructure Company Limited ('GICL')*	India	-	-	100.00%	60.10%
Haryana Biomass Power Limited ('HBPL')	India	100.00%	58.44%	100.00%	58.44%
Jaguar Projects Developers Limited ('JPDL')	India	100.00%	58.44%	100.00%	58.44%
Kosi Bridge Infrastructure Company Limited ('KBICL')*	India	-	-	100.00%	58.44%
Lilac Infraprojects Developers Limited ('LIDL')	India	100.00%	58.44%	100.00%	58.44%
Marine Project Services Limited ('MPSL')	India	100.00%	58.44%	100.00%	58.44%
Mumbai Nasik Expressway Limited ('MNEL')*	India	-	-	79.99%	46.75%
Patna Buxar Highways Limited ('PBHL')**	India	-	-	100.00%	58.44%
Pataliputra Highways Limited ('PHL')**	India	-	-	100.00%	58.44%
Patna Highway Projects Limited ('PHPL')	India	100.00%	58.44%	100.00%	58.44%
Pravara Renewable Energy Limited ('PREL')	India	100.00%	58.44%	100.00%	58.44%
Ras Cities and Townships Private Limited ('RCTPL')	India	100.00%	58.44%	100.00%	58.44%
Rajahmundry Expressway Limited ('REL')*	India	-	-	100.00%	58.44%
Rajahmundry Godavari Bridge Limited ('RGBL')	India	71.43%	41.74%	63.00%	36.82%
Satluj Renewable Energy Private Limited ('SREPL')	India	100.00%	58.44%	100.00%	58.44%
Sikkim Hydro Power Ventures Limited ('SHPVL')	India	100.00%	58.44%	100.00%	58.44%
Segue Infrastructure Projects Private Limited ('SIPPL')	India	100.00%	58.44%	100.00%	58.44%
Tada Infra Development Company Limited ('TIDCL')	India	100.00%	58.44%	100.00%	58.44%
Tangri Renewable Energy Private Limited ('TREPL')	India	100.00%	58.44%	100.00%	58.44%
Tidong Hydro Power Limited ('THPL')	India	51.00%	29.80%	51.00%	29.80%
Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	India	100.00%	58.44%	100.00%	58.44%
Vizag Seaport Private Limited ('VSPL')	India	73.76%	43.11%	73.76%	43.11%
Yamuna Minor Minerals Private Limited ('YMMPL')	India	100.00%	58.44%	100.00%	58.44%
Youngthang Power Ventures Limited ('YPVL')	India	100.00%	58.44%	100.00%	58.44%
Birmirapur Barkote Highway Private Limited ('BBHPL')	India	100.00%	58.44%	100.00%	58.44%
Mormugao Terminal Limited ('MTL')**	India	-	-	100.00%	58.44%
Sidhi Singrauli Road Project Limited ('SSRPL')	India	100.00%	58.44%	100.00%	58.44%
Yamunanagar Panchkula Highway Private Limited ('YPHPL')	India	100.00%	58.44%	100.00%	58.44%
ATSL Infrastructure Projects Limited	India	100.00%	79.64%	100.00%	79.75%
Gactel Turnkey Projects Limited. ('GACTEL')	India	100.00%	100.00%	100.00%	100.00%
Gammon & Billimoria Limited. ('GB')	India	50.94%	50.94%	50.94%	50.94%
G & B Contracting LLC ('GBLLC')	Dubai	49.00%	49.00%	49.00%	49.00%
Gammon International FZE ('GIFZE')	Dubai	100.00%	100.00%	100.00%	100.00%
P.Van Eerd Beheersmaatschappaji B.V. Netherlands ('PVAN')	Netherlands	100.00%	100.00%	100.00%	100.00%
Deepmala Infrastructure Private Limited ('DIPL')	India	51.00%	70.52%	51.00%	70.52%

Name of the Subsidiaries	Country of Incorporation	Mar 2016		Sep 2014	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Gammon Retail Infrastructure Private Limited ('GRIPL')	India	99.00%	99.00%	99.00%	99.00%
Gammon Power Limited. ('GPL')	India	90.00%	100.00%	90.00%	100.00%
Campo Puma Oriente S.A.	Panama	73.76%	66.39%	73.76%	66.39%
ATSL Holding B.V. Netherlands	Netherlands	100.00%	100.00%	100.00%	100.00%
SAE Powerlines S.r.L ( Subsidiary of ATSL Holdings B.V.)	Italy	100.00%	100.00%	100.00%	100.00%
Associated Transrail Structures Limited., Nigeria	Nigeria	100.00%	100.00%	100.00%	100.00%
Gammon Realty Limited. ('GRL')	India	75.06%	75.06%	75.06%	75.06%
Gammon Holdings B.V., Netherlands ('GHBV')	Netherlands	100.00%	100.00%	100.00%	100.00%
Franco Tosi Meccanica S.p.A	Italy	-	-	-	-
Gammon Italy S.r.L	Italy	100.00%	100.00%	100.00%	100.00%
Gammon International B.V., Netherlands ('GIBV')	Netherlands	100.00%	100.00%	100.00%	100.00%
Metropolitan Infrahousing Private Limited ('MIPL')	India	84.16%	84.16%	84.16%	84.16%
Gammon Transmission Limited ('GTL')	India	100.00%	100.00%	100.00%	100.00%
Franco Tosi Hydro Private Limited ('FTH')	India	100.00%	100.00%	100.00%	100.00%
Franco Tosi Turbines Private Limited. ('FTT')	India	-	-	-	-
Preeti Townships Private Limited	India	60.00%	45.04%	60.00%	45.04%
Ansaldocaldaie Boilers India Private Limited ('ACB')	India	73.40%	85.37%	73.40%	85.37%
Gammon Holdings (Mauritius) Limited ('GHM')	Mauritius	100.00%	100.00%	100.00%	100.00%
Patna Water Supply Distribution Network Private Limited ('PWS')	India	73.99%	73.99%	73.99%	73.99%

\* These Subsidiaries were sold on 29<sup>th</sup> February, 2016 by Gammon Infrastructure Projects Ltd to BIF India Holdings Pte Ltd (Refer Note iv).

\*\* These Subsidiaries were sold on 31<sup>st</sup> March, 2016 by Gammon Infrastructure Projects Ltd. (Refer Note iv)

- (i) (a) The results of Campo Puma Oriente SA (CPO) for the period January to December 2015 are consolidated based on unaudited accounts which are signed by one of the Directors representing Gammon India Limited since there are differences between the shareholders of the Company CPO. The financial statements of Campo Puma are not audited since December 2012.
- (b) The results of the following Subsidiaries / Joint venture / Associate are consolidated based on unaudited accounts, which are signed, by one of the Directors of the Company.

S. No.	Name of the Company	Relationship
1	SAE Powerlines S.r.L	Subsidiary
2	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary
3	Campo Puma Oriente S.A.	Subsidiary
4	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
5	Gammon Italy S.r.L	Subsidiary
6	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary
7	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
8	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
9	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary
10	Gammon Encee Rail (Consortium) (GEC)	Joint Venture
11	Gammon – Ojsc Mosmetrostroy – JV('GOM')	Joint Venture
12	Ansaldocaldaie-GB Engineering Private Limited.('ACGB')	Joint Venture
13	Gammon SEW('GSEW')	Joint Venture
14	Gammon CMC JV('CMC')	Joint Venture
15	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	Joint Venture
16	Indira Container Terminal Private Limited ('ICTPL')	Joint Venture
17	SEZ Adityapur Limited ('SEZAL')	Joint Venture
18	Modern Toll Roads Private Limited	Associate
19	Sofinter S.p.A	Associate



- (ii) The Board of Francotosi Meccanica S.p.A (FTM) filed on 30<sup>th</sup> May, 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<sup>th</sup> 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<sup>th</sup> June, 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations and, if this was established, to set out a procedure to continue and manage the Company for a period of at least two years. On 31<sup>st</sup> July, 2013, the presiding Judge of the Court of Milan having received confirmation of the possibility of continuity of FTM called for bids for the lease of the business of FTM. Four bidders had submitted compliant bids for the lease.

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 serve long term restrictions which impair its ability to transfer funds to its parent. 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, as per para 11 (b) of AS-21 Consolidated Financial statements of the Company (Accounting Standard) Rules, 2006, the said FTM was excluded from Consolidation from the period ended 30<sup>th</sup> September, 2014. Accordingly FTM has been accounted as per Accounting Standards AS-13, Accounting for Investments. The Company’s funded and non funded exposure towards FTM is ₹ 582.09 Crore. The losses of the said FTM already accounted in the past, the provision for impairment of goodwill made and the provision for risks and contingencies already made aggregating to ₹ 322.93 Crore are considered as provision for diminution in the value of Investment.

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 required.

- (iii) Gammon & Billimoria Limited holds 49.00% of the equity of G&B Contracting LLC ( previously known as Gammon & Billimoria LLC), a limited liability Company registered in Dubai hereafter referred as G&B LLC. Since the Management and Operational control of G&B LLC is with Gammon & Billimoria Limited, G&B LLC is being consolidated as a Subsidiary under Accounting Standard (AS) - 21 of Companies Accounting Standard Rules 2006.
- (iv) During the period ended 31<sup>st</sup> March, 2016, the GIPL has transferred its entire holding including beneficial interest in favour of BIF India Holdings Pte Ltd for which it entered into a Share Purchase Agreement (SPA) for the following entities: AEL, AIPL, GICL, KBICL, MNEL AND REL.

Further, the SPA with BIF India Holdings Pte Limited, covers sale of another 3 Subsidiaries, PREL, SHPVL and VGRPPL in respect of which certain conditions precedent are in the process of being satisfied. Since the date of the Balance Sheet, the sale transaction’s long stop date with respect to PREL’s and SHVPL’s for satisfaction of the conditions precedents have expired on 26<sup>th</sup> May, 2016 while that of VGRPPL is 26<sup>th</sup> August, 2016.

Further, GIPL has re-evaluated the fair value of PREL and SHPVL through external valuers. The fair value of these two Subsidiaries is higher than the investment value in these Subsidiaries. As a result the assets of these Subsidiaries were not impaired.

During the period ended 31<sup>st</sup> March, 2016, the GIPL has also divested its entire holding in three other Subsidiaries, MTL, PBHL and PHL.

- (v) M/s Ansaldo Caldaie Boilers India Private Limited, a subsidiary of the Company had received amounts as Share Application Money of ₹ 16.64 Crore 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 29<sup>th</sup> January, 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 28<sup>th</sup> 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<sup>th</sup> 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 18<sup>th</sup> May, 2015. Till further documentation this amount is being shown as payable to Ansaldo S.p.A in the financial statements of ACBI.

- (vi) 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.

#### b. Jointly Controlled Entities

The following Jointly Controlled Entities have been considered applying AS-27 on the basis of audited accounts (except stated otherwise) for the year ended 31<sup>st</sup> March, 2016.

- (i) Details of Joint Ventures entered into by the Company :

Name of the Joint Venture	Country of Incorporation	Mar 2016		Sep 2014	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Blue Water Iron Ore Terminal Private Limited ('BWOTPL')**	India	10.12%	5.91%	10.12%	5.94%
Indira Container Terminal Private Limited ('ICTPL')	India	50.00%	29.22%	50.00%	29.34%
SEZ Adityapur Limited ('SEZAL')**	India	38.00%	22.21%	38.00%	22.29%
GIPL - GIL JV	India	100.00%	60.52%	100.00%	60.74%
Gammon Encee Rail (Consortium) (GEC)*	India	51.00%	51.00%	51.00%	51.00%
Gammon - Cons - Tensaccia - JV('GCT')	India	60.00%	60.00%	60.00%	60.00%
Gammon - Ojsc Mosmetrostroy - JV('GOM')*	India	51.00%	51.00%	51.00%	51.00%
Ansaldoaldaie-GB Engineering Private Limited.('ACGB')*	India	50.00%	36.70%	50.00%	36.70%
Gammon SEW('GSEW')*	India	90.00%	90.00%	90.00%	90.00%
Gammon CMC JV('CMC')*	India	50.00%	50.00%	50.00%	50.00%
GAMMON-SPSCPL JOINT VENTURE	India	55.00%	55.00%	-	-

\* Based on the un-audited management accounts for the period ended 31<sup>st</sup> March, 2016.

\*\* In the absence of financial statements of these companies no effects are taken in these financial statements for the current period. The balances as at 30<sup>th</sup> September, 2014 are incorporated. However, these Joint Ventures are not carrying out any operations and therefore their impact is not expected to be significant.

The results of ICTPL are not audited but have been subjected to a limited review by their statutory auditors.





- (ii) The proportionate share of Assets, Liabilities, Income and Expenditure of the Joint Ventures consolidated in the accounts is tabulated hereunder.

	(₹ in Crore)	
Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>Assets</b>		
<b>Non-current assets</b>		
Fixed assets :		
Tangible assets (Net)	41.29	35.42
Intangible assets (Net)	12.50	12.50
Capital work in progress	-	6.93
Intangible assets under development	354.68	285.26
Goodwill on Consolidation	-	-
Non-current investments	-	-
Deferred Tax Assets	0.18	-
Long-term loans and advances	15.68	17.43
Other Non Current Assets	2.50	1.63
<b>Current assets</b>		
Current investments	-	-
Inventories	114.27	62.55
Trade receivables	58.79	28.10
Cash and Bank Balances	9.43	11.32
Short-term loans and advances	82.99	70.39
Other current assets	3.44	3.17
	<b>695.76</b>	<b>534.70</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	161.22	208.00
Deferred Tax liabilities (net)	-	0.47
Trade payables, non-current	-	-
Deferred payment liability	-	-
Other long-term liabilities	34.49	23.50
Long-term provisions	0.08	0.09
Share Application Money Pending Allotment	1.00	1.00
Minority Interest	-	-
<b>Current Liabilities</b>		
Short-term borrowings	7.38	5.58
Trade payables, current	126.63	78.27
Other current liabilities	294.92	162.27
Short-term provisions	2.40	0.12
<b>Reserves and surplus</b>		
Surplus / (deficit) in the statement of profit and loss :		
Opening balance	(33.74)	(29.09)
During the current year	8.21	(4.65)
Adjustment on account of effect of depreicaiton on first time application of Schedule II	(0.13)	
<b>Total reserves, surplus and liabilities</b>	<b>602.46</b>	<b>445.56</b>
<b>Income</b>		
Revenue from operations	308.31	274.72
Other income	3.60	2.80
Total income	<b>311.92</b>	<b>277.51</b>
<b>Expenses</b>		
Cost of Material Consumed	17.69	24.99
Change in Inventory and FG	(40.34)	(16.77)
Subcontracting expenses	209.05	240.20
Employee benefit expenses	3.59	1.75
Other expenses	99.89	30.32
Exceptional items	-	-
Finance Cost	8.05	2.92
Depreciation and amortisation	5.08	1.13
<b>Total expenses</b>	<b>303.01</b>	<b>284.54</b>
Profit before Tax	8.91	(7.02)
Provision for Tax	0.67	(0.86)
Profit after Tax	<b>8.24</b>	<b>(6.16)</b>



- (ii) The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the period ended 31<sup>st</sup> March, 2016 except for GEC, ACGB, GSEW and Gammon OJSC Mosmetrostroy JV which are based on the un-audited management accounts.
- (iii) A Joint Venture Company in the Group, which has executed a License Agreement with its client Mumbai Port Trust (MbPT) for developing a container terminal in Mumbai Port under the BOT scheme, could not commence operations till date due to the non-fulfilment of certain obligations by MbPT. The continuing delays for over 5 years has resulted in the account being classified by the lenders as a non performing asset. These conditions indicated existence of significant uncertainty and doubt regarding the Joint Venture's ability to continue as going concern and its ability to realise its assets and discharge its liabilities in the normal course. However, a process has been initiated by MbPT and the Joint Venture to revive the project by restructuring it from a single cargo terminal to a multi clean cargo terminal. This involves both MbPT and the joint venture to determine a mutually acceptable replacement cost of the facilities constructed by the Joint Venture. Thereafter MbPT will invite fresh bids for the project. The Joint Venture will have a First Right of Refusal to match the preferred bid or accept the replacement cost and exit the project. In the interim the Joint Venture has been granted permission by MbPT to operate Roll On Roll Off vessels on trial basis for one year on a revenue share basis. The trial commercial operations have commenced since 21<sup>st</sup> July, 2015. The management believes that considering the process initiated by MbPT to revive the project, the financials of the joint venture has been prepared on going concern basis and as such no impairment of the asset is required.

### c. Associates

The following Associates have been accounted for on one line basis applying the equity method in accordance with the Accounting Standard (AS) – 23 “ Accounting for Investment in Associates in Consolidated Financial Statements”.

(₹ in Crore)

Name of Company	% Share Held	Original Cost of Investments	Goodwill/ (Capital Reserve)	Adjusted/ Accumulated Profit/(Loss) upto previous period	Profit for the Current Period	Adjustments for the current period	Carrying Amount of Investment
ESMSPL**	18.13%	1.70	-	(0.50)	0.39	-	1.59
	18.13%	1.70	-	(0.44)	(0.06)	-	1.20
MTL**	28.75%	0.02	-	(0.01)	-	-	0.01
	28.75%	0.02	-	(0.01)	(0.00)	-	0.01
Fin est Spa*	50.00%	19.52	7.57	1.10	-	0.02	20.64
	50.00%	19.52	7.57	1.28	-	(0.18)	20.62
Sofinter S.p.A*	32.50%	413.40	278.22	(28.68)	(55.43)	(12.24)	317.05
	32.50%	430.55	300.13	17.27	(49.41)	3.45	401.86
Transrail Lighting Limited (TLL)	25.00%	7.75	-	(7.67)	0.67	-	0.75
	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>442.40</b>	<b>285.79</b>	<b>(35.76)</b>	<b>(54.37)</b>	<b>(12.22)</b>	<b>340.05</b>
		451.79	307.70	18.10	(49.47)	3.27	423.69

\* Based on the un-audited management accounts for the period ended 31<sup>st</sup> March, 2016.

\*\*Marked Companies are Associates of Subsidiary GIPL.

### (i) Sofinter

- a. The Group's exposure towards investment in Sofinter Group is ₹ 887.82 Crore including investments, loans and guarantees towards the acquisition loan taken by the SPV, M/s Gammon International B.V.
- b. The Company had in 2011, issued Guarantees, including Corporate Guarantees, for an amount of USD 35 Million on behalf of Gammon Holdings Mauritius Limited (GHML), a wholly owned Subsidiary, to Guarantee its contractual commitment under a Put Option Agreement with BT Global Investors Limited (BT) who was a holder of shares and convertible bonds (the Sofinter Securities) in Sofinter S.p.A. The Put was to be exercised within February 2014 and on all the Sofinter Securities. Consequent upon the conversion of the bonds into additional shares in Sofinter on 18<sup>th</sup> December, 2013, BT has become the holder of 35% shares in Sofinter, thereby diluting the holding of Gammon International B.V. in Sofinter to 32.5%. Prior to the date of this conversion, BT also exercised its Put Option on GHML for all the Sofinter securities, for an amount of USD 32 Million (₹ 212.26 Crore). The Put Option was duly honoured by GHML by drawing on debt raised from Export Import Bank of India Limited (Exim) for USD 18 Million (₹ 119.40 Crore) and balance against the funded exposure by the parent Company for ₹ 92.86 Crore.



The transferor has created pledge in favour of the lenders of the transferee company. The process of transferring the ownership in favour of the transferee company is expected to be completed by 30<sup>th</sup> September, 2016. Considering the proposed holding of 67.5% in Sofinter Group, the order book position, the valuation carried out of the said Sofinter Group by an independent valuer and the current financials of Sofinter, the Management is of the view that no impairment is required in the exposure of the group.

- c. Further pending the transfer of 35% in favour of GHML conferring it voting right over Sofinter, the group has continued to account the said Sofinter as an 'Associate Company' to the extent of 32.50%.
- d. Notwithstanding it's strong order book position, the Bankers to Sofinter Group have made the renewal and enhancement of all its credit lines for a further period of three years conditional upon the infusion of fresh equity capital into the Company. None of the existing shareholders in Sofinter are in a position to commit to this increase.

Furthermore, Gammon Group as part of its restructuring activities has decided to divest all its non-core investments including its investment in Sofinter Group. As part of this process, an investor has shown interest in acquiring the entire 67.5% stake in Sofinter held by Gammon Group (including 35% to be transferred by BT Global Ltd in the name of Gammon Holdings Mauritius Ltd) while also expressing its willingness to invest fresh capital into the Company. The proposed investor has already completed due diligence and is in the process of negotiating a detailed Share Purchase Agreement with Gammon and a new Shareholder Agreement with the remaining Sofinter Shareholders, both of which are expected to be completed very soon. On completion of these transactions the Bankers to Sofinter Group will renew and enhance all its credit lines to ensure continuity of business of the Group and will also facilitate the Auditors of Sofinter Group to complete the Financial Statements for 2015 and issue their Going Concern Report. Since details of all the information in this regard are not available with the Sofinter Board due to confidentiality, it could not evaluate the 'Going Concern' aspect, and accordingly decided not to comment on it at the time of approving the Management Report for purpose of consolidation for Gammon FS for the 18 month period.

However, since Gammon has full information in its possession and is also driving the entire process, it has consolidated the results of Sofinter Group on a Going Concern basis.

- (ii) During the year Transrail Lighting Limited (TLL) an Erstwhile Subsidiary was divested to the extent of 75% as part of restructuring exercise of the Company in favour of the investor as at 26<sup>th</sup> February, 2016. The said TLL has been consolidated as an associate since 26<sup>th</sup> February, 2016. The Profit on divestment includes reversal of losses parked in retained earning of earlier years and has been shown as exceptional Item ( Refer Note 38)

## 2 Share Capital

### (a) Authorised, issued, subscribed and Fully Paid-up:

(₹ in Crore)

Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital:</b>				
Equity Shares of ₹ 2/- each	74,71,00,00,000	14,942.00	74,71,00,00,000	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	30,00,000	105.00	30,00,000	105.00
<b>Issued, Subscribed and Fully Paid-up Capital:</b>				
<b>Issued:</b>				
Equity Shares of ₹ 2/- each, fully paid	36,63,03,349	73.26	13,73,55,208	27.47
<b>Subscribed and Fully Paid up Capital:</b>				
Equity Shares of ₹ 2/- each, fully paid	36,47,22,809	72.94	13,57,74,668	27.16
<b>Share Forfeiture Account</b>				
Money received in respect of Right Shares of ₹ 10/- each forfeited	1,70,948	0.34	1,70,948	0.34
<b>TOTAL</b>		<b>73.28</b>		<b>27.50</b>

i) Issued Share Capital includes 725,800 shares of ₹ 2/- each 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

(₹ in Crore)

Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	13,57,74,668	27.16	13,57,74,668	27.16
Add : Issued during the year	22,89,48,141	45.78	-	-
As at the end of the year	36,47,22,809	72.94	13,57,74,668	27.16

Persuant to the invocation to SDR scheme, the bankers have converted an amount of ₹ 272.22 Crore being principal and interest outstanding in to Equity and have been allotted 22,89,48,141 Equity shares of ₹ 2 each at a premium of ₹ 9.89 during the period representing 62.77% of the Equity Capital.

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

Name of Shareholder	As at 31 Mar 2016		As at 30 Sep 2014	
	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	1,80,13,015	4.93	1,80,13,015	13.20
Devyani Estate and Properties Private Limited	1,21,82,805	3.33	1,21,82,805	8.93
HDFC Trustee Company Limited - HDFC Infrastructure Fund	1,21,14,310	3.31	1,21,14,310	8.87
Abhijit Rajan	81,72,459	2.34	81,72,459	5.99
Canara Bank	5,28,14,769	14.45	-	-
ICICI Bank	3,96,96,547	10.86	-	-
Punjab National Bank	2,42,09,101	6.62	-	-
Syndicate Bank	2,26,96,508	6.21	-	-
Bank Of Baroda	2,21,04,507	6.05	-	-
Allahabad Bank	1,95,82,216	5.36	-	-

**(d) Shares reserved under options to be given**

Nil (Previous Period NIL) Equity Shares have been reserved for issue as ESOP.

**(e) 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 shareholders.

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.

**3 Reserves and Surplus**

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>(i) Capital Reserve</b>		
As per Last Balance Sheet	104.28	83.20
Add : Received during the year (Refer Note 3(d))	124.66	80.32
Add : Transfer from Minority Interest	4.17	8.89
Less : Reduction due to divestment	(40.37)	-
Add : Recoupment from Minority interest on divestment	16.78	-
Less : Transfer to Minority Interest	55.45	(68.13)
	154.07	104.28
<b>(ii) Capital Redemption Reserve</b>	105.00	105.00
<b>(iii) Securities Premium Account</b>		
As per last Balance Sheet	1,361.39	1,293.94
Add : On issue of equity shares	227.45	218.06
Add/(Less) : Share premium transferred from (to) Minority Interest	(1.30)	(144.75)
Add/(Less) : Share issue expenses during the year	-	(5.86)
	1,587.54	1,361.39
<b>(iv) Debenture Redemption Reserves</b>	81.00	81.00



Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
<b>(v) Revaluation Reserves</b>				
As per last Balance Sheet	<b>108.66</b>		132.77	
Add/(Less) : On account of Deconsolidation of Subsidiary	-		(21.75)	
Add/(Less) : On account of Revaluation of Assets	<b>8.83</b>		-	
Add/(Less) : Transfer to General Reserve	<b>(2.48)</b>		-	
Add/(Less) : Depreciation on Revalued Assets	-		(2.36)	
		<b>115.01</b>		108.66
<b>(vi) Share Options Outstanding Account</b>		<b>0.08</b>		1.99
<b>(vii) Other Reserves</b>				
<b>General Reserve</b>				
As per last Balance Sheet	<b>381.44</b>		344.38	
Add/(Less) : Transferred to Minority interest	-		(12.94)	
Add : Transferred from Revaluation Reserve	<b>2.48</b>		-	
Less: Transfer to surplus on account of divestment of subsidiary	<b>(31.09)</b>		-	
Add: Recoupment from Minority interest on divestment	<b>12.84</b>		-	
Add : Transferred from Special Contingency Reserve	-		50.00	
		<b>365.67</b>		381.44
<b>Foreign Currency Translation Reserve</b>				
As per last Balance Sheet	<b>125.10</b>		43.10	
Add / (Less): arising out of current year	<b>0.22</b>		82.00	
		<b>125.32</b>		125.10
<b>Foreign Currency Monetary Item Translation Difference Reserve</b>				
As per last Balance Sheet	<b>(30.52)</b>		24.15	
Add / (Less): arising out of current year	<b>(55.98)</b>		(89.13)	
Add / (Less) : Amount recognised in the statement of Profit and Loss	<b>34.31</b>		36.48	
Add / (Less) : Translation Difference	<b>1.22</b>		(2.02)	
		<b>(50.97)</b>		(30.52)
<b>Special Contingency Reserve</b>				
As per last Balance Sheet	-		50.00	
Add / (Less): Transferred to General Reserve	-		(50.00)	
		-		-
<b>Other Reserves</b>		<b>1.63</b>		1.26
<b>Surplus / (Deficit)</b>				
Profit brought forward from last year	<b>(2,591.25)</b>		(1,913.86)	
Less : Loss for the year	<b>(502.51)</b>		(728.88)	
Transfer from General Reserve on account of divestment	<b>31.09</b>		-	
FCTR effect on Opening Retained Earnings	<b>14.33</b>		45.71	
Adjustments to Minority Interest	<b>0.09</b>		5.64	
Amount Transferred from Capital Reserve	<b>40.37</b>		-	
Other Adjustments	<b>(0.37)</b>		0.14	
<b>Sub-Total</b>	<b>(417.00)</b>		(677.39)	
		<b>(3,008.25)</b>		(2,591.25)
<b>TOTAL</b>		<b>(523.90)</b>		(351.65)

- (a) The General reserve is created to comply with the The Companies transfer of Profit and Reserve rules 1975.
- (b) The Foreign Currency Translation Reserve is created in terms of Accounting Standard 11 "The effect of changes in foreign exchange rates" issued under the Companies Accounting Standard Rules 2006.
- (c) Based on significant evaluation and progress of projects the management is of the opinion that amount kept under Special Contingency Reserve is no longer required and hence transferred to General Reserve in the Previous Period.
- (d) Capital reserve includes grant of received by two SPV's of the Group, from NHAI and the Government of Andhra Pradesh in the nature of equity support of the grantor. During the current period, two GIPL Subsidiaries, has received capital grant amounting to ₹ 124.66 Crore (previous period: ₹ 80.32 Crore). The Company's share has been accounted for after adjusting the net minority's share in capital grant. Further, during the current period, the Company's share of ₹ 40.37 Crore in Capital Grant received by a divested subsidiary has been transferred to the surplus account.
- (e) 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 ₹ 9.15 Crore (Previous Period 0.82 Crore) being 15% of the amount of Debenture due for redemption before 31<sup>st</sup> March, 2017 as required by the aforesaid Circular in view of financial crunch faced by the Company.
- (f) In line with notification of the Companies (Accounting standards) Amendment Rules 2009 issued by Ministry of Corporate Affairs on 31<sup>st</sup> March, 2009 amending Accounting Standard - 11 (AS - 11) "The Effects of Changes in Foreign Exchange Rates (revised 2003)", some of the overseas Subsidiaries who have prepared the accounts as per Indian GAAP for the purposes of consolidation have choosen to exercise the option under para 46 inserted in the standard by the notification.

During the year ₹ 34.31 Crore (Previous Period Credit of ₹ 36.48 Crore) amortisation cost charged to the profit and loss account out of Foreign Currency Monetary Item translation Difference Account.

₹ 50.97 Crore Debit (Previous Period Debit of ₹ 30.52 Crore Credit) accumulated in the "Foreign Currency Monetary Item translation Difference Account", being the amount remaining to be realised as at 31<sup>st</sup> March, 2016.

#### 4 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Loan taken by Holding Company</b>				
<b>Non Convertible Debentures</b>				
Placed with Banks and Financial Institutions	251.35	318.52	36.07	5.48
<b>Term Loans</b>				
Priority Loan	511.91	682.74	117.51	51.39
Rupee Term Loan - 1 (RTL-1)	671.31	771.19	61.11	15.74
Rupee Term Loan - 2 (RTL-2)	417.98	465.48	38.00	9.50
Rupee Term Loan - 3 (RTL-3)	308.00	343	28.00	7.00
Funded Interest Term Loan (FITL)	140.22	254.6	13.10	5.19
Working Capital Term Loan (WCTL)	519.99	633.44	29.29	12.93
<b>Loan taken for Public Private Partnership</b>				
From banks	2177.18	2593.56	104.14	193.01
From financial institutions	333.6	894.91	15.20	129.42
From others	-	12.78	9.35	4.93
<b>Loan taken for Foreign Companies</b>				
Term Loan from Banks	411.05	628.36	376.61	117.88
<b>Loan taken Other Companies</b>				
From banks	317.24	423.34	117.76	27.45
From financial institutions	159.23	-	-	-
From others	-	196.09	-	-
Non Convertible Debentures	-	-	175.00	175.00
<b>Loans from Related Parties</b>				
Promoters Contribution	100.00	100.00	-	-
<b>Other Loans</b>	52.63	-	-	-
<b>TOTAL</b>	<b>6,371.69</b>	<b>8,318.01</b>	<b>1,121.14</b>	<b>754.92</b>
<b>The above amount includes</b>				
Secured Borrowings	5,963.28	7,911.02	1,121.14	754.92
Unsecured Borrowings	408.41	406.99	-	-
Amount disclosed under the head "Other Current Liabilities" (note 10)			1,121.14	754.92



**(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 24<sup>th</sup> June, 2013 and communicated to the Company vide its letter of approval dated 29<sup>th</sup> June, 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24<sup>th</sup> September, 2013. Substantial securities have been created in favour of the CDR lenders.

**Key features of the CDR proposal are as follows :**

- Reschedule of Short Term Loans and 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 1<sup>st</sup> January, 2013 instructed 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 realisation 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) 1<sup>st</sup> 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) 2<sup>nd</sup> 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) 1<sup>st</sup> pari-passu charge on Gammon House.
- 2) 2<sup>nd</sup> 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) 2<sup>nd</sup> 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) 3<sup>rd</sup> pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.
- 2) 3<sup>rd</sup> pari-passu charge on the Gammon House.

**Working Capital Term Loan (WCTL) -**

- 1) 1<sup>st</sup> 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) 2<sup>nd</sup> 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) 1<sup>st</sup> 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) 2<sup>nd</sup> 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) 1<sup>st</sup> pari-passu charge by mortgage of Gujarat Property and hypothecation over the pari-passu security with the NonConvertible Debentures.
- 2) 3<sup>rd</sup> pari-passu charge over the entire Fixed Assets (movable and immovable) and Current Assets of the Company excluding the Gammon House.
- 3) 3<sup>rd</sup> 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.

#### (c) 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<sup>st</sup> March, 2014 will be converted to FITL.

#### (d) Interest on Term Loans -

The above mention term loans carry an interest rate which is MI base rate + 175 bps except in case of NCD which are as follows -

Non Convertible Debenture	As at 31 Mar 2016		As at 30 Sep 2014	
	Amount	Rate	Amount	Rate
	93.25	11.05%	100.00	11.05%
	98.92	9.50%	100.00	9.50%
	69.33	10.50%	74.00	10.50%
	50.00	9.95%	50.00	9.95%
<b>TOTAL</b>	<b>311.50</b>		<b>324.00</b>	

The above includes Debentures overdue for payments disclosed in Current Liabilities.

#### (e) Repayment Term

Type of Loan	Repayment Schedule
RTL - 1, RTL - 2, RTL - 3, NCD, WCTL and FITL	Repayable in 31 quarterly installments commencing 15 <sup>th</sup> April, 2015 and ending on 15 <sup>th</sup> October, 2022.
Priority Loan	Repayable in 20 quarterly ballooning installments commencing 15 <sup>th</sup> April, 2015 and ending on 15 <sup>th</sup> January, 2020.

#### (f) 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) and 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 and Managing Director.
- c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the JV 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 Ansaldo Caldaie 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 )

- (g) 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 Ltd.

On 26<sup>th</sup> 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.

- (h) Transmission & Distribution (T&D) business:

The Joint Lender's Forum ("JLF") meeting convened on 17<sup>th</sup> November, 2015 and 16<sup>th</sup> December, 2015 and CDR EG meeting held on 23<sup>rd</sup> November, 2015 and 22<sup>nd</sup> January, 2016 approved the adoption of the Strategic Debt Restructuring scheme of the Company which inter alia 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 1<sup>st</sup> January, 2016, through a business transfer agreement, as detailed in financial Statements, transferred borrowings aggregating to ₹ 200.13 Crore 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 Crore 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 engaged 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 1<sup>st</sup> November, 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 classified 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 Period Term Loan from ICICI Bank has been resheduled by which the same are to be repaid by 1<sup>st</sup> April, 2015 by sale of Investments. In case sale doesnot occur or the proceeds are insufficient, the same is repayable by the parent Company in quaterly installments from 1<sup>st</sup> 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 and ATSL B.V. Interest and 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<sup>th</sup> April, 2015 with retrospective effect from 1<sup>st</sup> October, 2012. Provision has been made for such additional amounts by the respective SPV's.

During the Previous Period Term Loan from ICICI Bank, UK PLC has been resheduled by which the same are to be repaid by 1<sup>st</sup> April, 2015 by sale of Investments. In case sale doesnot occur or the proceeds are insufficient, the same is repayable by the parent Company in quaterly installments from 1<sup>st</sup> April, 2015. The applicable interest rate is equal to 3 months EUROLIBOR plus 360 bps for GIBV, Interest and installment is due and paid on Quaterly basis. The interest rate will increase by 100 bps if not repaid before 30<sup>th</sup> April, 2015 with retrospective effect from 1<sup>st</sup> October, 2012. Provision has been made for such additional amounts by the respective SPV's.

**(iv) Others**

**(1) ACBI**

(a) The Company has entered into Corporate Debt Restructuring package with IDBI Bank with effect from 1<sup>st</sup> 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
- 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 -**

- 1) 1<sup>st</sup> 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) 1<sup>st</sup> charge over all the fixed assets of the Company both present and future.
- 3) Corporate Guarantee of Gammon India Limited.

**Rupee Term Loan (RTL) - 2 (a) -**

- 1) 1<sup>st</sup> 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) 1<sup>st</sup> charge over all the fixed assets of the Company both present and future.
- 3) Corporate Guarantee of Gammon India Limited.

**Rupee Term Loan (RTL) - 2 (b) -**

- 1) 1<sup>st</sup> 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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 @BBR + 250 bps payable on 1<sup>st</sup> day of each month. Currently IDBI bank's BBR is at 10.25% p.a.



**(d) Repayment Term**

Type of Loan	Repayment Schedule
RTL - 1	Repayable in 32 quarterly installments commencing from 1 <sup>st</sup> May, 2016 after moratorium period of 2 years as mentioned below : a) 31 <sup>st</sup> installments of ₹ 0.21 Crore each; b) 32 <sup>nd</sup> installment of ₹ 0.24 Crore
RTL - 2 (a)	Repayable in 12 quarterly installments commencing from 1 <sup>st</sup> May, 2016 after moratorium period of 1 year as mentioned below : a) 11 <sup>th</sup> installments of ₹ 0.23 Crore each; b) 12 <sup>th</sup> installment of ₹ 0.28 Crore
RTL - 2 (b)	Repayable in 12 quarterly installments commencing from 1 <sup>st</sup> May, 2016 after moratorium period of 1 year as mentioned below : a) 11 <sup>th</sup> installments of ₹ 0.08 Crore each ; b) 12 <sup>th</sup> installment of ₹ 0.06 Crore
WCTL	Repayable in 32 quarterly installments commencing from 1 <sup>st</sup> May, 2016 after moratorium period of 2 years as mentioned below : a) 31 <sup>st</sup> installments of ₹ 0.69 Crore each ; b) 32 <sup>nd</sup> installment of ₹ 0.61 Crore

**(2) ACGB:**

**Security for Loans and Terms of Payment**

Primary Security - Equitable Mortgage of Land and Building and hypothecation of Plant and Machinery and Assets Purchase put of Bank finance. Interest is payable @ Base Rate plus 4.70% ( current base rate is 9.85%)

Secondary Security:- Charge over Current Assets of the Company. Collateral :- Corporate Guarantee has been given by Ansaldo Caldie Boilers India Private Limited and GB Engineering Private Limited.

**(3)** The Term Loan for GACTEL is secured by Hypothecation of Fixed Assets and Current Assets of the Company and negative lien on 75% of land at Bhopal and construction thereon standing In the name of DIPL and corporate guarantee of GIL.

**(4)** The term Loan for DIPL is secured by first charge on 75% of total Plot of Land admeasuring 14.88 acres situated at South TT nagar in Bhopal (Madhya Pradesh) and are repayable in 12 equal quarterly installment after a moratorium of 24 months commencing from March, 2017. (Extension of exclusive first charge on the entire current assets and all bank accounts.)

**(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 31 Mar 2016	As At 30 Sep 2014
Andhra Expressway Limited ('AEL')	₹ 10/-	-	1,31,75,970
Birmirapur Barkote Highway Private Limited ('BBHPL')	₹ 10/-	2,600	2,600
Cochin Bridge Infrastructure Company Limited ('CBICL')	₹ 10/-	16,64,019	16,64,019
Gorakhpur Infrastructure Company Limited ('GICL')	₹ 10/-	-	2,76,86,396
Kosi Bridge Infrastructure Company Limited ('KBICL')	₹ 10/-	-	2,07,67,040
Mumbai Nasik Expressway Limited ('MNEL')	₹ 10/-	-	3,89,42,800
Patna Buxar Highways Limited ('PBHL')	₹ 10/-	-	1,45,89,823
Pataliputra Highways Limited ('PHL')	₹ 100/-	-	7,350
Patna Highway Projects Limited ('PHPL')	₹ 10/-	59,40,000	7,50,000
Rajahmundry Expressway Limited ('REL')	₹ 10/-	-	1,47,44,579
Rajahmundry Godavari Bridge Limited ('RGBL')	₹ 10/-	14,05,19,039	11,89,67,215
Sidhi Singrauli Road Project Limited ('SSRPL')	₹ 10/-	16,36,13,200	9,88,20,560
Sikkim Hydro Power Ventures Limited ('SHPVL')	₹ 10/-	3,19,95,331	3,19,95,331
Vizag Seaport Private Limited ('VSPL')	₹ 10/-	6,37,70,015	6,37,70,015
Indira Container Terminal Private Limited ('ICTPL')	₹ 10/-	1,65,00,000	1,65,00,000

Company Name	Rate	Number of Equity Shares Pledged	
		As At 31 Mar 2016	As At 30 Sep 2014
Punjab Biomass Power Limited (PBPL)	₹ 1/-	-	2,25,00,000
Gammon Holdings B.V., Netherlands ('GHBV')	€ 100	180	180
Gammon International B.V., Netherlands ('GIBV')	€ 100	180	180
P.Van Eerd Beheersmaatschappaji B.V., Netherlands ('PVAN')	€ 454	35	35
ATSL Holding B.V., Netherlands	€ 100	180	180
GACTEL Turnkey Projects Limited. ('GACTEL')	₹ 10/-	50,49,940	50,49,940
Deepmala Infrastructure Private Limited ('DIPL')	₹ 10/-	2,300	2,300
Transrail Lighting Limited. ('TLL')	₹ 10/-	3,09,99,940	3,09,99,940
Ansaldocaldaie Boilers India Private Limited ('ACB')	₹ 10/-	1,20,00,000	1,20,00,000
SEZ Adityapur Limited ('SEZAL')	₹ 10/-	50,000	50,000
Gammon Infrastructure Projects Limited	₹ 2/-	43,02,86,305	43,02,86,305
Gammon Holdings (Mauritius) Limited	\$ 1	15,000	-
<b>TOTAL</b>		<b>90,24,08,264</b>	<b>96,32,72,758</b>

**(vi) Maturity Profile**

(₹ in Crore)

Period	31 Mar 2016	30 Sep 2014
Installments payable within one year.	1,121.14	754.92
Installments payable between 1 to 5 years	3,243.09	4,389.38
Installments payable beyond 5 years	3,028.60	3,828.63
<b>TOTAL</b>	<b>7,392.83</b>	<b>8,972.93</b>

**(vii) Details of continuing defaults in serving of Interest and principal repayments as at 31<sup>st</sup> March, 2016 and 30<sup>th</sup> September, 2014**

Name of Company	Amount (₹ in Crore)	Period of Default (Range)
GIL	395.06	1-365 days
	112.90	1-184 days
ATSL Holdings BV	61.69	1-456 days
	-	-
Gammon Holdings BV	100.30	1-638 days
	-	-
Gammon International BV	175.01	1-640 days
	-	-
PVAN	30.41	1-639 days
	-	-
GACTEL	4.59	1-90 days
	4.23	1-90 days
GIPL Group	156.93	1-365 days
	88.98	1-365 days

Non shaded figures are for previous period ended 30<sup>th</sup> September, 2014

**(viii)** 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 Ltd. On 26<sup>th</sup> 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.

**(ix) Transmission & Distribution (T&D) business:**

The Joint Lender's Forum ("JLF") meeting convened on 17<sup>th</sup> November, 2015 and 16<sup>th</sup> December, 2015 and CDR EG meeting held on 23<sup>rd</sup> November, 2015 and 22<sup>nd</sup> January, 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 1<sup>st</sup> January, 2016, through a business transfer agreement, as detailed in financial Statements, transferred borrowings aggregating to ₹ 200.13 Crore 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 Crore would be transferred to TLL. Pending approval of the scheme of arrangement the borrowings are continued in the books of the Company.

## 5 Deferred Tax Liabilities and Deferred Tax Assets

(₹ in Crore)

Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
<b>Deferred Tax Liabilities</b>		<b>1.94</b>		4.04
<b>Deferred Tax Assets</b>		<b>167.02</b>		179.36
<b>Breakup of the same</b>	<b>DTL</b>	<b>DTA</b>	<b>DTL</b>	<b>DTA</b>
<b>Deferred Tax Liabilities</b>				
Depreciation	<b>548.07</b>	<b>77.22</b>	6.12	247.44
<b>Sub-Total</b>	<b>548.07</b>	<b>77.22</b>	6.12	247.44
<b>Deferred Tax Assets</b>				
On Account of Gratuity/Leave Encashment Provision	<b>0.62</b>	<b>6.77</b>	0.04	7.42
ICDS Adjustments	-	<b>14.72</b>	-	-
On Account of Tax losses	-	-	-	75.74
On Account of unabsorbed Depreciation	<b>545.52</b>	<b>29.96</b>	2.04	168.36
On account of disallowances	-	<b>8.47</b>	-	46.49
Foreign Exchange Translation Reserve	-	<b>69.08</b>	-	43.69
Provision for Doubtful Debts	-	<b>55.25</b>	-	-
On account of Disallowance of 43 B	-	<b>59.99</b>	-	85.10
<b>Sub-Total</b>	<b>546.14</b>	<b>244.24</b>	2.08	426.80
Deferred Tax Liabilities	<b>1.94</b>		4.04	
Deferred Tax Assets		<b>167.02</b>		179.36

- (a) The Group has recognised deferred tax asset on unabsorbed business losses and depreciation as per tax laws to the extent of deferred tax liability following the EAC opinion that, to the extent of deferred tax liability there is virtual certainty that there will be sufficient profits arising out of reversal of the deferred tax liability to absorb the unabsorbed depreciation / losses. In the current period the deferred tax asset on unabsorbed depreciation and unabsorbed loss is reversed in the absence of deferred tax liability on depreciation.

## 6 Other Long Term Liabilities

(₹ in Crore)

Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
<b>Trade Payables</b>				
Retention / Security Deposits	<b>146.40</b>		121.22	
		<b>146.40</b>		121.22
<b>Deferred Payment Liabilities (Refer Note 6(i))</b>		<b>3,747.07</b>		3,965.80
<b>Others</b>				
Advances from Clients	<b>362.62</b>		262.91	
Margin Money Received	<b>0.50</b>		0.50	
Other Long Term Liabilities	<b>78.49</b>		51.01	
		<b>441.61</b>		314.42
<b>TOTAL</b>		<b>4,335.08</b>		4,401.44

- (i) Upto previous period deferred payment liability included the negative grant of ₹ 120 Crore to be paid by a subsidiary of the Company as per the terms of the Concession Agreement signed by it with NHAI. On divestment of the said subsidiary, the deferred payment liability stands reduced by the said amount payable to NHAI.

- (ii) VGRPPL has commenced toll operations from 1<sup>st</sup> September, 2014, being the appointed date as per the terms of the concession agreement for the project. As per the terms of the said agreement VGRPPL is required to pay an amount of ₹ 57.57 Crore as additional concession fee on an annual basis which is to be increased by an annual escalation factor upto the end of the concession period. It has recognized the total additional concession fees payable over the concession period as a part of Intangible Assets - 'Toll Collection rights' and is amortising it over the period of the concession agreement in terms of Schedule XIV of the Companies Act 1956 for BOT contracts and a corresponding obligation has been recorded as Deferred payment liabilities under Long term liabilities.

## 7 Provisions

(₹ in Crore)

Particulars	Long Term		Short Term	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Provision for Employee Benefits</b>				
Provision for Gratuity				
- India Companies	1.05	3.12	6.51	3.77
- Overseas Companies	2.39	1.81	9.00	11.60
Provision for Leave Benefits	11.61	12.65	3.15	7.36
Other Provisions	-	-	-	-
Others				
Provision for Periodic Maintenance	-	31.32	-	113.77
Provision for Risk and Contingencies	-	-	71.66	82.51
Provision for Taxation Net of Taxes Paid	-	-	61.74	30.96
<b>TOTAL</b>	<b>15.05</b>	<b>48.90</b>	<b>152.06</b>	<b>249.97</b>

## (A) Disclosure relating to Employee Benefits As per Revised AS - 15

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>(i) Change in Benefit Obligation</b>		
Liability at the beginning of the year	12.85	11.16
Interest Cost	1.39	1.10
Current Service cost	1.72	1.91
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	0.20	-
Benefit Paid	(4.32)	(1.87)
Actuarial (gain) / loss on obligations	(0.03)	0.57
Liability Transferred on divestment	(0.14)	-
Curtailments and Settlements	-	-
<b>Liability at the end of the year</b>	<b>11.67</b>	<b>12.85</b>
<b>(ii) Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	5.95	6.45
Expected Return on Plan Assets	0.71	0.42
Contributions	0.91	0.91
Prior year value of plan assets	0.08	(0.08)
Past Service Cost	0.60	-
Benefit Paid	(3.80)	0.04
Actuarial gain/(loss) on Plan Assets	(0.22)	(1.79)
Prior year value of plan assets	0.01	-
<b>Fair Value of Plan Assets at the end of the year</b>	<b>4.23</b>	<b>5.95</b>
<b>Total Actuarial (gain)/loss to be Recognised</b>	<b>0.19</b>	<b>0.57</b>



Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>(iii) Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	0.71	0.42
Actuarial gain /(loss) on Plan Assets	(0.21)	0.01
<b>Actual Return on Plan Assets</b>	<b>0.50</b>	0.43
<b>(iv) Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	11.67	12.85
Fair Value of Plan Assets at the end of the year	(4.23)	5.95
Difference	7.44	6.89
Un-recognised Past service Cost	0.11	-
<b>Amount Recognised in the Balance Sheet</b>	<b>7.55</b>	6.89
<b>(v) Expenses Recognised in the Income Statement</b>		
Current Service cost	1.72	2.23
Interest Cost	1.39	0.78
Expected Return on Plan Assets	(0.71)	(0.42)
Net Actuarial gain / (loss) to be Recognised	0.27	0.58
Past Service Cost (Vested Benefit) Recognised	(0.42)	-
Effect of Curtailment or Settlements	(0.03)	(0.07)
<b>Expense Recognised in the Profit and Loss Account</b>	<b>2.22</b>	3.10
<b>(vi) Balance Sheet Reconciliation</b>		
Opening Net Liability	6.70	4.71
Expenses as above	2.22	3.10
Employers Contribution	(0.91)	(0.91)
Liability Transferred on divestment	(0.14)	(0.02)
Effect of Curtailment or settlements	(0.32)	(0.07)
<b>Amount Recognised in the Balance Sheet</b>	<b>7.55</b>	6.89
<b>(vii) Actuarial Assumptions</b>		
Discount Rate Current	7.86% to 9.01%	8.89%

Note :

- Employer's contribution includes payments made by the Company directly to its past employees.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 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 Leave Encashment liability is entirely unfunded.
- The above information is presented only to the extent of the information available for the Indian Companies including the Holding Company. Disclosures relating to the employee benefits for the overseas components have not been given in the absence of data in the required format.

**(B) Disclosure relating to Provisions As per Revised AS - 29**

(₹ in Crore)

Account Head	Opening Balance	Provisions Made	Reversed during the year	Paid/Utilisations	Closing Balance
Provisions for Risk and Contingencies	82.51	2.98	-	13.83	71.66
	141.77	55.88	(115.14)	-	82.51
Provisions for Periodic Maintenance	145.09		145.09	-	-
	109.93	35.16	-	-	145.09

## 8 Short-term Borrowings

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>Loans repayable on demand :</b>		
Working Capital Facilities from Bankers	2,095.05	1,160.25
<b>Loans and Advances from Minority Shareholders :</b>	304.51	207.92
<b>Other Loans and Advances:</b>		
Buyers Credit	77.88	87.89
Short Term Loans -		
From Banks	501.52	399.78
From Others	120.91	132.34
	700.31	620.01
<b>TOTAL</b>	<b>3,099.87</b>	<b>1,988.18</b>
<b>The above amount includes</b>		
Secured Borrowings	1,971.45	1,191.31
Unsecured Borrowings	1,128.42	796.87

- (i) Securities - Working Capital From Bankers:
- 1<sup>st</sup> pari-passu charge on the entire current assets, loans and advances, long term trade receivables and other assets of the Company.
  - 2<sup>nd</sup> 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.
  - 2<sup>nd</sup> 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 :
- 1<sup>st</sup> pari-passu charge on the entire Current Assets, Loans and Claims of the Company.
  - The rate of interest on above loan is linked to Bank base rate +200 bps
- (vi) Transmission & Distribution (T&D) business:- The Joint Lender's Forum ("JLF") meeting convened on 17<sup>th</sup> November, 2015 and 16<sup>th</sup> December, 2015 and CDR EG meeting held on 23<sup>rd</sup> November, 2015 and 22<sup>nd</sup> January, 2016 approved the adoption of the Strategic Debt Restructuring scheme of the Company which inter alia 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 1<sup>st</sup> January, 2016, through a business transfer agreement, as detailed in financial Statements, transferred borrowings of ₹ 30 Crore to Transrail Lighting Limited ("TLL"). The Company has also filed with the Hon High court of Bombay a scheme of arrangement for transfer of the retained T&D facility whereunder borrowings aggregating to ₹ 181.80 Crore would be transferred to TLL. Pending approval of the scheme of arrangement the borrowings are continued in the books of the Company.
- (vii) Cash Credit of ACBI from IDBI for its working capital limits including CC is renewed at reduced level of ₹ 10 Crore and enhancement in Non fund based limit to ₹ 30 Crore.
- Securities - Cash Credit from IDBI Bank :
- 1<sup>st</sup> charge on current assets of the Company both present and future.
  - 1<sup>st</sup> 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 @BBR + 250 bps payable on 1<sup>st</sup> day of each month. Currently IDBI bank's BBR is at 10.25% p.a.



viii) Cash Credit Loans repayable on demand of ACGB :-

Security Primary - Equitable Mortgage of Land and Building and hypotication of Plant and Machinery and Assets Purchase put of Bank finance. Interest is payable @ Base Rate plus 4.5% (current base rate is 9.85%) Secondary Security:- Charge over Fixed Assets of the Company. Collateral :- Corporate Gurantee has been given by Ansaldoaldie Boilers India Private Limited and GB Enginerring Private Limited.

(ix) 13.65% Non-Convertible Debentures for MIPL is secured by first charge on mortgage of Immovable properties redeemable in March 2015.

(x) CPO : IDBI has issued an SBLC to IDBI - Dubai against the available credit limits of GIL to the tune of USD 51 Million. Against this SBLC CPO has taken a loan of USD 50.50 Million.

(xi) DIPL: Exclusive first charge of the entire current assets of the subsidiary and projects receivable and residential cum commercial property at New Market Area Bhopal. Security creation is pending

(xii) During the current period PREL, Subsidiary of GIPL has availed working capital loan which is secured by first charge on its inventory, receivables, fuel stock, other current assets and a second charge its fixed assets located at Kolhar and Lohagaon, Ahmednagar, in the state of Maharashtra.

(xiii) During the current period VSPL Subsidiary of GIPL has also availed working capital facilities from the banks. The working capital loan is repayable on demand while the cash credit facility will be repaid in equal periodic bimonthly reduction in drawing power, i.e., ₹ 16,700,000 (Previous Period: ₹ Nil) every two months

(xiv) In case of Borrowings of GIPL, Interest rate varies between 12% to 13.35% p.a and the same is secured against pledge of fixed deposits and equity shares of some of its Subsidiaries.

## 9 Trade Payables

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
Trade Payables		
Micro Small and Medium Enterprises	0.73	-
Others	1,470.26	1,675.95
<b>TOTAL</b>	<b>1,470.26</b>	<b>1,675.95</b>

(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.

### Disclosure In accordance with Section 22 of The Micro Small and Medium Enterprises Development Act, 2006.

(₹ in Crore)

Particulars	Oct 14 to Mar 16	Jan 14 to Sep 14
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year		
Principal amount due	0.73	-
Interest due on the above	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 MSMED Act where payment has been made beyond appointed day during the year.	-	-
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.09	-



## 10 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31 Mar 2016		As at 30 Sep 2014	
Current Maturities of Term Loan (Refer Note 4)		1,121.14		754.92
Principal due and payable ( Refer Nore 10(ii) )		65.34		-
Advances from Clients		984.95		887.45
Interest accrued but not due		33.35		43.62
Interest accrued and Due ( Refer Note 4(vii) )		450.05		195.60
Unpaid Dividends		0.71		0.71
Share Application Money (Refer Note 1(a)(v) )		16.64		21.54
Payables for Capital Goods		37.09		49.62
Other Payables				
- Duties and Taxes Payable	69.39		83.33	
- Others	406.37		337.51	
		475.76		420.84
<b>TOTAL</b>		<b>3,185.03</b>		<b>2,374.30</b>

- (i) Unpaid dividend includes ₹ 0.33 Crore (Previous Period ₹ 0.25 Crore) to be transferred to the Investor Education and Protection Fund.
- (ii) Principal overdue includes - RTL- ₹ 19.62 Crore, NCD- ₹ 24.08 Crore, FITL- ₹ 3.46 Crore, PL- ₹ 18.18 Crore



**Note 11**  
**Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block**

(₹ in Crore)										
Tangible Assets										
Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Wind Mill	Electric Installation	Total	
Cost										
As at 1 <sup>st</sup> January 2014	24.90	957.92	2,267.76	132.09	60.33	45.39	26.95	5.05	3,520.39	
Additions	-	2.54	47.48	2.36	1.88	0.15	-	-	54.41	
Disposals/Adjustments	-	(636.54)	(710.12)	(8.37)	(11.86)	(0.39)	-	-	(1,367.28)	
Foreign Translation Adjustments	-	(0.23)	(2.47)	(2.74)	(1.11)	(0.01)	-	-	(6.56)	
On Account of proportion Change	-	-	-	-	-	-	-	-	-	
<b>As at 30<sup>th</sup> September 2014</b>	<b>24.90</b>	<b>323.69</b>	<b>1,602.65</b>	<b>123.34</b>	<b>49.24</b>	<b>45.14</b>	<b>26.95</b>	<b>5.05</b>	<b>2,200.96</b>	
Additions	-	42.22	281.58	1.68	2.95	0.63	-	-	329.06	
Disposals/Adjustments	(2.44)	(61.34)	(125.81)	(19.89)	(9.52)	(4.77)	-	(3.30)	(227.07)	
Foreign Translation Adjustments	-	(0.14)	0.21	(2.03)	(0.69)	0.20	-	0.01	(2.44)	
On Account of proportion Change	-	(23.83)	(27.98)	(0.08)	(0.37)	(0.18)	-	-	(52.44)	
<b>As at 31<sup>st</sup> March 2016</b>	<b>22.46</b>	<b>280.60</b>	<b>1,730.65</b>	<b>103.02</b>	<b>41.61</b>	<b>41.02</b>	<b>26.95</b>	<b>1.76</b>	<b>2,248.07</b>	
<b>Depreciation</b>										
As at 1 <sup>st</sup> January 2014	0.19	187.45	920.29	91.65	41.91	20.50	18.89	1.25	1,282.13	
Charge for the Year	0.18	5.33	75.89	7.39	4.68	1.07	2.08	0.19	96.81	
Disposals/Adjustments	-	(133.15)	(318.75)	(8.04)	(9.27)	(0.28)	-	-	(469.49)	
Foreign Translation Adjustments	-	(0.11)	(1.79)	(1.92)	(0.97)	(0.01)	-	-	(4.80)	
On Account of proportion Change	-	-	-	-	-	-	-	-	-	
<b>As at 30<sup>th</sup> September 2014</b>	<b>0.37</b>	<b>59.52</b>	<b>675.64</b>	<b>89.08</b>	<b>36.35</b>	<b>21.28</b>	<b>20.97</b>	<b>1.44</b>	<b>904.65</b>	
Charge for the Year	0.06	9.08	240.67	15.77	9.59	15.48	0.44	1.10	292.19	
Disposals/Adjustments	(0.18)	(9.05)	(85.52)	(19.01)	(9.52)	(3.89)	-	(1.36)	(128.53)	
Foreign Translation Adjustments	-	(0.07)	0.05	(1.45)	(0.48)	0.18	-	0.01	(1.76)	
On Account of proportion Change	-	(2.89)	(5.33)	(0.03)	(0.16)	(0.04)	-	-	(8.45)	
<b>As at 31<sup>st</sup> March 2016</b>	<b>0.25</b>	<b>56.59</b>	<b>825.51</b>	<b>84.36</b>	<b>35.78</b>	<b>33.01</b>	<b>21.41</b>	<b>1.19</b>	<b>1,058.10</b>	
<b>Net Block</b>										
<b>As at 30<sup>th</sup> September 2014</b>	<b>24.53</b>	<b>264.17</b>	<b>927.01</b>	<b>34.26</b>	<b>12.89</b>	<b>23.86</b>	<b>5.98</b>	<b>3.61</b>	<b>1,296.31</b>	
<b>As at 31<sup>st</sup> March 2016</b>	<b>22.21</b>	<b>224.01</b>	<b>905.14</b>	<b>18.66</b>	<b>5.83</b>	<b>8.01</b>	<b>5.54</b>	<b>0.57</b>	<b>1,189.97</b>	

Particulars	BOT concession Assets	Computer Software	Licences & Trade Marks & Similar Right	Development Cost	Licence Fees	Others	Total
Cost							
As at 1 <sup>st</sup> January 2014	2,785.28	10.81	18.81	9.74	12.50	15.94	2,853.08
Additions	3,904.57	0.03	-	-	-	-	3,904.61
Disposals/Adjustments	(25.74)	-	(10.75)	(9.74)	-	(15.94)	(62.17)
Foreign Translation Adjustments	-	(0.12)	(0.12)	-	-	-	(0.24)
On Account of proportion Change	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> September 2014</b>	<b>6,664.11</b>	<b>10.72</b>	<b>7.95</b>	-	<b>12.50</b>	-	<b>6,695.28</b>
Additions	1,087.31	0.03	-	-	-	-	1,087.34
Disposals/Adjustments	(2,553.89)	(0.62)	(1.24)	-	-	-	(2,555.75)
Foreign Translation Adjustments	-	-	-	-	-	-	-
On Account of proportion Change	-	(0.01)	-	-	-	-	(0.01)
<b>As at 31<sup>st</sup> March 2016</b>	<b>5,197.53</b>	<b>10.12</b>	<b>6.71</b>	-	<b>12.50</b>	-	<b>5,226.86</b>
<b>Depreciation</b>							
As at 1 <sup>st</sup> January 2014	585.62	8.60	12.00	9.72	-	15.57	631.51
Charge for the Year	1,62.58	1.55	0.96	-	-	-	1,65.09
Disposals/Adjustments	(21.70)	-	(5.47)	(9.72)	-	(15.57)	(52.46)
Foreign Translation Adjustments	-	(0.13)	(0.08)	-	-	-	(0.21)
On Account of proportion Change	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> September 2014</b>	<b>726.50</b>	<b>10.02</b>	<b>7.41</b>	-	-	-	<b>743.93</b>
Charge for the Year	355.52	0.53	0.39	-	-	-	356.44
Disposals	(887.02)	(0.60)	(1.09)	-	-	-	(888.71)
Foreign Translation Adjustments	-	(0.02)	(0.09)	-	-	-	(0.11)
On Account of proportion Change	-	(0.01)	-	-	-	-	(0.01)
<b>As at 31<sup>st</sup> March 2016</b>	<b>195.00</b>	<b>9.92</b>	<b>6.62</b>	-	-	-	<b>211.54</b>
<b>Net Block</b>							
<b>As at 30<sup>th</sup> September 2014</b>	<b>5,937.61</b>	<b>0.70</b>	<b>0.54</b>	-	<b>12.50</b>	-	<b>5,951.35</b>
<b>As at 31<sup>st</sup> March 2016</b>	<b>5,002.53</b>	<b>1.00</b>	<b>0.09</b>	-	<b>12.50</b>	-	<b>5,015.32</b>

- Leasehold Land is at cost less amount written off.
- The Company has once again revalued on 31<sup>st</sup> March, 2007 all its Freehold Property, most of which were revalued earlier on 31<sup>st</sup> March, 1999 by Approved valuers. The consequent increase in the value of Fixed Assets pursuant to the second revaluation amounted to ₹186.89 Crore and has been credited to the Revaluation Reserve A/c.
- Depreciation for the Year amounts to ₹ 681.73 Crore (Previous Period ₹ 275.17 Crore) from which has been deducted a sum of NIL (Previous Period ₹ 2.36 Crore) being the depreciation in respect of Revaluation of Fixed Assets which has been drawn from the Revaluation Reserve. Depreciation for the year ended 31<sup>st</sup> March, 2016 amount to ₹ NIL (Previous Period ₹ 0.02 Crore) has been transferred to Project Development Cost.
- Depreciation and Amortisation includes amortisation on Investment Property amounting to ₹ 27.53 Crore (Previous Period ₹ 21.03 Crore).
- Depreciation charge for the year includes an amount of ₹ 2.52 Crore (Previous Period 5.08 Crore) capitalised to Intangible asset under development and ₹ 0.09 Crore (Previous Period 0.03 Crore) has been transferred to Capital WIP.
- Depreciation charge for the year includes an amount of ₹ 4.55 Crore is due to divestment of subsidiary.
- Depreciation charge for the year includes an amount of ₹ 0.43 Crore is capitalised and ₹ 0.97 Crore is adjustment on account of first time application of Schedule II.
- Land to the extent of 36,515 acres out of a total of 66,458 acres and buildings standing on the said lands, taken over by one of the Joint Venture from G B Engineering Pvt Ltd is yet to be registered in the name of the Company.
- In accordance with the provisions of Schedule II to the Companies Act 2013, effective from 1 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 ₹ 77.63 Crore for the 18 months period ended 31<sup>st</sup> March, 2016. Further for assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1 October 2014 of ₹ 33.76 Crore has been charged to Profit and Loss statement during the eighteen month period ended March 31, 2016, further in one of the Subsidiaries ₹ 0.36 Crore has been charged to Reserves.
- BOT concession Assets pertains to the costs incurred by AEL, REL and GICL, for developing and constructing of three road projects as per individual Concession Agreements executed with NHAI. The roads have been developed and constructed under the Build Operate and Transfer (Annuity) basis. By virtue of developing and constructing these roads, AEL, REL and GICL have an intangible right to receive half yearly annuities from NHAI as per the terms set out in the Concession Agreements. During the current period as the Company has divested its entire stake in AEL, REL and GICL the intangible rights are transferred to the new investor.
- BOT Concession Assets includes costs incurred by KBICL on development and construction of a road bridge across the Kosi river in the state of Bihar as per the terms of the Concession Agreement entered into with NHAI under the Build, Operate and Transfer (Annuity) basis. By virtue of developing and constructing the bridge, KBICL has an intangible right to receive half yearly annuity from NHAI as per the terms set out in the Concession Agreement. However, during the current period as the Company has divested its entire stake in KBICL the intangible rights are transferred to the new investor.
- License fees pertains to the fees paid by a SPV of the Company, ICTPL to Mumbai Port Trust ('MPT') as per the concession agreement signed between them for providing the license to construct, operate and maintain a offshore container terminal in the Mumbai Port. The said intangible will provide the right to the SPV to charge the users of the offshore container terminal when it commences operations. The intangible will be amortised from the date the commercial operations commences.



**11A Capital work-in-progress**

(₹ in Crore)

Particulars	31 Mar 2016	30 Sep 2014
Expenses incurred on construction, acquisition of self owned asset	215.13	209.47
Developer fees	1.36	1.36
Borrowing costs	55.18	30.20
Employee benefit expenses	1.26	2.22
Other expenses	2.12	4.66
Depreciation	0.06	0.06
	275.11	247.97
Less : Capital work-in-progress capitalised	(252.41)	(0.11)
<b>Total</b>	<b>22.70</b>	<b>247.86</b>

**11B Intangible Assets under Development**

(₹ in Crore)

Particulars	31 Mar 2016	30 Sep 2014
Contract expenditure	2,035.44	1,675.63
Developer fees	111.22	164.97
Concession fees	14.24	9.82
Borrowing costs	892.98	602.43
Employee benefit expenses	20.02	19.12
Other expenses	70.39	69.34
Depreciation	1.10	0.77
	3,145.39	2,542.08
Less : Miscellaneous income	(0.51)	(1.24)
Capitalised during the period	(1,070.36)	-
Assets Written off	-	(37.97)
Transferred to Project Expenses pending settlement	-	(75.56)
<b>Total</b>	<b>2,074.52</b>	<b>2,427.31</b>

**11C Goodwill/Capital Reserve on Consolidation**

(₹ in Crore)

Particulars	31 Mar 2016	30 Sep 2014
Goodwill on Consolidation	164.47	276.38
Add: arising out of Current year	-	4.98
Less: Transfer of Goodwill to Investment in Associates	-	(109.13)
Less: Goodwill / Capital Reserve of divested Subsidiaries	(33.65)	-
Less Capital Reserve on Consolidation	(4.56)	(7.76)
	126.26	164.47
Less Provision for Impairment of Goodwill	(17.41)	(18.78)
<b>TOTAL</b>	<b>108.85</b>	<b>145.69</b>

(i) Provision for Impairment of Goodwill Consists of:-

(₹ in Crore)

SAE Powerlines S.r.L	17.41	18.78
<b>TOTAL</b>	<b>17.41</b>	<b>18.78</b>

(ii) The carrying value of the Goodwill arising out of the equity interest in Gammon Infrastructure Projects Limited is ₹ 58.00 Crore held through two wholly owned Subsidiaries. The market value based on the traded price as on 31<sup>st</sup> March, 2016 is ₹ 270.25 Crore as against the carrying value of equity investment through the two wholly owned subsidiary is ₹ 884.41 Crore. The market price is not indicative of the intrinsic value of Gammon Infrastructure Projects Limited considering that the same is a strategic investment and being held for a long period of time. The diminution in the value is temporary in nature and does not require any provision for the same.

## 12 Investments

(₹ in Crore)

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
Investment Properties				
Oil Exploration Assets (Refer Note 12(b))	283.44	288.39	-	-
Investments in Shares and Debentures				
Associates as per AS-23 (Refer Note 1(c) )	340.05	423.69	-	-
Other Investments				
Quoted	-	-	0.97	1.35
Unquoted				4.90
Sadelmi S.p.A	56.36	58.70		
Franco Tosi Meccanica S.p.A (Refer Note 1(a)(ii) )	383.09	398.98		
Other	0.40	0.40		
Investments in OFCD of TLL	4.38	-		
Investments in Mutual Funds	-	-	24.79	29.89
Investment in Government Securities	0.55	0.55	-	-
Investment in Own Shares through GIL Trust	1.69	1.69	-	-
Grand Total	1,069.96	1,172.40	25.76	36.14
Less : Provision for Diminution in value of investment	(380.25)	(403.93)	(0.31)	(0.41)
<b>TOTAL</b>	<b>689.71</b>	<b>768.47</b>	<b>25.45</b>	<b>35.73</b>

### (a) Breakup of Provision for Diminution in Value of Investment

(₹ in Crore)

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
Sadelmi S.p.A	56.36	58.70	-	-
ESMSPL	0.56	0.56	-	-
Franco Tosi Meccanica	322.93	344.27	-	-
Other	0.40	0.40	0.31	0.41
<b>TOTAL</b>	<b>380.25</b>	<b>403.93</b>	<b>0.31</b>	<b>0.41</b>

### (b) OIL Exploration Assets

#### **INVESTMENT IN CAMPO PUMA ORIENTE S.A AND CONSORSIO PEGASO**

- (i) CONSORSIO PEGASO (Pegaso) was established in Quito – Ecuador on 31<sup>st</sup> October, 2006 comprising of several Companies making it an independent economic unit in order to carry out in partnership agreements for exploration and exploitation oil. During the year 2010, on 1<sup>st</sup> July one of the members of the consortium transferred the rights and obligations to the extent 67% in favor of the Company Campo Puma Oriente S.A., The Ministry had on 30<sup>th</sup> December, 2009 authorized the change of the Operator of the Contract for the Exploitation of Crude Oil and Additional Exploration of Hydrocarbons of Campo Marginal PUMA, to CPO.
- (ii) CPO entered into a New Contract negotiated in December, 2010 and signed on 21<sup>st</sup> January, 2011. The Consortium contemplates a rise in crude oil production for the year 2011 with which will obtain revenues which will allow it to continue operating as an going concern. Significantly it is projected to have net income that allows it to absorb the generated losses and it is estimated to carry the corresponding amortization of accumulated deficit in three years as from 2011, drilling of two wells, purchase and installation of additional production facilities and acquisition of other support equipment.
- (iii) The contract has been modified to a Service Contract with effective date at 1<sup>st</sup> February, 2011 with a view to lend servicesto the Ministry of Hydrocarbons by the Contractor, with its own resources and at its risk, for exploration and exploitation of hydrocarbons, including crude oil, in the area of the Contract, in accordance with the terms and conditions set in the Amending Contract and established under the Applicable Law.



(iv) Breakup of Investments in Campo Puma Oriente S.A.

(₹ in Crore)

Particulars	31 Mar 2016	30 Sep 2014
Capitalised Investment	382.89	353.77
Capitalised Administration Expense	0.04	-
Drilling Investment	3.45	2.12
Work In Progress	33.54	31.16
Facilities Investment	2.03	1.26
Exploration investment	43.23	45.00
Secondary Recovery	7.61	4.45
(-) Amortisation of Capitalised Investment	(160.78)	(136.60)
(-) Amortisation of Precontract expenses	(16.12)	(12.77)
Currency Adjustment	(12.45)	-
<b>TOTAL</b>	<b>283.44</b>	<b>288.39</b>

(v) Drilling Investment : This represents the 100% of share of the rights and obligations that Consortium Pegaso maintains (100% in 2011). There were three wells drilled during Previous Period .

(vi) Capitalised Investment represents the 100% of share of rights and obligations that Consortium Pegaso maintains (100% in 2011).The values of investments in Development and executed and completed production by December 2012 on which it is performed the corresponding amortisation and capitalised expenses administration

(vii) Work in progress represents precontract expenses of CPO until entered as member of Consortium Pegaso and the percentage of share of Consortium pegaso's expenses.

(viii)Amortisation of Capitalised Investment is based on the method applicable to the marginal contracts based on the accounting regulation for service contracts in the respective country.

(ix) On 15<sup>th</sup> march, 2012, Campo Puma Oriente S.A. as member of Consorcio Pegaso made a formal request to the Ministry of Non-Renewable Natural Resources asking for their approval for a transfer of 7.38% of shares from Joshi Technologies International, Inc. in favor of Gammon India Limited. Until the date of this report, this process still pending to be approve.

**13 Loans and Advances (Unsecured, Considered Good unless otherwise stated)**

(₹ in Crore)

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Loans and Advances</b>				
Capital Advance (Refer Note 13(a))	45.77	51.36	-	-
Loans and Advances to related parties				
Considered Good	28.95	22.65	162.92	57.40
Considered Doubtful	-	78.10	-	-
Less : Provision for doubtful advances	-	(78.10)	-	-
Security and Other Deposits	13.55	44.60	46.49	26.13
Short Term Loans and Advances	-	-	54.58	54.08
<b>Advances recoverable in cash or kind</b>				
Prepaid Expenses	1.38	2.50	8.16	10.38
Advance for purchase of securities ( Refer Note 1c(i)(b))	-	-	225.13	197.15
Advance to Creditors / Sub Contractor	97.33	121.30	209.60	211.52
<b>Other Loans And Advances</b>				
Taxes Paid Net of Provisions	453.25	412.49	23.85	17.85
Staff Advances	-	-	3.99	5.50
Indirect Taxes and Duties recoverable	57.79	70.34	35.88	34.57
Others	18.52	23.43	53.61	69.87

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
<b>Deposits with Joint Stock Companies</b>				
Unsecured and Considered good	4.13	5.21	27.59	56.31
Unsecured and Considered doubtful	25.39	0.39	6.40	6.40
Less : Provision for doubtful deposits	(25.39)	(0.39)	(6.40)	(6.40)
<b>TOTAL</b>	<b>720.67</b>	753.88	<b>851.80</b>	740.76

(a) During the previous period, some of the Group Companies have entered into an agreement for cancellation of purchase of land. An amount of ₹ 39.34 Crore (Previous Period ₹ 47.92 Crore) is receivable towards this cancellation by these Group Companies over a period of 6 months.

#### 14 Other Assets

(₹ in Crore)

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
Balances in Escrow Bank Accounts	24.28	5.97	-	9.16
Unbilled revenue ( Refer Note 18(g))	1,377.96	-	285.27	100.32
Interest Accrued Receivable	12.70	1.43	39.86	41.06
Accrued Income	-	-	1.98	123.76
Mat Credit Entitlement ( Refer Note 14(c))	11.72	10.40	-	-
Project Expenses Pending Settlement	-	75.56	7.97	8.89
Other Receivable	94.80	62.93	20.14	10.21
<b>TOTAL</b>	<b>1,521.46</b>	156.29	<b>355.22</b>	293.40

(a) Accrued income included amount of ₹ Nil (Previous Period ₹ 116.96 Crore) receivable from NHAI against the annuities, ₹ Nil (Previous Period ₹ 6.01 Crore) towards grant from NHAI ₹ Nil (Previous Period ₹ 0.79) from a client and other ₹ 1.98 Crore (Previous Period ₹ Nil). These were unbilled revenues accrued.

(b) Balances in escrow bank accounts includes an amount of ₹ Nil (Previous Period : ₹ 0.01 Crore) of the Initial Public Offer, made by the Company, pertains to the refund orders not encashed by the investors. This amount has been transferred to Investors Protection Fund in the year 2015.

(c) Some of the eligible SPVs' of the Group have availed the Tax holiday period under Section 80 IA of the Income-Tax Act, 1962. As such the eligible SPVs' Group during this period of Tax holiday have to pay the Minimum Alternate Tax ('MAT') based on the profits as per their profits in the financial statements during the Tax holiday period. The MAT paid by these SPVs during the said Tax holiday period is available for adjustment against the normal Tax payable by the said SPVs after the Tax holiday period.

#### 15 Inventories

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
Raw Material	31.05	47.86
Material at Construction Site	384.81	455.49
Other Material at Site	6.84	-
Stores and Spares	13.71	12.08
Work In Progress	984.68	1,400.26
Finished Goods	28.76	51.26
<b>TOTAL</b>	<b>1,449.85</b>	1,966.95



**(i) Valuation methodology :**

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 realizable value thereof. Costs are determined on weighted average method
Work In Progress	Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs. Work in progress from manufacturing operation is valued at cost and Costs are determined on weighted average method
Finished Goods	Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on weighted average method
Stores and Spares Materials of Construction Site	Stores and Construction Materials are valued and stated at lower of cost or net realisable value. The weighted average method of inventory valuation is used to determine the cost
Other Scrap Material	At realisable value

- (ii) Due to inherent diversities in the legal and regulatory environment governing accounting principles, the accounting policies would be better understood when referred from the individual financial Statements. However, the following are instances of diverse accounting policies followed by the Subsidiaries, which may materially vary with these Consolidated Financial Statements. In case of SAE the Work-in-progress has been recorded on the basis of the criterion of the completion or the status of progress; the revenues and the job margin are recognized according to the progress of the productive activity as against the method of computing the percentage of work completed is determined by the expenditure incurred on the job till each review date to total expenditure of the job.

**15A Property Development**

(₹ in Crore)

Particulars	31 Mar 2016	30 Sep 2014
Balance at the beginning of the year	1,752.74	1,619.32
Add : expenses incurred during the year and directly charged to the project		
Cost of Material Consumed	107.42	27.57
Finance Costs	196.50	100.82
Other Expenses	10.33	5.03
Less: Cost of Shop Sold	(7.65)	-
<b>Closing Balance</b>	<b>2,059.34</b>	1,752.74
<b>TOTAL</b>	<b>2,059.34</b>	1,752.74

Project Development includes expenses incurred under the following broad heads

(₹ in Crore)

Particulars	31 Mar 2016	30 Sep 2014
Cost of Leasehold Land	343.56	343.56
Cost of Freehold land	763.83	763.83
Land Development Expenses	210.64	103.22
Finance Cost	709.50	513.00
Other Expenses	39.46	29.13
Less: Cost of Shop Sold	(7.65)	-
<b>TOTAL</b>	<b>2,059.34</b>	1,752.74



## 16 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31 Mar 2016	30 Sep 2014	31 Mar 2016	30 Sep 2014
Long Term Trade Receivable	710.97	812.84	-	-
<b>Trade Receivables :</b>				
<i>(Unsecured, considered good unless otherwise stated)</i>				
Outstanding for a period exceeding six months	-	-	555.82	936.31
Other Debts	-	-	449.20	447.82
<i>(Unsecured, considered doubtful)</i>				
Doubtful Debts	-	-	89.52	85.98
Provision for doubtful debts	-	-	(89.52)	(85.98)
<b>TOTAL</b>	<b>710.97</b>	812.84	<b>1,005.02</b>	1,384.13

In respect of the projects undertaken by the Company -

- i) The Company in evaluating its jobs has considered an amount of ₹ 153.29 Crore arising out of claims for work done on account of 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 ₹ 135.75 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 favourable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favourable verdict from the courts.
- 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.
- iv) 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 2.70 Million (₹ 4.86 Crore) 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.
- v) There are disputes in six projects of the Company. The total exposure against these projects is ₹ 355.56 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.

## 17 Cash and Bank Balances

(₹ in Crore)

Particulars	Current	
	As at 31 Mar 2016	As at 30 Sep 2014
<b>Cash and Cash Equivalent</b>		
Cash Balances	4.23	7.83
Funds In Transit	0.05	0.03
Bank Balances	236.38	247.47
	<b>240.66</b>	255.33
<b>Others</b>		
Unpaid Dividend	0.71	0.71
Debt Service Reserve Account	-	-
Other Bank Balances	9.78	14.40
Balance in Escrow account	362.34	-
Fixed Deposit Account (On Margin Account)	8.66	8.18
	<b>381.49</b>	23.29
<b>TOTAL</b>	<b>622.15</b>	278.62

- (a) Other bank balances include ₹ 3.93 Crore (*Previous Period ₹ 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.
- (b) Balances in Foreign Bank Accounts are as per ledger and in case of some of the banks are subject to reconciliation.

**18 Revenue from Operations (Gross)**

(₹ in Crore)

Particulars	Oct 14 - Mar 16		Jan 14 - Sep 14	
Turnover	8,015.68		3,826.45	
Less : Excise Duty	(66.81)		(63.20)	
		7,948.87		3,763.25
<b>TOTAL</b>		<b>7,948.87</b>		<b>3,763.25</b>

- (a) Disclosure in accordance with Accounting Standard - 7 (Revised), in respect of contracts entered into on or after 1<sup>st</sup> April, 2003

(₹ in Crore)

Particulars	Oct 14 - Mar-16	Jan 14 - Sep 14
Turnover for the year	5,319.22	2,409.87
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	29,770.51	25,996.52
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	1,934.22	2,111.91
Contract Advances (Net)	1,033.20	843.01
Gross Amount due from Customers for contract work	2,233.76	1,505.21
Gross Amount due to customers for contract work	268.37	76.59

Disclosure under AS - 7 has been done only for the holding Company and the Indian Subsidiaries in the absence of similar disclosure information being available from the other component Companies in these financial statements especially the overseas Subsidiaries and Joint Ventures.

- (b) The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. During the current period, expenses on construction activity and developer fees incurred by the operator on the project with the Group were considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the revenue from such contracts were considered realised by the Group and not eliminated for consolidation under AS-21 Consolidated Financial Statements. The revenue during the current period from such contracts are not eliminated to the extent of ₹ 424.83 Crore (*Previous Period : ₹ 102.65 Crore*)

- (c) Break up of Turnover

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Sale of Products	155.68	50.41
Construction Contract Revenue	6,872.34	3,317.07
Toll Proceeds	341.20	101.93
Annuity Income	422.84	274.56
Port Revenue	184.66	81.47
Sale of Power	34.09	-
Developers Fees	4.87	1.01
<b>Total</b>	<b>8,015.68</b>	<b>3,826.45</b>

- d) During the current period, one of the SPV had received bunched up annuity amounting to ₹ 32.13 Crore (*Previous Period ₹ 67.34 Crore*) on account of the delay caused not on account of the SPV. The SPV has amortised the intangible asset proportionately for the portion related to the bunched up annuity.
- e) During the previous one of the road project SPV had started generating revenue. The project is under implementation however, the SPV as per the License Agreement signed with NHAI has a right to collect the user fees from the vehicles using the road. The total revenue collected during the current period 12.40 Crore (*Previous Period ₹ 6.07 Crore*).
- f) During the current period, MbPT has permitted one of the SPV's on a trial basis to commence the RORO operations on a revenue share basis which has handled 60 vessels till date.

(g) The Company, as part of its restructuring scheme in which it is carving 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 months period 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 Crore will be reasonably certain to be settled in favour of the Company.

Based on the above opinion, the Company has during the year recognised claims of an aggregate amount of ₹ 1343.97 Crore including a further claim of ₹ 300 Crore during the quarter ended 31<sup>st</sup> March, 2016 excluding amounts recognised earlier of ₹ 313.25 Crore based on management estimates of reasonable realisation. These claims have been accounted as unbilled revenue and the management expects 25% of such claims other than on terminated projects to be realised within the operating cycle. Accordingly unbilled revenue has been disclosed as current and non-current in the Balance Sheet. The effects in the Statement of Profit and Loss are dependent upon the percentage of completion of the project.

### 19 Other Operating Income

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Operating Grant Received	25.16	14.11
Export Incentive	2.04	0.67
Sale of Scrap	29.90	18.20
Freight Charges	23.85	39.07
Fees and Miscellaneous Receipts	67.26	5.25
Revenue from O and M activities	2.20	2.06
<b>TOTAL</b>	<b>150.41</b>	<b>79.36</b>

### 20 Other Income

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Interest Income	14.84	21.62
Miscellaneous Income	58.41	13.31
Sundry Balance Written Back	32.89	0.94
Profit on sale of Assets	6.07	20.86
Profit on sale of Investments	16.59	1.49
Dividend Received From Current Investments	0.86	0.10
Insurance Claim Received	3.07	-
<b>TOTAL</b>	<b>132.73</b>	<b>58.32</b>

### 21 Cost of Materials Consumed

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Opening Stock	506.17	508.56
Less : Reduction of Stake in Subsidiary	-	(25.13)
Add : Purchases ( Net of Discount )	1,979.54	1,384.48
Less : Stock transferred under Business Transfer	(63.26)	-
Less : Closing Stock	(415.86)	(506.17)
<b>TOTAL</b>	<b>2,006.59</b>	<b>1,361.74</b>

### 22 Purchase of Stock in Trade

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Brought out material	156.18	166.48
<b>TOTAL</b>	<b>156.18</b>	<b>166.48</b>



**23 Changes in inventories of finished goods Work-In-Progress**

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Inventory Adjustments - Wip	418.43	(23.12)
Inventory Adjustments - FG	(20.69)	38.29
Stock Transfer on account of Business Transfer ( Refer Note 4(h))		
WIP	(14.22)	-
Finish Goods	6.40	-
<b>TOTAL</b>	<b>389.92</b>	15.17

**24 Employee Benefits**

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Salaries, Bonus, Perquisites etc.	631.70	386.47
Contribution to Employees welfare funds, gratuity and leave encashment	38.73	26.30
Staff Welfare expenses	30.49	17.08
<b>TOTAL</b>	<b>700.92</b>	429.85

- (i) The Ministry of Corporate affairs vide its letter dated 5<sup>th</sup> February, 2016 has directed the Company to either recover remuneration paid to Mr. Abhijit Rajan –Chairman and Managing Director for the period from 1<sup>st</sup> April, 2012 to 30<sup>th</sup> September, 2014 or to file application for waiver of remuneration paid. The Board on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. The remuneration paid/ provided for the period from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 is ₹ 9.11 Crore. The total amount of excess remuneration till 31<sup>st</sup> March, 2016 is ₹ 26.29 Crore which is pending for either approval for waiver of recovery or approval for payment of excess. Similarly the Company is applying for waiver of recovery of remuneration paid to its erstwhile executive director Mr. Himanshu Parikh for an aggregate amount of ₹ 0.60 Crore. In view of the above facts, no adjustments are made in these financials.
- (ii) Pursuant to the retrospective amendment to the Payment of Bonus Act, the Company was required to make provision for differential bonus for the year 2014-15 as per the amendment. However, various High Courts have granted interim stay to the applicability of the amendment for the year 2014-15. The Company has therefore not made provision for differential bonus for the year 2014-15. Provision for Bonus for the current year is made as per the amendment.
- (iii) Similarly in respect of the Gammon Infrastructure Projects Limited - During the previous period on account of inadequacy of profits, the Company has paid managerial remuneration in respect of two personnel in excess of the limits specified under Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013 wherever applicable. The total amount paid in excess of the limits as computed under the respective regulations is ₹ 2.04 Crore. The Company's application for waiver of the recovery has been rejected by the Ministry of Corporate affairs. However the Company is making a review petition to the Ministry to review its decision. 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 S197 read with Schedule V to the Companies Act, 2013 is ₹ 1.84 Crore 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

**25 Foreign Exchange (Gain)/Loss**

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Exchange (Gain) / Loss	98.65	29.58
<b>TOTAL</b>	<b>98.65</b>	29.58

**26 Finance Cost**

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Interest Expense	1438.29	684.27
Other Financial Charges	40.57	14.98
<b>TOTAL</b>	<b>1478.86</b>	699.25

## 27 Depreciation and Amortisation

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Depreciation on Tangible Assets	295.14	96.26
Less : Depreciation on Revalued Assets	-	(2.36)
Amortisation on Intangible Assets	359.06	160.24
Amortisation on Investment Properties	27.53	21.03
<b>TOTAL</b>	<b>681.73</b>	<b>275.17</b>

## 28 Other Expenses

(₹ in Crore)

Particulars	Oct 14 - Mar 16	Jan 14 - Sep 14
Plant Hire Charges	53.27	40.06
Consumption of Stores and Spares	87.13	53.20
Outward Freight	49.38	46.12
Power and Fuel	164.57	106.25
Fees and Consultations	86.67	46.91
Rent	63.31	36.04
Rates and Taxes	204.74	98.13
Travelling Expenses	50.12	28.87
Communication	10.72	8.17
Insurance	22.03	21.72
Repairs to Building	0.05	0.08
Repairs to Plant and Machinery	26.54	13.66
Bank Charges and Commission	56.21	27.96
Bad Debts Written off	28.57	2.88
Loss on sale of Assets	1.95	0.05
Provision for Doubtful Debts	54.07	11.76
Remuneration to Auditors	2.39	1.65
Remuneration to Branch Auditors	2.14	0.81
Component Auditors' Fees	0.72	0.58
Foreign Branch Auditors Fees	0.14	0.08
Loss on Joint Venture	(4.37)	4.08
Prior Period Expense	5.21	0.80
Provision towards Investments in Intangible Assets	-	(2.71)
Provision for Risk and Contingencies	2.98	55.88
Operation and Maintenance Expense	65.05	35.61
Other Site Expenses	189.44	45.22
Sundry Expenses (None of which is more than 1% of total revenue individually)	111.40	75.29
<b>TOTAL</b>	<b>1,334.43</b>	<b>759.15</b>

## 29 (a) Remuneration to Auditors of the Company and its Components

(₹ in Crore)

Particulars	Oct 14 - Mar 16		Jan 14 - Sep 14	
Remuneration to Company Auditor				
Statutory audit and Limited Review	1.10		0.65	
Audit of Components	0.85		0.78	
Attestation and Certification	0.44	2.39	0.22	1.65
Remuneration to Branch Auditors				
Statutory audit and Limited Review	1.28		0.48	
Other Services	0.86	2.14	0.33	0.81
Remuneration to Component Auditor				
Statutory audit and Limited Review	0.54		0.38	
Other Services	0.18	0.72	0.21	0.58
<b>TOTAL</b>		<b>5.25</b>		<b>3.04</b>

During the previous period payment to auditors does not include ₹ 0.31 Crore paid for QIP related work which was charged to securities premium account.



### 30 Earning Per Share :

Earnings per share (EPS) = Net Profit attributable to shareholders / Weighted Number of Shares Outstanding :-

Particulars	Oct 14 - Mar 16	Jan 14 - Sep14
Net profit attributable to the Equity Share holders ( ₹ in Crore)	(502.51)	(728.88)
Outstanding equity shares at the end of the year	36,47,22,809	13,57,74,668
Weighted Number of Shares during the period – Basic	16,47,77,040	13,57,74,668
Weighted Number of Shares during the period – Diluted	16,55,02,840	13,65,00,468
Earning Per Share – Basic ( ₹ )	(30.50)	(53.68)
Earning Per Share – Diluted ( ₹ )	(30.50)	(53.68)
*Since the effect on the Diluted EPS is antidilutive, no effect for the same has been given		

Reconciliation of weighted number of outstanding during the year :

Particulars	Oct 14 - Mar 16	Jan 14 - Sep14
Nominal Value of Equity Shares ( ₹ per share)	2.00	2.00
<b>For Basic EPS :</b>		
Number of Equity Shares at the beginning	13,57,74,668	13,57,74,668
Add: Issue of shares under ESOP	22,89,48,141	-
Number of Equity Shares at the end	36,47,22,809	13,57,74,668
Weighted average of equity shares at the end	16,47,77,040	13,57,74,668
<b>For Dilutive EPS :</b>		
Weighted average no. of shares in calculating basic EPS	16,47,77,040	13,57,74,668
Add: Shares kept in abeyance	7,25,800	7,25,800
Add: On grant of stock option under ESOP	-	-
Weighted average no. of shares in calculating dilutive EPS	16,55,02,840	13,65,00,468

**31** 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 and 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. The Company is exploring several options for overcoming the liquidity crisis. The Group is in the process of development of its land parcel as well as monetizing its overseas investments and to divest some of its businesses, recovery towards final bills, retention money, settlement of non-routine collection including claims, arbitration awards etc. to meet the working capital needs. The Company is also in discussion with client for overcoming bottlenecks in timely executing the existing projects and to increase the order book. The Company is having a good order book in hand as on March 2016 of ₹ 11,000 Crore.

The Company continues to negotiate with vendors for settlement, improved commercial terms and better credit facility and is in process of arranging additional working capital finance to improve short term liquidity position. The Company is evaluating and exploring various courses of action for raising funds for Company's operations, including options for strategic restructuring.

However due to the continuing stress and the inability of the promoters to infuse fresh funds into the Company and the continuing losses, The Corporate Debt Restructuring Empowered group in its meeting held on 23<sup>rd</sup> November, 2015 has discussed and noted the proposal of the CDR Lenders for invocation of Strategic Debt Restructuring ("SDR") in the Company and carve out of the Civil Engineering, Procurement and Construction Business and the Transmission and Distribution businesses with change of management. The "Reference date" for the purpose of the SDR is 17<sup>th</sup> November, 2015. The lenders have invoked SDR and the requisite majority for approval of the SDR scheme in value and numbers had already been received and the CDR lenders have converted part of their loans and interest by taking a 62.65% stake in the Company upto the period ended 31<sup>st</sup> March, 2016. The Company has also as part of the SDR formulated a detailed restructuring package, which is detailed in a later paragraph.

Based on various developments including SDR by lenders resulting in lenders having majority stake and restructuring of businesses, the management is of the view that the Company will remain as going concern for future on the basis of existing order book,

restructuring proposal, monetization of the various non-core assets, future business potential, pre-qualifications for project bidding and previous track record.

## **SDR and Restructuring**

### **Strategic Debt Restructuring**

The lenders invoked SDR with reference date of 17<sup>th</sup> November, 2015. CDR EG noted the same in their meeting held on 23<sup>rd</sup> November, 2015 and approved by Joint Lenders Forum in its meeting held on 23<sup>rd</sup> November, 2015. As per the SDR proposal lenders can convert their debt into equity upto ₹ 300 Crore. As on date lenders have converted ₹ 272.22 Crore of the debt into equity representing 62.77 % of equity capital.

### **Restructuring.**

The Company as part of its revival plan has decided to carve out the Civil EPC and Transmission and Distribution (T&D) businesses into separate companies through the process of BTA and Scheme of arrangement. This will help in getting new investors in the respective companies.

### **T & D Business**

As part of the plan the Business Transfer Agreement (BTA) and the Court Scheme for transfer of the T&D business in favour of Transrail Lighting Limited, a wholly owned subsidiary has been finalised. The BTA has been executed in October 2015 and the court scheme is finalized and is pending approval of the Regulator. The Investor has been identified as Bilav Software Private Limited and the shareholder agreement is already signed with Bilav Software Private Limited for the T&D Businesses wherein they have acquired 75% stake in TLL at a cost of ₹ 2.33 Crore from GIL. They will also invest another ₹ 47.67 Crore approximately in TLL. As part of the carve out proposal of T&D Business ₹ 505 Crore funded and ₹ 3350 Crore non-funded exposure will be transferred to TLL.

### **Civil EPC**

Company is in process of transfer its Civil EPC Business to its WOS through BTA and Scheme of arrangement. Company has signed BTA with its WOS. An investor GP Group of Thailand has given proposal to invest ₹ 250 Crore in Civil EPC Business.

### **Non-Core Assets**

Companies will develop/monetise its investments in India and also outside India in coming years to repay the loans remaining in the Company.

**32** GIPL has divested some of its Subsidiaries for a cash surplus which reduced the current liability and current asset mis-match. The present mismatch are dependent upon satisfaction of further condition precedents to effect the sale of balance SPV's as detailed in their financial Statements. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management of GIPL is confident that the going concern assumption and the carrying values of the assets and liabilities in their audited financial results are appropriate.

## **33 Disclosure under Accounting Standard – 19 “Leases” of the Companies (Accounting Standards) Rule, 2006**

- (i) 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 Profit and Loss Account under Rent, Rates and Taxes.
- (ii) DIPL, one of the Subsidiary has taken 15 acres of land on lease basis for a period of 30 years renewable for each period of 30 years at a time without any additional cost to the Company. The land is to be used for development of reality facilities such as retail mall, commercial offices and hotel etc. Therefore, the cost of leased land and expenditure during development stage has been directly debited to “Project work-in-progress”, which is shown under Current Assets.
- (iii) One of the SPV has taken land on lease from Visakhapatnam Port Trust under non-cancellable operating lease agreements and temporary housing from others under cancellable operating lease agreements. Total rental expense under non-cancellable operating lease was ₹ 0.88 Crore (*Previous Period: ₹ 0.44 Crore*) and under cancellable operating leases was ₹ 0.26 Crore (*Previous Period: ₹ 0.07 Crore*) which has been disclosed as lease rentals in the statement of profit and loss.
- (iv) Further, another SPV has also taken an office premises on a non-cancellable operating lease. The monthly lease rents amounts to ₹ 0.11 Crore (*Previous Period : ₹ 0.10 Crore*).



(v) A detailed break up of amount payable to leasing Companies is as follows -

(₹ in Crore)

Particulars	Amount payable to Leasing Companies	
	31 Mar 2016	30 Sep 2014
Within 1 Year	5.95	4.66
Between 1 and 5 Years	0.33	4.27
Beyond 5 Years	-	-

### 34 Contingent Liability

(₹ in Crore)

Particulars	As at 31 Mar 2016	As at 30 Sep 2014
i Liability on contracts remaining to be executed on Capital Accounts	270.15	28.03
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.	3,313.77	3,652.58
iii Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of Subsidiary, erstwhile Subsidiary, Associate Companies	4,160.94	3,064.10
iv Corporate Guarantees and Counter Guarantees given to Bankers towards Company's share in the Joint Ventures for Guarantees given by them to the Joint Venture Project clients	420.66	343.74
v Corporate Guarantees and Counter Guarantees given to Bankers by a step down Subsidiary and Joint Venture for their projects	68.69	89.81
vi Disputed Sales Tax liability for which the Company has gone into Appeal	163.87	149.69
vii Claims against the Company not acknowledged as debts	242.12	168.86
viii Disputed Excise Duty Liability	18.04	0.97
ix Disputed Service Tax Liability	60.77	52.37
x Disputed Stamp Duty	-	17.77
xi In respect of Income Tax Matters	432.27	441.35
xii Commitment towards capital contribution in Subsidiary under contractual obligation	51.32	47.36
xiii Letter of Credit	50.49	164.77
xiv Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited.	2.01	4.93
xv Right to recompense in favour of CDR lenders in the terms of the MRA	504.96	504.96
xvi Other Matter	6.42	6.79
xvii 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.		
xviii Counter claims in arbitration matters referred by the Company – liability unascertainable.		
xix The disputed service Tax liability disclosed above is after considering legal advice on the probability of the liability materialising being remote.		
xx In respect of Borrowing transferred to TLL but Novation not yet carried out by the bankers till date amounting to ₹ 32.38 Crore		
xxi Corporate Guarantee issued for borrowings transferred to TLL but Novation not yet carried out by the bankers till date amounting to ₹ 212.89 Crore		

(a) Claims against the Company not acknowledged as debt includes :

- (i) A winding up petition against a Subsidiary of the Group, has been filed by a creditor for recovery of ₹ 1.41 Crore. The Subsidiary is disputing the said amount and has recognised ₹ 0.17 Crore payable as there are claims and counter claims by both parties. Pending the final outcome of such proceeding, the claim from the trade payable is disclosed as a contingent liability. The management of the said is of the view that the same would be settled and does not expect any additional liabilities towards the same.
- (ii) Buyback and / or purchase of shares of Subsidiaries ₹ 89.88 Crore (Previous Period ₹ 99.98 Crore)
- (b) Export obligation under EPCG scheme by a Subsidiary of group Company amounts to ₹ 22.90 Crore (Previous Period ₹ 22.90 Crore).
- (c) In terms of the individual Contracts signed by SPV's they are required to carry major periodic maintenance of the roads they are operating as a part of commitment against receipt of Tolling Rights and / or Annuities. The said SPV's have made provisions towards the same in their respective financial statements.
- (d) In case of one of the Subsidiary, the Company is subject to a claim for damages amounting to AED 600,000 relating to a project. The Management do not consider that any liability will arise for the Company because the damage arose from work carried out by a subcontractor who, under the terms of the subcontract agreement, would be ultimately liable.



- (e) An amount of ₹ 17.77 Crore claimed by the collector and district registrar, Rajahmundry, pursuant to and Order dated 15<sup>th</sup> March, 2005, as deficit Stamp Duty payable on the concession agreement entered into between a subsidiary of the Group and NHAI, classifying the concession agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. The subsidiary has impugned the Order by way of a writ petition before the High Court of Andhra Pradesh at Hyderabad. No provision is considered necessary in respect of the said demand, as the management of the subsidiary believes that there is no contravention of the Indian Stamp Act. Further, another Subsidiary of the Company has also been served a demand notice towards stamp duty amounting to ₹ 1.03 Crore which is before the Controller of Stamps office. The Company has a very good case to succeed in this matter and accordingly no provision for the same is required.
- (f) GIPL has received a letter for transfer of shares in one of its divested Subsidiary from a party who has paid advance for the same. The Company does not acknowledge the claim due to non satisfaction of certain conditions and is in the process of refunding the said advance to the party.
- (g) During the current period on account of the delays in financial closure of a Subsidiary of GIPL, the project is not expected to finish the construction phase within the scheduled completion initially envisaged. The management of the Subsidiary is in active discussion with NHAI including obtaining permission for harmonious substitution of the parent with another entity. The Subsidiary does not expect exercise of the penal provision of the concession agreement by NHAI. The Independent Engineer, has recommended a penalty of ₹ 43.28 Crore to NHAI for delay in execution upto 31<sup>st</sup> March, 2016.
- (h) Contingent Liability on account of Contractual Obligation in case of one of the GIPL Subsidiary is ₹ 5.40 Crore

### 35 Segment Reporting

The Company is engaged in three segments - Construction and Engineering, Oil exploration and Realty Development including businesses acquired on account of new acquisitions. The revenue/assets from oil exploration and realty development are less than threshold limit of 10% and hence no disclosure of separate segment reporting is made in terms of Accounting Standard AS -17. Similarly although 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 does not constitute more than 10% of total revenue and total assets and hence the segment-wise reporting is not disclosed in terms of Accounting Standard AS -17.

### 36 Quantitative information of Derivative instruments entered into by the Company and outstanding as at Balance Sheet date

#### For Un-hedged Foreign Currency Exposures for the Holding Company:

Unhedged Foreign Currency Exposure as at 31<sup>st</sup> March, 2016 is ₹ 188.14 Crore (Previous Period ₹ 205.06 Crore) receivables and ₹ 279.71 Crore (Previous Period ₹ 397.04 Crore) payables. Currency wise unhedged amounts are as follows -

Currency	31 Mar 2016		30 Sep 2014	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	13,182,801	30,075,797	12,617,509	29,378,934
EUR - Euro	3,904,725	4,087,382	4,836,745	20,507,595
GBP - British Pound	-	933	-	17,106
AED - UAE Dirham	-	-	-	945,203
SEK - Swedish Krona	-	-	-	17,106
DZD - Algerian Dinar	187,886,112	253,733,037	174,270,203	271,770,853
NGN - Nigerian Naira	1,170,092	6,213,707	1,170,092	6,213,707
KES - Kenyan Shilling	29,874,430	177,217,577	43,455,513	5,404,297
BTN - Bhutan Ngultrum	330,548,044	171,649,709	432,226,688	175,942,429
CAD - Canadian Dollar	1,992,563	-	2,789,531	26,201
ETB - Ethiopian Birr	48,787,634	14,194,251	48,882,591	49,277,493
RWF - Rwandan Franc	12,172,416	132,634,746	16,491,940	52,447,226
YER - Yemeni Rial	214,890	583,378	2,596,365	-



**37 Joint Venture**

**(a) Details of Joint Ventures entered into by the Company :**

	Name of Joint Venture	Description of Interest	% of involvement	
			31 Mar 2016	30 Sep 2014
1	Afghanistan ATSL AEPC Consortium	Jointly Controlled Operation	<b>75.00%</b>	75.00%
2	BBJ Gammon	Jointly Controlled Operation	-	49.00%
3	CMC - Gammon JV	Jointly Controlled Operation	-	50.00%
4	Consortium between SAE Powerlines S.r.l and ATSL	Jointly Controlled Operation	<b>NIL</b>	NIL
5	Consortium SAE - GAMMON	Jointly Controlled Operation	<b>37.03%</b>	37.03%
6	Gammon - CMC JV	Jointly Controlled Operation	<b>50.00%</b>	50.00%
7	Gammon - FCEP - Joint Venture - Nigeria	Jointly Controlled Operation	<b>80.13%</b>	80.13%
8	Gammon AG JV	Jointly Controlled Operation	-	51.00%
9	GAMMON ARCHIRODON	Jointly Controlled Operation	-	98.50%
10	Gammon Atlanta	Jointly Controlled Operation	-	50.00%
11	Gammon BBJ	Jointly Controlled Operation	<b>50.00%</b>	50.00%
12	GAMMON LIMAK	Jointly Controlled Operation	-	51.00%
13	Gammon OSE	Jointly Controlled Operation	-	50.00%
14	Gammon Pratibha (BWSSB)	Jointly Controlled Operation	<b>70.00%</b>	70.00%
15	Gammon Progressive	Jointly Controlled Operation	-	50.00%
16	GAMMON RIZZANI	Jointly Controlled Operation	-	50.00%
17	GAMMON SEW	Jointly Controlled Operation	-	90.00%
18	Gammon Srinivasa	Jointly Controlled Operation	-	80.00%
19	GIL JMC	Jointly Controlled Operation	-	70.00%
20	Hyundai Gammon	Jointly Controlled Operation	<b>49.00%</b>	49.00%
21	JFE - Gammon Joint Venture	Jointly Controlled Operation	<b>40.00%</b>	40.00%
22	Gammon -SINGLA JV	Jointly Controlled Operation	<b>55.00%</b>	55.00%
23	Gammon Ozkar JV	Jointly Controlled Operation	<b>51.00%</b>	51.00%
24	Gammon Ozkar JV	Jointly Controlled Operation	<b>70.00%</b>	0.00%
25	Gammon SPML JV	Jointly Controlled Operation	<b>51.00%</b>	0.00%
26	JV Siemens Limited And ATSL, Kenya	Jointly Controlled Operation	<b>NIL</b>	NIL
27	OSE GIL	Jointly Controlled Operation	-	50.00%
28	Patel Gammon	Jointly Controlled Operation	-	49.00%
29	SAE - Gammon Consortium - Togo Benin	Jointly Controlled Operation	<b>85.46%</b>	85.46%
30	SAE - Gammon Consortium - Togo Benin	Jointly Controlled Operation	<b>40.00%</b>	40.00%
31	SAE - GAMMON Consortium	Jointly Controlled Operation	<b>51.56%</b>	51.56%
32	SAE - GIL Consortium	Jointly Controlled Operation	<b>33.91%</b>	33.91%
33	Bhutan Consortium Jyoti Structures Ltd. and Gammon India Ltd.	Jointly Controlled Entity	<b>50.00%</b>	50.00%
34	Gammon Eceee Consortium	Jointly Controlled Entity	-	51.00%
35	Jaeger Gammon	Jointly Controlled Entity	<b>90.00%</b>	90.00%
36	Gammon Construtora Cidade Tensaccia Joint Venture	Jointly Controlled Entity	<b>60.00%</b>	60.00%
37	Gammon OJSC Mosmetrostroy Joint Venture	Jointly Controlled Entity	-	51.00%
38	GIPL GIL Joint Venture	Jointly Controlled Entity	<b>5.00%</b>	5.00%

### 38 Exceptional Items

(₹ in Crore)

Particulars	Oct 2014-Mar 2016	Jan-Sep 2014
Profit on divestment of Subsidiaries of GIPL (Refer Note 42)	68.38	-
Profit on divestment of subsidiary of GIL (Refer Note 1(c)(ii))	2.36	-
Sundry balances written back / Write off on divestment of SPV's	0.67	-
Professional fees in connection with disposal of SPV's	(6.15)	-
Others	(1.35)	-
<b>Total</b>	<b>63.90</b>	<b>-</b>

- (i) GIPL has during the 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 its following six Subsidiaries: AEL, AIPL (through PHL being 100% subsidiary of the Company), GICL, KBICL, MNEL, and REL.

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 26<sup>th</sup> May, 2016. The long stop date for VGRPPL is 26<sup>th</sup> August, 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 the Company.

As a consequence of the sale of these six Subsidiaries, the O&M contracts between the said Subsidiaries and the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. An amount of ₹ 7.16 Crore 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 the Company 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 Crore. 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 Crore which has been effected.

- (ii) Further, during the current period, GIPL has during the period 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).
- (iii) The total cash consideration received on sale of all the nine Subsidiaries, is ₹ 138.15 Crore. Further, a waiver of ₹ 284.41 Crore has been received on refund of intercorporate loans received by the Company 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 aggregate consideration has been shown as loss on sale of investments after providing towards certain obligations towards the projects.
- (iv) The profit on divestment also includes reversal of goodwill on acquisition of stakes, reversal of elimination of unrealised gains of contracting profits (net of depreciation reversed thereon) which were eliminated in respect of some of the projects of the SPV's divested by GIPL.
- (v) During the current period, a Subsidiary of the Company has lost inventory worth ₹ 5.21 Crore due to fire at its plant site. It has made a claim to the insurance company for a sum of ₹ 5.20 Crore. 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. Therefore the net loss of ₹ 0.01 Crore is shown under Exceptional items.

- 39** (a) During the previous period, the Mormugao Port Trust ('MPT') has unilaterally sought to terminate the concession agreement with one of the wholly owned subsidiary namely Mormugao Terminal Limited (MTL) citing non-compliance with certain terms of the concession agreement. MPT also encashed the bid security bank guarantee for ₹ 2 Crore. The subsidiary has taken legal action in the matter including filing of arbitration. The Group's exposure towards the project is ₹ 5.95 Crore (Previous Period ₹ 5.71 Crore) (including guarantees of ₹ 2 Crore). Pending outcome of the legal proceedings, no adjustments have been made to the consolidated financial statements. The management believes that it has a strong case in this matter. MTL has been disposed off during the current period and is not a Subsidiary as at the Balance Sheet date.

- (b) During the previous period, one of the wholly owned Subsidiary of the Group 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 29<sup>th</sup> August, 2014, the NHAI unilaterally terminated the concession agreement and also invoked the bank guarantee of ₹ 11.29 Crore. 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. The Group's total exposure to this project including guarantees invoked and project expenses is Nil (*Previous Period ₹ 75.56 Crore*) which is transferred to other current assets under 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 current period and is not a subsidiary as at the Balance Sheet date.

- (c) During the previous period, two wholly owned Subsidiaries namely Birmitrapur Barkote Highway Private Limited and Yamunanagar Panchkula Highway Private Limited have terminated the contracts with NHAI on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Environment and Forest clearances and on cessation of the operations, accounts of these two Subsidiaries were not prepared on the going concern basis. The exceptional item represents the write off of the expenditure incurred on these two projects amounting to ₹ Nil (*Previous Period : ₹ 37.97 Crore*).
- 40** (a) During the previous period, one of the wholly owned Subsidiary namely Youngthang Power Ventures Limited which has a license to develop a hydro power project in Himachal Pradesh has initiated correspondence with the State Government for exiting from the project primarily due to inability of the state government in resolving the local agitations related to environmental issues because of which the subsidiary was forced to stop its geological studies at the project site. The subsidiary has paid an upfront premium of ₹ 52.85 Crore to the State Government and the Group's exposure towards the project excluding the upfront premium is ₹ 15 Crore (*Previous Period ₹ 14.46 Crore*). The subsidiary has made a claim against the amounts spent on the project till date. The management believes that it has a strong case in this matter.
- (b) During the previous period, the Greater Cochin Development Authority has sought to end/obstruct the toll collection by unilaterally sealing the toll booth of one of the subsidiary namely Cochin Bridge Infrastructure Company Limited. The subsidiary believes it has the right to collect toll at the bridge upto 27<sup>th</sup> April, 2020. Further necessary legal recourse is being initiated. The Group's total exposure towards the project inculdes ₹ 8.43 Crore (*Previous Period ₹ 8.43 Crore*) towards the unamortised project costs and ₹ 17.87 Crore (*Previous Period ₹ 17.87 Crore*) towards trade receivables and Corporate guarantee from the Company of ₹ 7.57 Crore (*Previous Period ₹ 9.74 Crore*). Pending outcome of the legal proceedings, no adjustments have been made to the consolidated financial statements. The management believes that it has a strong case in this matter.
- (c) One of the SPV having a tolling bridge project, commenced operations from 1<sup>st</sup> November, 2015 and toll is being collected from that date. During the period, the SPV has incurred cash loss and its current liabilities exceed the current assets by ₹ 23.95 Crore as at 31<sup>st</sup> March, 2016. The current monthly toll collections is not sufficient to repay the monthly interest on bank borrowings. The SPV is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016. The interest on the said loan has been serviced by the SPV till September 2015. Thereafter, the term loan account of the Company has been classified as a Non Performing Asset. However, the banks have not yet recalled the loans. As such, the loans have been disclosed as a Non-current Liability. The management is exploring opportunities to replace the high cost debts. To achieve the above objective, the SPV has engaged rating agencies to assist the it to make a private placement of low cost bonds. In addition to the above, as per the Concession Agreement with Andhra Pradesh Road Development Corporation (APRDC), the SPV is eligible to receive Revenue Shortfall Loan at subsidised rate of interest from the APRDC. The SPV is in the process of making necessary applications with APRDC. The management is strongly of the view that once APRDC satisfies its obligations under the terms of the Concession Agreement and other factors as stated above, the financial viability of the SPV is expected to improve. In view of the above, the financial statements have been prepared on a going concern basis and accordingly, no impairment of assets was required.
- 41** Disclosure of transactions with Related Parties, as required by Accounting Standard - 18 'Related Party Disclosures has been set out in a separate Aneexure - I annexed to this schedule.

## **42 Discontinuing operations:**

### **(i) Gammon India Limited**

As part of its restructuring of its business in order to create sector focused companies and to invite investments by strategic investors the Company decided to carve out its Transmission and Distribution business into Transrail Lighting Limited. The Company entered into shareholders agreement with M/s Bilav Software Private Limited to divest 75% of its stake in Transrail

Lighting limited. The Restructuring plan contemplated carving out of a portion of business vide a business transfer agreement and the balance portion of the T&D business by way of a scheme of arrangement of the retained T&D business in GIL through a court process. Accordingly the businesses transferred under the BTA and proposed to be transferred under the court scheme are treated as discontinuing operations.

Similarly, the EPC business is proposed to be transferred out into a wholly owned subsidiary either through a BTA or a Scheme or a mix of both. The Board of Directors vide its meeting dated 12<sup>th</sup> February, 2016 have approved the restructuring plan. Attention is invited to note no 31 where the identification of the investor and other terms of the same are detailed. The said EPC business proposed to be carved out are also included in as discontinuing operations.

(ii) **Gammon Infrastructure Projects Limited**

The disclosure of discontinuing operations has been made in respect of the 9 entites which have been sold and one entity namely Vijayawada Gundugulano Road Project Private Limited for which there is a binding contract for disposal. Since the Long stop date for Pravara Renewable Energy Limited and Sikkim Hydro Power ventures Limited has passed the same are not treated as discontinuing operations and are treated as part of continuing operations. In respect of these two entities the Management has carried out fresh valuation thourgh independent valuers and based on that concluded that there is no impairment necessary for the same.

(iii) Detail disclosure of Discontinuing Operation as per Accounting Standard 24 "Discontinuing Operations" is given in Annexure II

**43** Disclosure as required under schedule III of the Companies Act, 2013 is given in Annexure III

**44** The current period is from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016. The comparative figures for the previous period are for the period from 1<sup>st</sup> January, 2014 to 30<sup>th</sup> September, 2014. The figures for both these periods are therefore not strictly comparable.

**45** Previous Period figures are regrouped and rearranged with those of the current period.

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 : 20 July 2016

For and on behalf of the **Board of Directors**

**ABHIJIT RAJAN**  
Chairman & Managing Director  
DIN No. 00177173

**DIGAMBAR C. BAGDE**  
Deputy Managing Director - T&D Division  
DIN No. 00122564

**CHANDRAHAS C. DAYAL**  
Director  
Din 00178583

Mumbai, Dated : 20 July 2016

**VARDHAN DHARKAR**  
Chief Financial Officer

**AJIT DESAI**  
Chief Operating Officer  
DIN No. 00105836

**GITA BADE**  
Company Secretary



## ANNEXURE I - LIST OF RELATED PARTY

### A Related Party Disclosure (AS - 18)

JOINT VENTURE	
1	Gammon Atlanta
2	Gammon Archirodon
3	Gammon BBJ
4	Gammon OSE
5	Gammon Pratibha
6	Gammon Progressive
7	Gammon Rizzani
8	Gammon Srinivasa
9	GIL JMC
10	Haryana Bio Mass Power Limited
11	Hyundai Gammon
12	Jaeger Gammon
13	OSE Gammon
14	Patel Gammon
15	Gammon FECF JV Naigeria
16	Consortium of Jyoti Structure & GIL
17	Gammon SEW

ASSOCIATES	
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A Italy
4	Sofinter S.p.A
5	Transrail Lighting Limited
KEY MANAGERIAL PERSONNEL	
1	Mr Abhijit Rajan
2	Mr Rajul A Bhansali
3	Mr Digambar C. Bagde
4	Mr Ajit B. Desai
RELATIVES OF KEY MANAGERIAL PERSONNEL	
1	Mr Harshit Rajan

**B Related Parties transactions during the year in normal course of business :**

(₹ in Crore)

Nature of Transactions / relationship / major parties	Current Period Oct - Mar 2016		Previous Period Jan - Sep 2014	
	Amounts	Amounts Major Related Parties	Amounts	Amounts Major Related Parties
<b>Associates</b>				
<b>Purchase of goods and services</b>	<b>21.41</b>		-	
Transrail Lighting Limited		<b>21.41</b>		-
<b>Purchase of Investments</b>	<b>4.37</b>		-	
Transrail Lighting Limited		<b>4.37</b>		-
<b>Sale of goods and services</b>	<b>0.08</b>		0.34	
Transrail Lighting Limited		<b>0.08</b>		-
Sofinter S.p.A		-		0.34
<b>Amount liquidated towards the finance provided</b>	<b>57.49</b>		0.47	
Transrail Lighting Limited		<b>57.49</b>		-
Sofinter S.p.A		-		0.47
<b>Interest Income during the year</b>	<b>0.87</b>		0.04	
Transrail Lighting Limited		<b>0.80</b>		
Finest S.p.A		<b>0.07</b>		0.04
<b>Outstanding Balances Receivables</b>	<b>81.92</b>		1.94	
Transrail Lighting Limited		<b>79.97</b>		-
Finest S.p.A		<b>1.95</b>		1.94
<b>Outstanding Balances Payable</b>	<b>24.31</b>		30.42	
Transrail Lighting Limited		<b>21.66</b>		-
MTRL		<b>2.65</b>		
Sofinter S.p.A		-		30.42
<b>Guarantees and Collaterals Outstanding</b>	<b>97.00</b>		-	
Transrail Lighting Limited		<b>97.00</b>		-
<b>Pledge of Shares (Number of shares)</b>	<b>30,999,940</b>		-	
Transrail Lighting Limited		<b>30,999,940</b>		-
<b>Assets Sold Under BTA</b>	<b>468.87</b>		-	
Transrail Lighting Limited		<b>468.87</b>		-
<b>Liabilities Transfer Under BTA</b>	<b>470.64</b>		-	
Transrail Lighting Limited		<b>470.64</b>		-
<b>Key Managerial Personnel</b>				
<b>Remuneration paid</b>	<b>13.22</b>		6.30	
Mr Abhijit Rajan		<b>9.10</b>		4.72
Mr Digambar C. Bagde		<b>1.74</b>		0.96
Mr Rajul A. Bhansali		<b>1.21</b>		0.62
Mr Ajit B. Desai		<b>1.17</b>		-
<b>Relatives of Key Managerial Personnel</b>				
<b>Remuneration paid</b>	<b>1.79</b>		0.49	
Mr Harshit Rajan		<b>1.79</b>		0.49
<b>Sale of Flat</b>	-		0.94	
Mr Harshit Rajan				0.94
<b>Joint Venture</b>				
<b>Subcontracting Income</b>	<b>250.62</b>		66.70	
Gammon Archirodon		<b>59.18</b>		
Jaeger Gammon		<b>64.36</b>		
Gammon Srinivasa		<b>45.00</b>		
Consortium of Jyoti Structure & GIL		<b>34.93</b>		19.56
Patel Gammon		<b>25.69</b>		38.64
<b>Sale of Goods</b>	<b>10.52</b>		32.76	
Consortium of Jyoti Structure & GIL		<b>10.52</b>		32.76



Nature of Transactions / relationship / major parties	Current Period Oct - Mar 2016		Previous Period Jan - Sep 2014	
	Amounts	Amounts Major Related Parties	Amounts	Amounts Major Related Parties
<b>Finance provided for expenses &amp; on a/c payments</b>	<b>2.20</b>		1.57	
Gammon FECP JV Naigeria		<b>1.13</b>		1.18
GIL JMC		<b>1.04</b>		-
Gammon BBJ		-		0.30
<b>Amount liquidated towards the finance provided</b>	<b>0.01</b>		0.20	
Consortium of Jyoti Structure & GIL		<b>0.01</b>		-
Gammon BBJ		-		0.20
<b>Finance received for expenses &amp; on a/c payments</b>	<b>0.54</b>		-	
Jaeger Gammon		<b>0.54</b>		-
<b>Contract Advance received</b>	<b>0.59</b>		11.18	
Patel Gammon		<b>0.59</b>		11.18
<b>Refund received against Contract Advance</b>	<b>2.59</b>		19.77	
Consortium of Jyoti Structure & GIL		<b>2.59</b>		5.19
Patel Gammon		-		14.10
<b>Guarantees and Collaterals Outstanding</b>	<b>121.16</b>		133.44	
OSE Gammon		-		-
Gammon Atlanta		<b>8.95</b>		8.95
Patel Gammon		-		39.70
Hyundai Gammon		<b>13.09</b>		13.09
Gammon Pratibha		-		14.22
Gammon FECP JV Naigeria		<b>9.62</b>		10.79
Jaeger Gammon		<b>78.59</b>		32.94
<b>Outstanding Balances Receivables</b>				
Trade & Other Receivable	<b>292.77</b>		163.71	
Consortium of Jyoti Structure & GIL		<b>27.66</b>		39.15
OSE Gammon		<b>38.19</b>		51.54
Gammon Srinivasa		<b>48.41</b>		-
GIL Archirodon		<b>61.65</b>		-
Jaeger Gammon		<b>63.97</b>		-
Patel Gammon		<b>37.62</b>		50.55
<b>Outstanding Balances Payable</b>				
Trade & Other Payable	<b>6.23</b>		10.35	
Consortium of Jyoti Structure & GIL		<b>5.36</b>		7.94
Gammon Sew		-		1.42



## ANNEXURE II

Detail disclosure of Discontinuing Operation as per Accounting Standard 24 "Discontinuing Operations"

(₹ in Crore)

Statement of Assets and Liabilities		
Particulars	As at 31 Mar 2016	As at 30 Sep 2014
<b>Total Assets</b>	<b>8,021.60</b>	11,273.95
<b>Total Liabilities</b>	<b>7,981.63</b>	10,613.48

Statement of Profit and Loss		
Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Income</b>		
Revenue from Operations	<b>5,589.90</b>	2,892.61
Other Operating Revenue	<b>110.67</b>	76.51
Other Income	<b>58.92</b>	25.44
<b>Total Income</b>	<b>5,759.49</b>	2,994.56
<b>Expenses</b>		
Operative Expenses	<b>4,375.54</b>	2,421.01
Employee Cost	<b>222.56</b>	150.11
Depreciation & Amortisation	<b>552.85</b>	180.85
Finance Cost	<b>691.72</b>	337.74
Other expenses	<b>18.94</b>	7.60
Exceptional items	<b>40.03</b>	-
<b>Total Expenses</b>	<b>5,901.66</b>	3,097.30
<b>Profit / (Loss) Before Tax</b>	<b>(142.17)</b>	(102.74)
Less : Tax Expense	<b>(6.12)</b>	(55.32)
<b>Profit / (Loss) After Tax For The Period</b>	<b>(136.05)</b>	(47.42)
<b>Minority Interest</b>	<b>1.86</b>	0.25
<b>Profit / (Loss) After Tax and Minority Interest</b>	<b>(137.91)</b>	(47.17)

Cash Flow Statement		
Particulars	Oct 2014 - Mar 2016	Jan 2014 - Sep 2014
<b>Net Cash from Operating Activities</b>	<b>711.20</b>	463.81
<b>Net Cash from Investing Activities</b>	<b>2,526.78</b>	(3,943.38)
<b>Net Cash from Financing Activities</b>	<b>(2,006.90)</b>	3,384.18



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 18 MONTHS ENDED MARCH 31, 2016

### ANNEXURE III

#### Entity wise disclosure of breakup of Net Assets and Profit After Tax

Particulars	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)
<b>Holding Company:</b>				
GIL	(185.69%)	837.03	68.85%	(345.93)
<b>Subsidiaries:</b>				
ACB	12.37%	(55.75)	0.37%	(1.87)
ATSLBV	14.42%	(64.97)	3.66%	(18.39)
ATSLInfra	0.00%	(0.02)	0.00%	(0.00)
ATSLNigeria	0.61%	(2.73)	0.00%	(0.00)
CAMPO	49.60%	(223.56)	9.13%	(45.89)
DIPL	(0.05%)	0.23	(0.24%)	1.20
FTH	0.00%	(0.02)	0.00%	(0.01)
GACTEL	18.91%	(85.22)	6.92%	(34.80)
GBL	1.59%	(7.14)	1.34%	(6.74)
GBLLC	4.61%	(20.80)	(2.32%)	11.67
GHBV	162.42%	(732.04)	17.60%	(88.48)
GHM	6.79%	(30.58)	3.09%	(15.55)
GIBV	80.72%	(363.79)	25.03%	(125.82)
GIFZE	1.53%	(6.89)	0.20%	(0.98)
GIPL	(114.04%)	514.01	(14.98%)	75.28
GPL	0.71%	(3.18)	0.13%	(0.66)
GRIPL	(0.01%)	0.03	(0.01%)	0.05
GRL	12.23%	(55.13)	0.05%	(0.26)
ISRL	0.05%	(0.22)	0.01%	(0.05)
METRO	(18.62%)	83.94	2.77%	(13.90)
PREETI	0.01%	(0.03)	(0.00%)	0.00
PVEB	25.90%	(116.73)	2.69%	(13.53)
PWS	2.45%	(11.06)	(0.27%)	1.33
SAE	40.84%	(184.06)	(1.36%)	6.83
SAET	0.05%	(0.23)	(0.01%)	0.05
<b>Joint Ventures:</b>				
ACGB	1.13%	(5.11)	0.58%	(2.90)
CMC	(0.06%)	0.25	(0.00%)	0.02
GCTSYG	(11.17%)	50.33	(9.90%)	49.77
GEC	0.00%	(0.00)	0.00%	(0.00)
GGJV	0.00%	(0.01)	0.00%	(0.01)
GOMCHN	(9.73%)	43.84	(9.47%)	47.60
GSEW	0.00%	(0.00)	(0.00%)	0.00
GSINGLA	(4.37%)	19.70	(3.92%)	19.70
<b>Associates:</b>				
TLL	6.81%	(30.67)	0.04%	(0.21)
<b>Grand Total</b>	<b>100%</b>	<b>(450.62)</b>	<b>100%</b>	<b>(502.51)</b>

PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

PART "A": SUBSIDIARIES

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Reporting period	Reprting Currency/ Exchange Rate	Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	ATSL Infrastructure Projects Limited	Oct 14-Mar 16	INR	0.05	(0.02)	13.79	13.75	-	-	(0.00)	-	(0.00)	-	100.00%
2	Deepmala Infrastructure Private Limited	Oct 14-Mar 16	INR	0.01	1.60	1,077.36	1,075.75	-	8.74	2.76	(1.07)	1.69	-	51.00%
3	Gactel Turnkey Projects Limited	Oct 14-Mar 16	INR	5.05	(96.67)	202.90	294.53	-	16.85	(46.54)	0.64	(45.90)	-	100.00%
4	Gammon & Billimoria Limited	Oct 14-Mar 16	INR	0.10	1.94	109.86	107.82	-	-	0.23	(0.07)	0.16	-	50.94%
5	Gammon Infrastructure Projects Limited	Oct 14-Mar 16	INR	189.16	686.75	1,550.05	674.13	62.25	403.20	56.90	1.26	58.15	-	58.44%
6	Gammon Power Limited	Oct 14-Mar 16	INR	22.55	555.55	716.54	138.44	-	-	(96.93)	(0.06)	(96.99)	-	90.00%
7	Gammon Realty Limited	Oct 14-Mar 16	INR	20.05	(70.73)	126.32	176.99	-	-	(10.73)	-	(10.73)	-	75.06%
8	Gammon Retail Infrastructure Private Limited	Oct 14-Mar 16	INR	0.05	0.03	0.13	0.05	-	0.08	0.06	(0.01)	0.05	-	99.00%
9	Metropolitan Infrahousing Private Limited	Oct 14-Mar 16	INR	0.01	69.33	1,151.65	1,082.30	-	-	(16.52)	-	(16.52)	-	84.16%
10	Gammon Transmission Limited	Oct 14-Mar 16	INR	0.05	(0.35)	1.90	2.20	-	-	(0.08)	0.01	(0.07)	-	100.00%
11	Franco Tosi Hydro Private Limited	Oct 14-Mar 16	INR	0.01	(0.02)	-	0.01	-	-	(0.01)	-	(0.01)	-	100.00%
12	Preeti Township Private Limited	Oct 14-Mar 16	INR	0.10	(0.12)	8.67	8.69	-	-	0.01	-	0.01	-	60.00%
13	Patna Water Supply Distribution Networks Private Limited	Oct 14-Mar 16	INR	0.01	(23.56)	37.85	61.40	-	-	(6.82)	0.00	(6.82)	-	73.99%
14	Ansaldo Caldaie boilers India Private Limited	Oct 14-Mar 16	INR	50.00	(73.27)	107.24	130.51	20.00	16.17	(5.09)	0.01	(5.07)	-	73.40%
15	Gammon Italy Srl	Oct 14-Dec 15	EURO/ 72.5010	0.07	(0.21)	0.03	0.17	-	-	(0.05)	-	(0.05)	-	100.00%
16	SAE Powerlines Srl	Oct 14-Dec 15	EURO/ 72.5010	93.87	(98.49)	242.74	247.36	-	105.67	(6.66)	6.66	(0.00)	-	100.00%
17	Gammon & Billimoria LLC	Oct 14-Mar 16	AED/ 18.0032	1.80	(71.30)	112.13	181.63	-	164.01	(3.46)	-	(3.46)	-	49.00%
18	PVan Eerd Beheersmaatsc-happaji B.V., Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.12	(116.94)	0.02	116.84	56.36	-	(12.65)	-	(12.65)	-	100.00%
19	ATSL Holdings BV, Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.14	(76.05)	157.13	233.05	-	-	(27.74)	-	(27.74)	-	100.00%
20	Associated Transrail Structures Limited., Nigeria	Oct 14-Mar 16	Naira/ 0.3287	0.33	(2.25)	0.50	2.42	-	-	(0.50)	-	(0.50)	-	100.00%
21	Campo Puma Oriente S.A.	Oct 14-Dec 15	USD/ 66.3260	0.08	(289.42)	361.03	650.37	288.39	50.04	(51.28)	-	(51.28)	-	73.76%
22	Gammon Holdings B.V., Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.14	(435.59)	386.48	821.93	-	-	(125.55)	-	(125.55)	-	100.00%
23	Gammon International B.V., Netherlands	Oct 14-Mar 16	EURO/ 75.0955	0.14	(357.85)	374.13	731.84	413.40	-	(151.33)	-	(151.33)	-	100.00%
24	Gammon International FZE	Oct 14-Mar 16	AED/ 18.0032	0.27	(35.01)	67.93	102.68	-	-	(10.88)	-	(10.88)	-	100.00%
25	Gammon Holdings (Mauritius) Limited	Oct 14-Mar 16	USD/ 66.3330	0.10	(42.81)	212.27	254.98	-	-	(27.78)	-	(27.78)	-	100.00%
26	Franco Tosi Meccanica S.p.A	Oct 14-Mar 16	INR	-	-	-	-	-	-	-	-	-	-	-
27	Franco Tosi Turbines Private Limited. (FTT)	Oct 14-Mar 16	INR	-	-	-	-	-	-	-	-	-	-	-
28	Birmirapur Barkote Highway Private Limited *	Oct 14-Mar 16	INR	0.01	(10.89)	0.11	10.99	-	-	(0.01)	-	(0.01)	-	100.00%
29	Cochin Bridge Infrastructure Company Limited*	Oct 14-Mar 16	INR	6.40	1.27	26.90	19.24	-	-	(1.90)	-	(1.90)	-	97.66%
30	Chitoor Infrastructure Company Private Limited*	Oct 14-Mar 16	INR	0.01	(0.05)	0.09	0.13	-	-	0.09	(0.03)	0.06	-	100.00%
31	Earthlink Infrastructure Projects Private Limited*	Oct 14-Mar 16	INR	0.01	(0.25)	12.78	13.02	-	-	0.56	(0.17)	0.39	-	100.00%

# BUILDING FUTURE POSSIBILITIES

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Reporting period	Reprting Currency/ Exchange Rate	Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
32	Gammon Logistics Limited*	Oct 14-Mar 16	INR	2.55	(4.90)	0.04	2.38	-	-	(0.01)	-	(0.01)	-	100.00%
33	Gammon Projects Developers Limited*	Oct 14-Mar 16	INR	0.25	(0.36)	0.38	0.49	-	-	(0.00)	-	(0.00)	-	100.00%
34	Gammon Seaport Infrastructure Limited*	Oct 14-Mar 16	INR	0.05	(0.02)	0.03	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
35	Ghaggar Renewable Energy Private Limited*	Oct 14-Mar 16	INR	0.01	(0.09)	0.01	0.09	-	-	(0.00)	-	(0.00)	-	100.00%
36	Gammon Renewable Energy Infrastructure Projects Limited*	Oct 14-Mar 16	INR	0.05	(0.15)	5.09	5.19	-	-	(0.00)	-	(0.00)	-	100.00%
37	Gammon Road Infrastructure Limited*	Oct 14-Mar 16	INR	0.05	(0.90)	1.46	2.31	0.01	-	0.01	-	0.01	-	100.00%
38	Marine Project Services Limited*	Oct 14-Mar 16	INR	0.05	0.14	0.19	0.00	-	-	(0.07)	0.00	(0.07)	-	100.00%
39	Patna Highway Projects Limited*	Oct 14-Mar 16	INR	50.00	(0.84)	1,145.22	1,096.06	-	-	(0.19)	-	(0.19)	-	100.00%
40	Pravara Renewable Energy Limited*	Oct 14-Mar 16	INR	47.92	(3.89)	304.42	260.39	-	34.09	(3.67)	0.18	(3.50)	-	100.00%
41	Ras Cities and Townships Private Limited*	Oct 14-Mar 16	INR	0.01	(0.16)	31.85	32.00	-	-	(0.00)	-	(0.00)	-	100.00%
42	Tidong Hydro Power Limited*	Oct 14-Mar 16	INR	0.05	(0.01)	2.07	2.04	-	-	(0.00)	-	(0.00)	-	51.00%
43	Vijayawada Gundugolanu Road Project Private Limited*	Oct 14-Mar 16	INR	0.01	(2.23)	3,956.49	3,958.71	-	129.59	(0.35)	(1.37)	(1.72)	-	100.00%
44	Vizag Seaport Private Limited*	Oct 14-Mar 16	INR	87.19	2.65	388.53	298.69	-	175.47	(4.76)	1.25	(3.52)	-	73.76%
45	Yamuna Minor Minerals Private Limited*	Oct 14-Mar 16	INR	0.01	(0.09)	-	0.08	-	-	(0.00)	-	(0.00)	-	100.00%
46	Yamunanagar Panchkula Highway Private Limited*	Oct 14-Mar 16	INR	19.05	(27.98)	0.24	9.17	-	-	(0.01)	-	(0.01)	-	100.00%
47	Youngthang Power Ventures Limited*	Oct 14-Mar 16	INR	14.45	(3.10)	70.10	58.74	-	-	(0.31)	-	(0.31)	-	100.00%
48	Haryana Biomass Power Limited*	Oct 14-Mar 16	INR	0.05	(1.34)	0.01	1.30	-	-	(0.00)	-	(0.00)	-	100.00%
49	Jaguar Projects Developers Limited*	Oct 14-Mar 16	INR	0.05	(0.01)	0.06	0.02	-	-	(0.08)	-	(0.08)	-	100.00%
50	Lilac Infraprojects Developers Limited*	Oct 14-Mar 16	INR	0.05	(0.03)	0.04	0.02	-	-	(0.01)	-	(0.01)	-	100.00%
51	Rajahmundry Godavari Bridge Limited*	Oct 14-Mar 16	INR	203.96	179.42	1,080.19	696.81	-	20.35	(25.70)	0.02	(25.69)	-	71.43%
52	Satluj Renewable Energy Private Limited*	Oct 14-Mar 16	INR	0.01	(0.21)	0.28	0.48	-	-	(0.00)	-	(0.00)	-	100.00%
53	Sikkim Hydro Power Ventures Limited*	Oct 14-Mar 16	INR	0.01	(0.10)	0.01	0.10	-	-	0.22	(0.07)	0.15	-	100.00%
54	Segue Infrastructure Projects Private Limited*	Oct 14-Mar 16	INR	170.41	101.01	630.88	359.46	-	-	(0.05)	-	(0.05)	-	100.00%
55	Sidhi Singrauli Road Project Limited *	Oct 14-Mar 16	INR	62.74	(0.60)	122.32	60.18	-	-	(0.01)	-	(0.01)	-	100.00%
56	Tada Infra Development Company Limited*	Oct 14-Mar 16	INR	0.05	(0.18)	0.06	0.19	-	-	(0.00)	-	(0.00)	-	100.00%
57	Tangri Renewable Energy Private Limited*	Oct 14-Mar 16	INR	0.01	(0.01)	0.00	0.00	-	-	(0.00)	-	(0.00)	-	100.00%

## Names of subsidiaries which are yet to commence operations\*

Patna Highway Projects Limited  
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

## Names of subsidiaries which have been liquidated or sold during the year\*

Andhra Expressway Limited ('AEL')  
Aparna Infraenergy India Private Limited ('AIPL')  
Gorakhpur Infrastructure Company Limited ('GICL')  
Kosi Bridge Infrastructure Company Limited ('KBICL')  
Mumbai Nasik Expressway Limited ('MNEL')  
Patna Buxar Highways Limited ('PBHL')  
Pataliputra Highways Limited ('PHL')  
Rajahmundry Expressway Limited ('REL')  
Mormugao Terminal Limited ('MTL')

\* Subsidiaries of Gammon Infrastructure Projects Limited, a subsidiary of Gammon India Limited ("the Company")

**PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)  
STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES  
PART "B": ASSOCIATES AND JOINT VENTURES**

(₹ in Crore)

Sr. No.	Particulars	Details											
		Sofinter S.p.A**	Transrail Lighting Limited (TLL)	Fin est Spa ^	Eversun Sparkle Maritime Services Private Limited**	Modern Tollroads Limited**	GIPL - GI L JV	Gammon Enceer Rail (Consortium) (GEC)**	Gammon - Cons - Tensaccia - JV (GCT)				
1	Name of associates/Joint Ventures												
2	Latest audited Balance Sheet Date	31st December 2015	31st March 2016	31st December 2013	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016
3	Shares of Associate/Joint Ventures held by the company on the year end:	7,86,82,127	77,50,000	7,80,000	21,43,950	24,470	-	-	-	-	-	-	-
	No.	413.40	7.75	19.52	2.14	0.02	-	-	-	-	-	-	-
	Amount of Investment in Associates/Joint Venture												
4	Extend of Holding%	32.50%	25.00%	50.00%	30.90%	49.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	60.00%
	Description of how there is 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 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 over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	38.82	0.76	17.41	1.64	0.02	(0.27)	(0.27)	(0.27)	(0.27)	(0.27)	(0.27)	3.55
7	Profit/Loss for the year	(54.02)	0.62	-	0.39	-	-	-	-	-	-	-	2.99
	Considered in Consolidation												
	Not Considered in Consolidation												

Sr. No.	Particulars	Details											
		Gammon - Oisc Masmeastro - JV (GOM)**	Ansaldocaldia-GB Engineering Private Limited (ACGB)**	Gammon SEW(GSEW)**	Gammon CMC JV(CMC)**	GAMMON-SPSCPL JOINT VENTURE	Blue Water Iron Ore Terminal Private Limited ^	Indira Container Terminal Private Limited **	SEZ Adityapur Limited ^				
1	Name of associates/Joint Ventures												
2	Latest audited Balance Sheet Date	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	31st March 2016	30th September 2014
3	Shares of Associate/Joint Ventures held by the company on the year end:												
	No.		2,00,00,000										
	Amount of Investment in Associates/Joint Venture		20.00										19,000
	Extend of Holding%	51.00%	50.00%	90.00%	50.00%	55.00%	10.12%	50.00%	50.00%	50.00%	50.00%	50.00%	0.02
4	Description of how there is 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 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 over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Not Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	-	13.77	(0.00)	0.25	-	(0.02)	32.50	32.50	32.50	32.50	32.50	(0.01)
7	Profit/Loss for the year	1.46	3.77	(0.00)	0.02	-	-	14.19	14.19	14.19	14.19	14.19	-
	Considered in Consolidation												
	Not Considered in Consolidation												

\*\* Based on the un-audited management accounts.

^ In the absence of financial statements of BWIOTPL,SEZAL, Fin est Spa no effects are taken in these financial statements for the current period. The balances as at 30<sup>th</sup> September, 2014 are incorporated. However, these Joint Ventures/Associate 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

**DIGAMBAR C. BAGDE**  
Deputy Managing Director - T&D Division  
DIN: 00122564

Mumbai, Dated : 20 July 2016

**CHANDRAHAS C. DAYAL**  
Director  
DIN: 00178583

**AJIT DESAI**  
Chief Operating Officer  
DIN: 00105836

Mumbai, Dated : 20 July 2016

**VARDHAN DHARKAR**  
Chief Financial Officer

**GITA BADE**  
Company Secretary



**NOTES**

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Gomti River Project, Lucknow



Hinduja Power Project, Vizag



Head Race Tunnel , Bhutan



**GAMMON**

Builders to the Nation

**Gammon India Limited**

**Head Office:** Gammon House, Veer Savakar Marg,  
Prabhadevi, Mumbai 400 025, India

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**Fax:** +91 22 2430 0221 / 2430 05291

**E-mail:** [investors@gammonindia.com](mailto:investors@gammonindia.com)

**Website:** [www.gammonindia.com](http://www.gammonindia.com)

**CIN:** L74999MH1922PLC000997



**GAMMON INDIA LIMITED**

[CIN:L74999MH1922PLC000997]

Regd.Office:'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

Website:[www.gammonindia.com](http://www.gammonindia.com) Email:[investors@gammonindia.com](mailto:investors@gammonindia.com)

Tel: +91 2261153000 Fax:+91 22 24300221

**GAMMON**  
Builders to the Nation**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the **Ninety Fourth Annual General Meeting of Gammon India Limited** will be held on Wednesday, 21<sup>st</sup> September, 2016 at 3.30 P.M. at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016 together with Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the 18 (eighteen) months period ended 31<sup>st</sup> March, 2016 together with Reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Ajit B. Desai (DIN: 00105836) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 143(8) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Vinod Modi & Associates, Chartered Accountants (Firm Registration No. 111515W) and M/s. M. G. Shah & Associates, Chartered Accountants (Firm Registration No. 112561W) as the Joint Branch Auditors of "Gammon India Limited – Transmission & Distribution Business" at Nagpur and all other offices of Transmission and Distribution business wherever situated in India and abroad, to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-19 subject to ratification at each Annual General Meeting and on such remuneration as may be determined by the Board of Directors.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies payment of remuneration to Mr. R. Srinivasa Raghavan, Cost Auditor for conducting audit of cost accounting records maintained by the Company for the Company's (i) Civil Engineering Procurement and Construction business and (ii) Transmission & Distribution business as follows:

- a. ₹. 2,25,000/- (Rupees two lakh twenty five thousand only) per annum plus all applicable taxes and out of pocket expenses for the period commencing from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016
- b. ₹. 2,50,000/- (Rupees two lakh fifty thousand only) per annum plus all applicable taxes and out of pocket expenses for the financial year 2016-17

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

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

**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution.

**By Order of the Board of Directors  
For GAMMON INDIA LIMITED**

**GITA G. BADE  
Company Secretary**

**Registered Office:**

"Gammon House",  
Veer Savarkar Marg,  
Prabhadevi, Mumbai - 400 025.

Dated : 21<sup>st</sup> July, 2016

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total paid-up share capital of the Company. A member holding more than ten (10) percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.
2. Proxies to be effective should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses under Item No. 4 to 6 is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 14<sup>th</sup> September, 2016 to 21<sup>st</sup> September, 2016 (both days inclusive).
5. Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
6. Voting through electronic means:
  - (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
  - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
  - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. 13<sup>th</sup> September, 2016 may cast their vote electronically.
  - (d) The e-voting period commences at 9.00 a.m. on Sunday, 18<sup>th</sup> September, 2016 and ends at 5.00 p.m. on Tuesday, 20<sup>th</sup> September, 2016. The e-voting module shall be disabled by CDSL for voting thereafter.**
  - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
  - (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
  - (g) The Board of Directors at their meeting have appointed Mr. Vidyadhar V. Chakradeo, Practicing Company Secretary (FCS No. 3382) as the scrutinizer to scrutinize the remote e-voting process as well as voting through poll paper at the meeting in a fair and transparent manner.

**(h) Instructions for e-voting:**

**(1) In case of Members receiving Notice of the Annual General Meeting by email and who wish to vote using the e-voting facility :**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(2) In case of Members receiving Notice of the Annual General Meeting by post and who wish to vote using the e-voting facility:**

Please follow all steps from Sr. No. (ii) to Sr. No. (xix) above, to cast your vote.

7. Members are requested to carefully read the instructions and in case of any queries, you may refer to the e-voting for Members and User Manual for Shareholders to cast their votes available in the Help section of [www.evotingindia.com](http://www.evotingindia.com).
8. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
9. Facility of voting through Poll paper shall be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
10. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 13<sup>th</sup> September, 2016, may obtain the login Id and password by sending a request at [evotingindia@cdsl.co.in](mailto:evotingindia@cdsl.co.in). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "forgot User Details/ Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
11. The Scrutinizer shall within a period of 24 hours from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
12. The Results shall be declared within 24 hours of the conclusion of the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gammonindia.com](http://www.gammonindia.com) and on the website of CDSL within 24 hours and communicated to The National Stock Exchange of India Limited & BSE Limited.
13. Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM notice shall be deemed to be passed on the date of the AGM i.e. Wednesday, 21<sup>st</sup> September, 2016.
14. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
15. Pursuant to Section 205A of the Companies Act, 1956, the dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the Company has transferred Final Dividend for the financial year 2007-08 amounting to

₹ 228,685/- to Investor Education and Protection Fund (IEPF) on 21<sup>st</sup> November, 2015 which was due and payable and remained unclaimed and unpaid for a period of seven years.

The Company will be transferring dividend to IEPF as per the following schedule:

Financial Year	Type of Dividend	Tentative date of transfer to IEPF
2008-2009	Final Dividend	17 <sup>th</sup> December, 2016
2010-2011	Interim Dividend	21 <sup>st</sup> October, 2017
2009-2010	Final Dividend	30 <sup>th</sup> November, 2017
2010-2011	Final Dividend	29 <sup>th</sup> October, 2018
2011-2012	Final Dividend	28 <sup>th</sup> November, 2019

16. Members/ Proxies should bring the enclosed attendance slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report.
17. Members can avail nomination facility as per the provisions of Section 72 of the Companies Act, 2013 for registering their nomination which has to be submitted in Form SH-13. In case of cancellation of earlier nomination and registering fresh nomination, the information has to be submitted in Form SH-14. Members holding shares in physical mode are requested to submit their nomination forms to the Registrar and Share Transfer Agents and members holding shares in demat mode may obtain the nomination forms from their depository participant.
18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
19. Electronic copy of the Notice along with the Annual Report is being sent to all the members whose email ids are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
20. Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar & Transfer Agents, M/s. Link Intime India Private Limited by sending an email to [gammonindiagogreen@linkintime.co.in](mailto:gammonindiagogreen@linkintime.co.in) along with details like Name, Folio No. etc.
21. Members are requested to send their queries, if any, at least 10 (ten) days before the Annual General Meeting, so as to enable the Board to keep the information ready.
22. The shareholders are requested to address their correspondence to the Registrar & Share Transfer Agent viz. M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078.
23. Members may also note that the Notice of the 94<sup>th</sup> Annual General Meeting and the Annual Report for the eighteen (18) months period ended 31<sup>st</sup> March, 2016 will be available on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com). Physical copies of the aforesaid documents will be available at the registered office for inspection during normal business hours on working days.

## **ANNEXURE TO NOTICE**

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 4 to 6 of the accompanying Notice dated 21<sup>st</sup> July, 2016.

### **Item No. 4:**

Members had, at the 92<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> June, 2014, approved the appointment of M/s. Vinod Modi & Associates, Chartered Accountants (Firm Registration No. 111515W) and M/s. M. G. Shah & Associates, Chartered Accountants (Firm Registration No. 112561W) as the Joint Branch Auditors of 'Gammon India Limited – Transmission & Distribution Business Nagpur' and all other branch offices of the Transmission and Distribution business ("T&D") wherever situated until the conclusion of the Annual General Meeting to be held for the financial year 2018-19, on such remuneration to be determined by the Board of Directors.

Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 states that appointment of the auditor shall be subject to ratification by the members at every Annual General Meeting till the expiry of the term of the Auditor. In view of the above, the appointment of M/s. Vinod Modi & Associates, Chartered Accountants and M/s. M. G. Shah & Associates, Chartered Accountants as the Joint Branch Auditors of T&D business and all other branch offices of T&D Business wherever situated in India or outside India, from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-19 is being placed for members ratification.

The Board recommends the passing of the Ordinary Resolution at Item No.4 of the accompanying Notice for members approval.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

### **Item No.5:**

Members are hereby informed that in the Audit Committee meetings held on 4<sup>th</sup> December 2014, 13<sup>th</sup> February, 2015 and 20<sup>th</sup> July 2016 has appointed Mr. R. Srinivasa Raghavan as the Cost Auditor of the Company for the financial years commencing from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 and financial year 2016-17 to conduct audit of cost accounting records maintained by the Company in respect of the Company's (a) Civil Engineering, Procurement and Construction business and (b) T&D business at Butibori and Baroda on the following remuneration:

- a. ₹. 2,25,000/- (Rupees two lakh twenty five thousand only) per annum plus all applicable taxes and out of pocket expenses for the period commencing from 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016;
- b. ₹. 2,50,000/- (Rupees two lakh fifty thousand only) per annum plus all applicable taxes and out of pocket expenses for the financial year 2016-17;

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

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

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

### **Item No. 6**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 6 of the accompanying Notice for members approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

**By Order of the Board of Directors  
For GAMMON INDIA LIMITED**

**GITA G. BADE  
Company Secretary**

### **Registered Office:**

"Gammon House",  
Veer Savarkar Marg,  
Prabhadevi, Mumbai - 400 025.  
Place : Mumbai  
Dated : 21<sup>st</sup> July, 2016

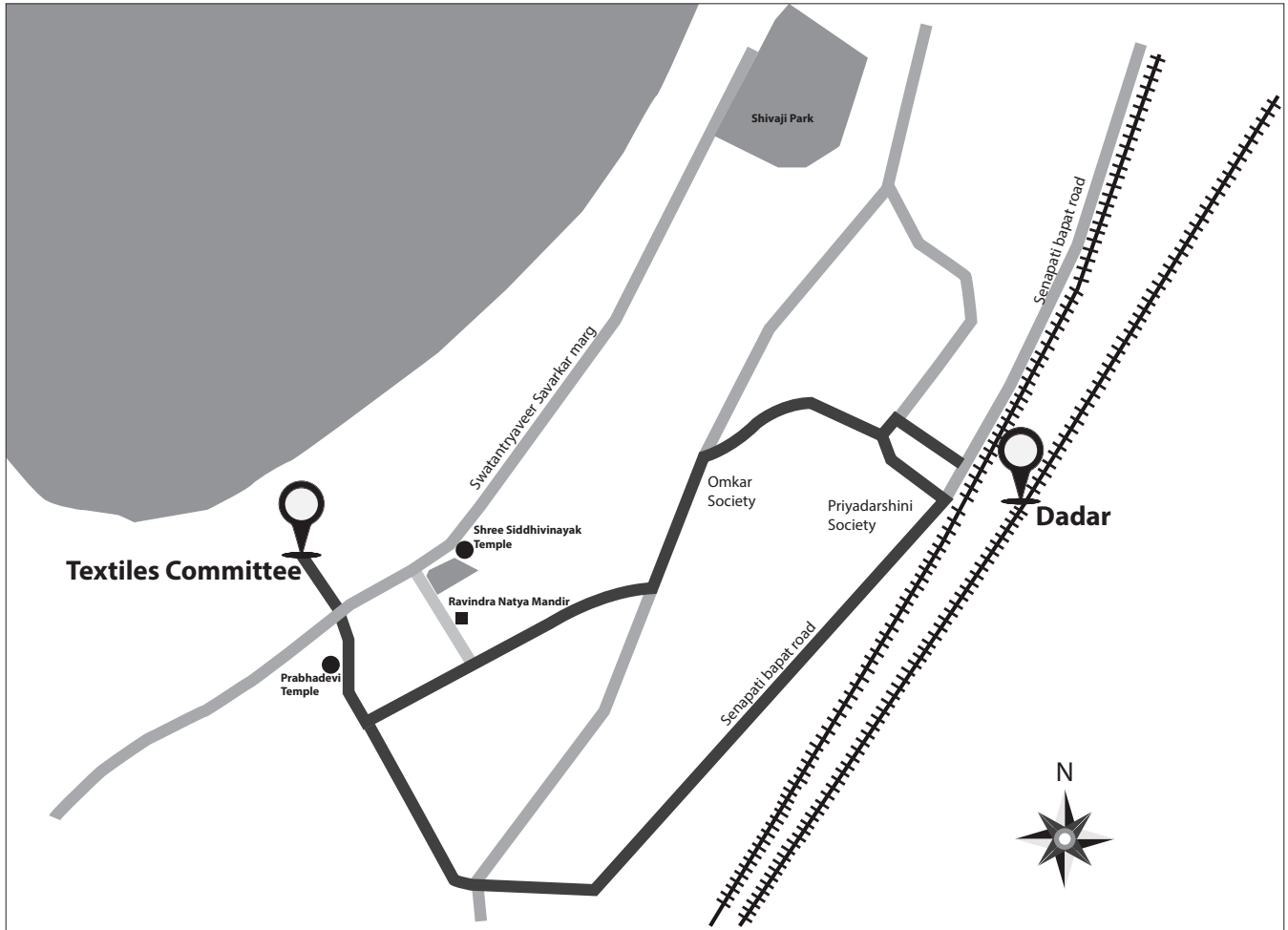


**Details of the Director seeking re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

<b>Name of the Director</b>	<b>Mr. Ajit B. Desai</b>
Age (years)	59
Qualification	B.E. (Civil), Management Programme from IIM-Ahmedabad.
Brief Resume / Nature of Expertise in functional areas	Mr Ajit B. Desai has vast experience in construction management. He joined the Company as a Junior Engineer in 1979 and since then has been working in the Company for over 35 years. He has rich experience in executing several major projects. Mr. Desai has managed projects in various sectors such as Roads, Ports, Power, Urban Infrastructure and Industrial & Residential Construction. which included Vizag Seaport, Kalpakkam Nuclear Project, Parbati Hydroelectric Power Plant and many private sector power plants. The value of projects handled by Mr. Desai varied from ₹ 100 crores to ₹ 900 crores.
Relationships between directors inter-se	None
Directorships held in other Companies (excluding foreign companies, private companies and companies registered under Section 8 of the Companies Act, 2013)	1. Gactel Turnkey Projects Limited 2. Gammon Realty Limited 3. Patna Water Supply Distribution Network Pvt. Ltd.
Memberships/ Chairmanships of committees of other public companies.	NIL
Shareholding (No. of shares)	4,500

**ROUTE MAP FOR VENUE OF 94<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025





**GAMMON**  
Builders to the Nation

# FORM NO. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## GAMMON INDIA LIMITED

[CIN:L74999MH1922PLC000997]

Regd. Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

Website: [www.gammonindia.com](http://www.gammonindia.com) Email: [investors@gammonindia.com](mailto:investors@gammonindia.com)

Tel: +91 2261153000 Fax: +91 22 24300221

Name of the Member(s): _____
Registered Address: _____
E-mail Id: _____
Folio No/ Client Id: _____
DP ID: _____

I/ We, being the member(s) of \_\_\_\_\_ shares of **Gammon India Limited**, hereby appoint

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E- mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E- mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E- mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 94<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 21<sup>st</sup> day of September, 2016, at 3.30 P.M. at **Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1	Adoption of Audited Standalone and Consolidated Financial Statements for the eighteen (18) months period ended 31 <sup>st</sup> March, 2016 alongwith Reports of Board of Directors and Auditors thereon.
2	Appointment of Director in place of Mr. Ajit B. Desai, Executive Director and CEO (DIN: 00105836) who retires by rotation and being eligible, offers himself for re-appointment.
3	Ratification of appointment of M/s Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W) as the Statutory Auditors of the Company.
4	Ratification of appointment of M/s. Vinod Modi & Associates Chartered Accountants (Firm Registration No. 111515W) & M/s. M. G. Shah & Associates Chartered Accountants (Firm Registration No. 112561W) as the Joint Branch Auditors of "Gammon India Limited –Transmission Business" at Nagpur and other offices of T&D business located in India and abroad.
5	Ratification of payment of remuneration to the Cost Auditor viz. Mr. R. Srinivasaraghavan for the financial period ended 31 <sup>st</sup> March, 2016 and financial year 2016-17.
6	Special Resolution under Section 20 of the Companies Act, 2013 authorising Company to charge for service of documents to members of the Company.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2016

**Signature of shareholder**



**Signature of Proxy holder(s)**

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

## **GAMMON INDIA LIMITED**

[CIN:L74999MH1922PLC000997]

Regd. Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

Website: [www.gammonindia.com](http://www.gammonindia.com) Email: [investors@gammonindia.com](mailto:investors@gammonindia.com)

Tel: +91 2261153000 Fax: +91 22 24300221

## **ATTENDANCE SLIP**

(To be filled in and handed over at the entrance of the meeting hall)

I, hereby record my presence at the 94<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 on Wednesday, 21<sup>st</sup> day of September, 2016, at 3.30 P.M.

Full Name of the *Shareholder/Proxy (in Block Letters)	
Folio No. or Client / DP ID No.:	
No. of Shares held:	

**Signature of Shareholder/Proxy**

\*Strike out whichever is not applicable

**NOTE:**

Members who have multiple folios/demat accounts with different joint holders may use copies of this attendance slip. Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.

# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Registered Office: R:F,3rd:W P: HAMILTON HOUSE,  
J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

Annexure P2

## DIRECTORS' REPORT

Your Directors submit their 6<sup>th</sup> (sixth) Annual Report together with the Audited Accounts of the Company for the eighteen (18) months period ended 31<sup>st</sup> March, 2016.

### 1. FINANCIAL OPERATIONS & STATE OF AFFAIRS OF THE COMPANY:

Particulars	31 <sup>st</sup> March, 2016	30 <sup>th</sup> September, 2014
Total Revenue	-	-
Other Income	950,044	-
Total Expenses	569,310	(76,619)
Profit before tax	380,734	(76,619)
Tax expense	127,390	-
Profit after tax	222,390	-

Your Directors are continuously looking for new avenues for the future growth of the Company.

### 2. DIVIDEND AND RESERVES

In view of the loss incurred during the eighteen (18) months period ended 31<sup>st</sup> March, 2016, your Directors regret their inability to recommend any Dividend. No amount has been transferred to any reserves.

### 3. PUBLIC DEPOSITS:

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

### 4. CHANGE OF NAME

Pursuant to the shareholders' approval obtained at the Extra-Ordinary General Meeting, the name of the Company was changed from 'SAE TRANSMISSION INDIA LIMITED' to 'GAMMON TRANSMISSION LIMITED' with effect from 31<sup>st</sup> August, 2015.

### 5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

### 6. PARTICULARS OF EMPLOYEES:

During the financial period or any part of it, the Company has not employed any employee in receipt of remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 7. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:

Mr. Digambar Bagde, Mr. Naval Choudhry and Mr. Kailash Kumar Agarwal are the Directors of the Company.

Mr. Kailash Kumar Agarwal, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

True Copy



CIN: U45204MH2009PLC195888  
Corporate Office: AT A-201/209, BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072



K. K. Agarwal

# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Registered Office: R:F,3rd:W P: HAMILTON HOUSE,  
J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

## 8. NUMBER OF MEETINGS OF THE BOARD

During the eighteen (18) months period ended 31<sup>st</sup> March, 2016, nine (9) Board meetings were held on 19<sup>th</sup> December, 2014, 25<sup>th</sup> February, 2015, 15<sup>th</sup> May, 2015, 17<sup>th</sup> July, 2015, 6<sup>th</sup> August, 2015, 14<sup>th</sup> August, 2015, 4<sup>th</sup> September, 2015, 31<sup>st</sup> December, 2015 and 31<sup>st</sup> March, 2016 .

## 9. AUDITORS:

The members of the Company at the 5<sup>th</sup> Annual General meeting of the Company had appointed M/s. M. G. Shah & Associates, Chartered Accountants & M/s. Vinod Modi & Associates, Chartered Accountants, Joint Statutory Auditors of the Company to hold office from the conclusion of the 5<sup>th</sup> Annual General Meeting until the conclusion of the 10<sup>th</sup> Annual General Meeting of the Company, subject to ratification of appointment at each Annual General Meeting.

A proposal for ratification of their appointment shall be placed before the members at the ensuing Annual General Meeting .

## 10. AUDITORS' REPORT:

In the opinion of the Directors, the notes to the Accounts are self-explanatory and adequately explain the matters which are dealt with by the Auditors.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and ability confirm that:

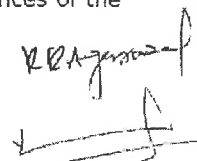
- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that Period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. RISK MANAGEMENT

The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like Government policies, macro and micro economy factors, Company financials and operations related specific factors, foreign currency rate fluctuations and related matters that may threaten the existence of the Company.

The Board is of the opinion that there are no major risks affecting the existences of the Company.

CIN: U45204MH2009PLC195888  
Corporate Office: AT A-201/209 , BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072

*RB Agaswal*  


# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Registered Office: R:F,3rd:W P: HAMILTON HOUSE,  
J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

## 13. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board is of the opinion that there exist adequate internal controls commensurate with the size and operations of the Company.

## 14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Since the Company does not have any manufacturing facility, the particulars required to be provided in respect of Conservation of Energy, Technology Absorption and Foreign exchange earnings and Outgo in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable.

## 15. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the year under review.

## 16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## 17. EXTRACT OF ANNUAL RETURN

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

## 18. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 for establishing an Audit Committee are not applicable to the Company.

## 19. NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 for establishing an Nomination and Remuneration Committee are not applicable to the Company.

## 20. CORPORATE SOCIAL RESPONSIBILITY

CSR related provisions of the Companies Act, 2013 does not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed under Section 135 of the Companies Act, 2013.

## 21. DISCLOSURE ON WOMEN AT WORKPLACE:

The provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are not applicable.

## 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is not required to establish a Vigil mechanism as per the provisions of Companies Act, 2013

## 23. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

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

CIN: U45204MH2009PLC195888  
Corporate Office: AT A-201/209, BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072



# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Registered Office: R:F,3rd:W P: HAMILTON HOUSE,  
J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

## 24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, investments and guarantees are provided in the financial statements.

## 25. TRANSACTION WITH RELATED PARTIES:

All the transactions entered into with the related parties are on arm's length and in the ordinary course of business and hence the provisions of Section 188 of the Companies Act, 2013 read with the rules framed thereunder are not applicable.

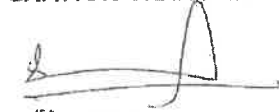
## 26. PARTICULARS OF FRAUDS, IF ANY REPORTED UNDER SUB-SECTION(12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no cases of frauds reported under Section 143(12) of the Companies Act, 2013


## 27. ACKNOWLEDGEMENT:

The Directors take this opportunity to thank shareholders, bankers and auditors for their support & co- operation to the Company. The directors wish to place on record their appreciation for dedication of employees of the Company.

FOR AND ON BEHALF OF THE BOARD  
GAMMON TRANSMISSION LIMITED



**D.C. BAGDE**  
DIRECTOR  
(DIN:00122564)



**K.K. AGARWAL**  
DIRECTOR  
(DIN:02364529)

Place : Mumbai  
Date : 5<sup>th</sup> July ,2016



# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Registered Office: R:F,3rd:W P: HAMILTON HOUSE,  
J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

Annexure "A"  
FORM NO.MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i	Corporate Identity Number (CIN)	U45204MH2009PLC195888
ii	Registration Date	18/09/2009
iii	Name of the Company	Gammon Transmission Limited
iv	Category	Company Limited By Shares
v	Sub-Category of the Company	Indian Non-Government Company
vi	Address of the Registered office and contact details	R: F, 3 <sup>rd</sup> : W P: Hamilton House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400038, Maharashtra, India
vii	Whether listed company Yes/No	No
viii	Name, Address and contact details of Registrar and transfer Agent, if any	Not Applicable

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Electric power generation by hydroelectric power plants	35101	Nil

### 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	Gammon India Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai-400025	L74999MH1922PLC000997	Holding Company	100	2(46)

CIN: U45204MH2009PLC195888  
Corporate Office: AT A-201/209, BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072

  
K. Aggarwal

# GAMMON TRANSMISSION LIMITED

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J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

## IV. 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				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
Individual/ HUF	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	49940	49940	99.88	-	49940	49940	99.88	0
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	49940	49940	99.88	-	49940	49940	99.88	0
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	-	49940	49940	99.88	-	49940	49940	99.88	0
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-

CIN: U45204MH2009PLC195888

Corporate Office: AT A-201/209, BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072



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# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Registered Office: R:F,3rd:W P: HAMILTON HOUSE,  
J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

Capital Funds									
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
<b>2.Non-Institutions</b>									
a)Bodies Corp.	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-
b)Individuals	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital upto Rs.1 lakh	-	60	60	0.12	-	60	60	0.12	0.00
ii)Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C.Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		50000	50000	100.00		50000	50000	100.00	0

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of 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	Gammon India Limited	49940	99.88	Nil	49940	99.88	Nil	-
		49940	99.88		49940	99.88		

CIN: U45204MH2009PLC195888

Corporate Office: AT A-201/209 , BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072



20/09/2009

# GAMMON TRANSMISSION LIMITED

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J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400038

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	49940	99.88	49940	99.88
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	There is no change in the Promoter's holding during the eighteen months period ended 31 <sup>st</sup> March, 2016			
	At the End of the year	-	-	49940	99.88

(iv) Shareholding Pattern of top ten Shareholders (other than directors, Promoters and Holders of GDRs and ADRs) - Not applicable

(v) Shareholding of Directors and Key Managerial Personnel : Nil

#### V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Nil

#### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

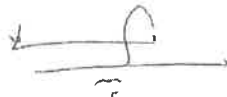
A. Remuneration to Managing director, Whole-time Directors and/or Manager - NIL

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors	Naval Choudhary	-	-	-	-
	Fee for attending board committee meetings	5000	-	-	-	5000

CIN: U45204MH2009PLC195888

Corporate Office: AT A-201/209 , BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI - 400 072

 *reassignment*

# GAMMON TRANSMISSION LIMITED

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Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
<b>Total (1)</b>	<b>5000</b>	-	-	-	-	<b>5000</b>
<b>2. Other Non-Executive Directors</b>	-	-	-	-	-	-
Fee for attending board committee meetings	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
<b>Total (2)</b>	-	-	-	-	-	-
<b>Total (B)=(1+2)</b>	<b>5000</b>	-	-	-	-	<b>5000</b>
<b>Total Managerial Remuneration</b>	<b>5000</b>	-	-	-	-	<b>5000</b>
Overall Ceiling as per the Act	Payment of sitting fees is well within the prescribed limit as per the provisions of the Companies Act, 2013					

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

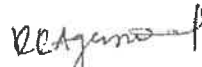
VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

FOR AND ON BEHALF OF THE BOARD

GAMMON TRANSMISSION LIMITED



**D.C. BAGDE**  
DIRECTOR  
(DIN:00122564)



**K.K. AGARWAL**  
DIRECTOR  
(DIN:02364529)

Place : Mumbai  
Date : 5<sup>th</sup> July ,2016

**CIN: U45204MH2009PLC195888**  
Corporate Office: AT A-201/209 , BOOMERANG COMPLEX,  
CHANDIVALI FARM ROAD, ANDHERI (EAST), MUMBAI – 400 072

388



**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**GAMMON TRANSMISSION LIMITED**  
(Formerly SAE Transmission India Limited)

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of GAMMON TRANSMISSION LIMITED (Formerly SAE TRANSMISSION INDIA LIMITED) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016; the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; 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 are 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.


**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



*True Copy*  


## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2015, ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of, the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 explanation given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement, if any.
  - ii. The Company did not have any long-term contracts including derivative contracts; for which there were any material foreseeable losses, and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M.G. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 112561W

For VINOD MODI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 111515W



*M.G. Shah*  
(ASHOK SHAH)  
PARTNER  
M. No. 016657



*Vinod Modi*  
(VINOD MODI)  
PROPRIETOR  
M. No. 072131

Place : Mumbai,  
Date : 05-07-2016

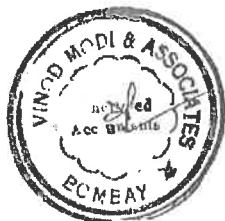
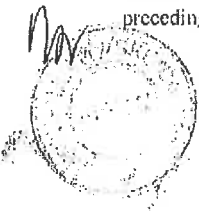


Annexure to the Independent Auditors' Report

(Referred to under "Report on other Legal and Regulatory Requirements" section of our Report of even date on the Standalone Financial Statements of Gammon Transmission Limited (Formerly SAE Transmission India Limited) for the year ended on 31<sup>st</sup> March, 2016)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that :

1. The Company has no fixed assets and hence, the provisions of clauses 3(i)(a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
2. The Company has no inventories and also no purchases and sales of goods during the year. Therefore, provisions of clauses 3(ii)(a) to 3(ii)(c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence, the provisions of clauses 3(iii)(a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder.
6. In our opinion and according to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and therefore, the provision of clause 3(vi) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.
7. (a) According to the records of the Company and the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed arrears of outstanding dues as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable, except Profession Tax of Rs. 2,500/-.
- (b) According to the information and explanations given to us, there were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess, which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the Rules made thereunder.
8. In our opinion and according to the information and explanations given to us, the Company's accumulated losses as at the end of the financial year concerned were more than fifty percent of its net worth. The Company has incurred cash loss during the financial year concerned and in the immediately preceding financial year.



9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
11. According to the information and explanations given to us, the Company has not taken any term loan during the year and hence, the provision of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.
12. Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and to the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M.G. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 112561W



*MS*  
(ASHOK SHAH)  
PARTNER  
M. No. 016657

Place : Mumbai,  
Date : 08-07-2016

For VINOD MODI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 111515W

*V. Modi*  
(VINOD MODI)  
PROPRIETOR  
M. No. 072131



**GAMMON TRANSMISSION LIMITED**

(FORMLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

Balance Sheet as at March 31, 2016  
 UIN NO. U45204MH2009PLC195888

Particulars	Notes Ref.	As at 31/Mar/16 Rs.	As at 30/Sep/14 Rs.
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	500,000	500,000
(b) Reserves & Surplus	2	(2,298,003)	(2,806,127)
(c) Money Received Against Share Warrants		-	-
		<u>(1,798,003)</u>	<u>(2,306,127)</u>
<b>2 Share Application Money Pending Allotment</b>			
		-	-
<b>3 Non-Current Liabilities</b>			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (net)		-	-
(c) Other Long Term Liabilities	3	6,129,721	6,129,721
(d) Long Term Provisions		-	-
		<u>6,129,721</u>	<u>6,129,721</u>
<b>4 Current Liabilities</b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	4	8,879,894	12,270,744
(c) Other Current Liabilities	5	2,139,546	2,131,776
(d) Short-Term Provisions		-	-
		<u>11,019,440</u>	<u>14,402,521</u>
<b>Total</b>		<u><u>15,351,159</u></u>	<u><u>18,226,115</u></u>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
		<u>-</u>	<u>-</u>
<b>(b) Non-Current Investments</b>			
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans & Advances	6	4,317,546	8,615,249
(e) Other Non-Current Assets	7	1,495,206	1,636,296
		<u>5,812,752</u>	<u>10,251,545</u>
<b>2 Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Bank Balances	8	6,618,735	2,571,540
(e) Short-Term Loans and Advances	9	2,709,684	5,403,030
(f) Other Current Assets	10	209,988	-
		<u>9,538,407</u>	<u>7,974,570</u>
<b>Total</b>		<u><u>15,351,159</u></u>	<u><u>18,226,115</u></u>

As per our Report of even date attached

As per our Report of even date attached

For M.G.SHAH & ASSOCIATES

Chartered Accountants  
FRN NO.112561W

ASHOK SHAH  
Partner  
M.No. 16657

For VINOD MODI & ASSOCIATES

Chartered Accountants  
FRN NO.111515W

VINOD MODI  
Proprietor  
M.No. 72131

For GAMMON TRANSMISSION LIMITED

D.C.BAGDE  
DIRECTOR  
DIN No - 00122564

KAILASH AGRAWAL  
DIRECTOR  
DIN No - 02364529

Place : Mumbai

Date : 05/07/2016

**GAMMON TRANSMISSION LIMITED**  
**(FORMLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)**  
Statement of Profit and Loss for the period ended March 31, 2016  
UIN NO. U45204MH2009PLC195888

Particulars	Notes Ref	31-Mar-16 Rs.	30-Sep-14 Rs.
I Revenue from Operations ( Gross)			
Less : Excise Duty		-	-
Revenue from Operations ( Net)		-	-
II Other Operating Revenue		-	-
III Other Income	11	950,044	-
IV Total Revenue ( I+II+III )		<u>950,044</u>	<u>-</u>
V Expenses:			
Cost of Materials Consumed		-	-
Purchase of Stock in Trade		-	-
Changes in Inventories of FG & WIP		-	-
Employee Benefit Expenses		-	-
Finance Cost		-	-
Depreciation & Amortisation		-	-
Contract / Other Expenses	12	569,310	(76,619)
Total Expenses		<u>569,310</u>	<u>(76,619)</u>
VI Profit Before Exceptional and Extraordinary Items and Tax (IV-V)		380,734	76,619
VII Exceptional Items		-	-
VIII Profit Before Extraordinary Items and Tax (VI-VII)		380,734	76,619
IX Extraordinary Items		-	-
X Profit Before Tax (VIII-IX)		380,734	76,619
XI Tax Expense		(127,390)	-
1. Current Tax		95,000	-
2. Deferred Tax		-	-
3. Short / (Excess ) Provisions for earlier years		(22,390)	-
XII Profit for the period from Continuing Operations (X-XI)		508,124	76,619
XIII Profit/(Loss) from Discontinuing Operations		-	-
XIV Tax Expense of Discontinuing Operations		-	-
XV Profit/(Loss) from Discontinuing Operations after Tax		-	-
XVI Profit for the period ( XII+XV)		508,124	76,619
XVII Earnings per Equity Share:			
Basic		10.16	1.53
Diluted		10.16	1.53
Par Value		10	10

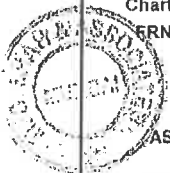
As per our report of even date attached.

As per our report of even date attached.

For M.G.SHAH & ASSOCIATES  
Chartered Accountants  
FRN NO.112561W

For VINOD MODI & ASSOCIATES  
Chartered Accountants  
FRN NO.111515W

For GAMMON TRANSMISSION LIMITED



ASHOK SHAH  
Partner  
M.No. 16657



VINOD MODI  
Proprietor  
M.No. 72131

*[Signature]*

D.C.BAGDE  
DIRECTOR  
DIN No - 00122564

*[Signature]*

KAILASH AGRAWAL  
DIRECTOR  
DIN No - 02364529

Place : Mumbai  
Date : 05-07-2016

**GAMMON TRANSMISSION LIMITED**  
(FORMLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)  
UIN NO. U45204MH2009PLC195888

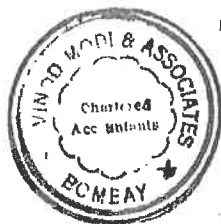
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2016**

Particulars	Eighteen months Ended 31st March 2016		Nine months Ended 30th September 2014	
	Rs.		Rs.	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit Before Tax		380,734		76,619
Adjustments for:				
Depreciation/ Amortisation		-		-
Loss on Sale of Fixed Assets		-		-
Provision for Doubtful Debts		-		-
Prior Period Expenses		-		-
Profit on Sale of Investments		-		-
Rent Income		-		-
Dividend Income		-		-
Interest Income		-		-
Interest Paid		-		-
Employee Stock Options granted		-		-
Sundry Balances Written Off / (Back)		-		-
Any other item (specify nature)		-		-
Operating Profit Before Working Capital Adjustment		380,734		76,619
Adjustment for Changes In Working Capital:				
Trade and Other Receivables		6,922,151		19,000
Inventories		(3,383,080)		1,562,851
Current Liabilities and Provisions		-		-
Cash Flow Generated from Operations		3,919,805		1,658,470
Income Tax and Fringe Benefit Tax Paid		(27,390)		(20,000)
Net Cash Flow from Operating Activities	(A)	4,047,195		1,638,470
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets (Including Goodwill)		-		-
Purchase of Investments		-		-
Sale of Investments		-		-
Sale Proceeds of Fixed Assets		-		-
Rent Received		-		-
Dividend Received		-		-
Interest Received		-		-
Any other item (specify nature)		-		-
Net Cash Flow from Investing Activities	(B)	-		-
<b>C. Cash Flow From Financing Activities</b>				
Proceeds from (Repayment of ) Borrowing - Secured Loan		-		-
Proceeds from (Repayment of ) Borrowing - Unsecured Loan		-		-
Interest Paid		-		-
Proceeds from issue of Share Capital		-		-
Share Issue Expenses		-		-
Dividend paid		-		-
Any other item (specify nature)		-		-
Net Cash Flow From Financing Activities	(C)	-		-
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)		4,047,195		1,638,470
Cash & Cash Equivalent at the beginning of the year		2,571,540		933,070
Cash & Cash Equivalent at the end of the year		6,618,735		2,571,540
Net Increase in Cash and Cash Equivalent		4,047,195		1,638,470

As per our attached report of even date

As per our attached report of even date

For M.G.SHAH & ASSOCIATES  
Chartered Accountants  
FRN NO.112561W



ASHOK SHAH  
Partner  
M.No. 16657

For VINOD MODI & ASSOCIATES  
Chartered Accountants  
FRN NO.111515W

VINOD MODI  
Proprietor  
M.No. 72131

For GAMMON TRANSMISSION LIMITED

D.C.BAGDE  
DIRECTOR  
DIN No - 00122554

KAILASH AGRAWAL  
DIRECTOR  
DIN No - 02364529

Place : Mumbai  
Dated : 05.07.2016

GAMMON TRANSMISSION LIMITED

OTHER NOTES

1 Share Capital:

(a)	Particulars	As at 31st Mar-2016	As at 30th Sept-2014
		Rs.	Rs.
	Authorised Share capital 50000(50000) Equity Shares of Rs 10 each	5,00,000	5,00,000
	Issued, Subscribed & Paid up capital 50000 (50000) equity shares of Rs 10 each fully paid up	500,000	500,000
	<b>Total</b>	<b>500,000</b>	<b>500,000</b>

(b) Reconciliation of number of shares outstanding

Sr No.	Particulars	As at 31st Mar-2016		As at 30th-Sep-2014	
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
1	As at the beginning of the year	50,000	500,000	50,000	500,000
	Add:				
2	Issued during the year	-	-	-	-
3	Issued as bonus shares during the year	-	-	-	-
	Less:				
4	Bought back during the year	-	-	-	-
5	As at the end of the year	50,000	500,000	50,000	500,000

(c) Names of shareholders holding Equity Shares more than 5%

Sr No.	Particulars	As at 31st Mar, 2016 (Number of Shares)		As at 30th Sep, 2014 (Number of Shares)	
		Equity Shares	%	Equity Shares	%
1	Gammion India Limited	50,000	100	50,000	100

2 Reserves & Surplus

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
<b>Other Reserves</b>		
a) Surplus		
Per Last Balance Sheet	(2,806,127)	(2,862,745)
Add: Profit / Loss for the year	508,124	56,619
Less: Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance as at the end of the year	(2,298,003)	(2,806,127)
<b>Total</b>	<b>(2,298,003)</b>	<b>(2,806,127)</b>

3 Other Long Term Liabilities

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
<b>Trade Payables</b>		
Micro, Small & Medium Enterprises		
Others	6,129,721	6,129,721
<b>Total</b>	<b>6,129,721</b>	<b>6,129,721</b>

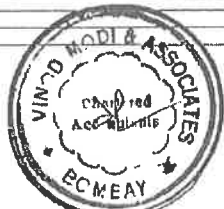
4 Trade Payables

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
<b>Trade Payables</b>		
Micro, Small and Medium Enterprises		
Others	8,879,894	12,270,744
<b>Total</b>	<b>8,879,894</b>	<b>12,270,744</b>

4.1 On the basis of information and documents available with the Company, the Company has not received any information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2008 and therefore, disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the said Act have not been given.

5 Other Current Liabilities

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
Advances from Customers	2,016,662	2,016,662
Duties & Taxes	-	5,000
Other Liabilities	122,884	110,114
<b>Total</b>	<b>2,139,546</b>	<b>2,131,776</b>



Handwritten signature and initials.

6 Long Term Loans and Advances:-

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
Other Deposits		
Unsecured, considered good	25,000	25,000
Other Loans And Advances	3,128,822	7,426,525
Taxes Paid Net of Provisions	1,163,724	1,163,724
Statutory Dues Receivable	4,317,546	6,616,249
<b>Total</b>		

7 Other Non-Current Assets

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
Trade Receivables - Holding Company	1,495,206	1,636,296
<b>Total</b>	1,495,206	1,636,296

8 Cash and Bank Balances

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
a) Cash and Cash Equivalents	6,618,735	2,671,549
(i) Balances with banks	6,618,735	2,671,640
<b>Total</b>		

9 Short Term Loans and Advances:-

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
Advances recoverable in cash or kind		
Advance to Vendor's	2,709,684	5,403,030
<b>Total</b>	2,709,684	5,403,030

10 Other Current Assets

Particulars	As at 31 Mar, 2016 Rs.	As at 30 Sep, 2014 Rs.
Interest Receivable	209,988	-
<b>Total</b>	209,988	-

11 Other Income:

Particulars	31-Mar-16 Rs.	30-Sep-14 Rs.
Interest on Income Tax Refund	933,044	-
Other Income	17,000	-
<b>Total</b>	950,044	-

12 Contract / Other Expenses

Particulars	31-Mar-16 Rs.	30-Sep-14 Rs.
Prior Period Expenses	550,958	-
Foreign Exchange Loss	(100,822)	(369,732)
Interest on Late payment of Income Tax	10,853	-
Directors Sitting Fees	6,000	-
ROC Filing fees	14,236	-
Other Expenses (None of which individually forms more than 1% of the Operating Revenue.)	9,196	245,697
Remuneration to Auditors	79,886	67,416
- Audit Fees	589,310	(76,619)
<b>Total</b>		

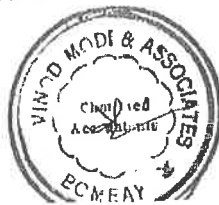
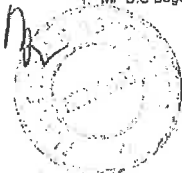
13 During the warranty period of the contracts, the company may have to incur cost. On the basis of technical assessment of the cost to be incurred, the company is of the view that no further provision is required for any foreseeable expenditure/ contingencies. Being a technical matter, the auditors have relied on certification from management in this regard.

14 Disclosure as required by Accounting Standard - AS 18 on Related Parties.

I Relationships:

- Gannon India Limited (GIL) : Holding company
- SAE Powerlines, Sri,Italy-Foreign -Step Down Subsidiary (SAE)
- Key Management Personnel and their relatives:

1. Mr. D.C Bagde



*[Handwritten signature]*  
R. Agasth

II Related Party Transaction with :-

Particulars	31.03.2016 Rs.	30.09.2014 Rs.
a) Gammon India Ltd (T & D Division)		
i) Advance outstanding	2,709,664	2,709,664
ii) Creditors outstanding	1,681,708	1,691,709
iii) Advances received outstanding	2,016,662	2,016,662
iv) Debtors Received/adjusted	-	3,081,444
v) Creditors paid /adjusted	141,090	-
vi) Receivables outstanding	1,495,206	1,636,295
vii) Outstanding Creditors		
b) SAE Powerline Sri,Italy		
i) Payables Adjusted	(438,136)	389,732
ii) Payables outstanding	4,696,515	4,258,379

15 Disclosure as required by AS-7 "Construction Contracts"

	31.03.2016 Rs.	30.09.2014 Rs.
a) Contractual Revenue Recognized	Nil	Nil
b) <u>Disclosures for Contracts in progress as at the year end:</u>		
i) Aggregate amount of cost incurred	Nil	Nil
ii) Profit recognized (Net of Losses recognized)	Nil	Nil
iii) Advances received	Nil	Nil
iv) Retention receivables	5,167,396	5,167,396
v) Amount due from customer for contract work	Nil	Nil
vi) Amount due to Customer for contract work	Nil	Nil

- 16 a) As per information and explanation given to us as the number of employees were less than 10, the disclosure requirement of AS-15 ( Revised) is not applicable to company.
- b) As per Information and Explanation given to us ,the provision of payment of Gratuity Act 1972 is not applicable to the Company. In view of this ,no provision for payment of Gratuity has been made .
- c) As per information and Explanation given to us , the provisions of Employer provident fund Act 1952, are not applicable to the Company.
- 17 The Company is in the execution business of Transmission line projects. The company has therefore only one reportable Segment i.e execution business of Transmission Line Projects
- 18 In the opinion of the Management, Current Assets, and Non-Current Assets other than Fixed Assets and Non-Current Investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 19 Balances of Trade receivable , Trade payables , Loans and Advances are as per the Books of Accounts of the company and are subject to confirmation and reconciliation.
- 20 The Current year figures are for period of 18 months from 1st October 2014 to 31st March ,2016 whereas the figures for previous year are for a period of 9 months from 1st January 2014 to 30th September 2014. Previous years figures have been regrouped and rearranged wherever necessary.
- 23 Significant accounting policies and practices adopted by the Company, are disclosed in the statement annexed to these Financial Statements as Annexure - I

For M.G.SHAH & ASSOCIATES  
Chartered Accountants  
FRN NO.112561W

ASHOK SHAH  
Partner  
M.No. 10657

Place : Mumbai  
Dated : 06.07.2016



For VINOD MODI & ASSOCIATES  
Chartered Accountants  
FRN NO.111515W

VINOD MODI  
Proprietor  
M.No. 72131

For GAMMON TRANSMISSION LIMITED

D.C.BAGDE KAILASH AGRAWAL  
DIRECTOR DIRECTOR  
DIN No - 00122564 DIN No - 02364529



Annexure : 1

A SIGNIFICANT ACCOUNTING POLICIES:

- a) Financial Statements have been prepared under historical cost convention on accrual basis of accounting on going concern basis.
- b) Use of Estimates: The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known.

b) REVENUE RECOGNITION:

i) Contract Revenue:

Long term contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognized by evaluation of the percentage of work completed at the end of accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job.

Price variation claims, rate differential for work done are accounted on accrual basis. Sales excites Service Tax and Works Contract Tax.

c) INVENTORIES:

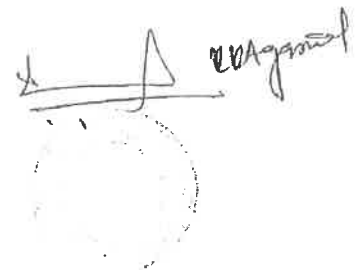
- i) Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts.
- ii) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on FIFO method.

d) CENVAT CREDIT AND VALUE ADDED TAX:

The cost of Material (inputs) is accounted at purchase cost net of excise duty and Value Added Tax, wherever applicable. The excise duty element of materials (inputs) is debited to "Modvat Credit Receivable A/c." and Value Added Tax element of materials (inputs) is debited to "VAT Credit Receivable A/c.", under the head "Debits & Advances" The excise duty and Value Added Tax payable on dispatch of goods are credited to Modvat Credit Receivable A/c. and VAT Credit Receivable A/c and excess amount, if any, is debited to excise duty and value added tax (sales tax), respectively in Profit & Loss A/c.

e) Employees' Benefits:

- 1) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- 2) Post employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.



f) DEFERRED TAXATION:

Provision for tax is made for both Current and Deferred Taxes. Deferred Tax Assets and liabilities arising on account of timing differences between the profit as per the financial statements and the profit offered for Income Tax, and which are capable of reversal in subsequent years, are recognized based on the tax rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Assets on account of brought forward losses, unabsorbed depreciation are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred Tax Assets & liabilities are reviewed as at each Balance Sheet date based on developments during the year to realize its realization/ liabilities.

g) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

h) IMPAIRMENT LOSS:

Impairment loss is recognized whenever the carrying amount of qualifying assets exceeds their recoverable amount. Recoverable amount is the higher of our asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset, based on an appropriate discount factor. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction.

Accounting policies are followed consistently from year to year.

For M. G. SHAH & ASSOCIATES

For GAMMON TRANSMISSION LIMITED

Chartered Accountants  
FIRM NO : 112561W

ASIT. M. G. SHAH  
PARTNER  
Membership No.: 16657

*(Signature)*

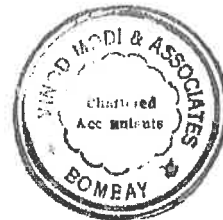
*(Signature)*  
D. C. BAGDE  
(Director)



For V. D. MODI & ASSOCIATES

Chartered Accountants  
FIRM NO : 111515W

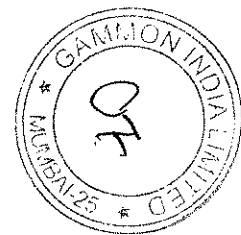
V. D. MODI  
PARTNER  
Membership No.: 72131



Place: Mumbai  
Date: 05-07-2016

**LIST OF DIRECTORS**

1. Name : Mr. Abhijit Rajan  
(Chairman & Managing Director)  
Address : Rituraj, 1, Military Road, 2, Mittal Park,  
Juhu, Mumbai - 400 049.  
DIN : 00177173
  
2. Name : Mr. Rajul A. Bhansali  
(Executive Director – International Operations)  
Address : 401, Heritage, Shirley Rajan Road,  
Bandra (West), Mumbai - 400 050.  
DIN : 00178558
  
3. Name : Mr. Ajit B. Desai  
(Executive Director & Chief Executive Officer)  
Address : E-103, Gokul Tower,  
Thakur Complex, Kandivali East, ,  
Mumbai - 400101  
DIN : 00105836
  
4. Name : Mr. Chandrahas C. Dayal  
(Independent Director)  
Address : Arun, B-7,  
Narayan Dabholkar Road,  
Mumbai - 400 006.  
DIN : 00178583
  
5. Name : Mrs. Urvashi Saxena  
(Independent Director)  
Address : 2602, Light Bridge,  
Hiranandani Meadows,  
Gladys Alwares Road,  
Thane - 400 610.  
DIN : 02021303
  
6. Name : Mr. Naval Choudhary  
(Independent Director)  
Address : B 63 / 64, Kalumal Estate  
A. B. Nair Road,  
Opp. Juhu Post Office, Juhu,  
Mumbai – 400 049.  
DIN : 00192164



409

**GAMMON INDIA LIMITED****An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com

CIN: L74999MH1922PLC000997





7. Name : Mr. Atul Kumar Shukla  
(Independent Director)  
Address : 2310-12, Samartha Aangan III B.  
Indra Darshan Sector-III,  
Off Walawalkar Marg, Oshiwara,  
Andheri (West), Mumbai – 400053.  
DIN : 00121601

**CERTIFIED TRUE COPY  
For GAMMON INDIA LIMITED**

A handwritten signature in black ink, appearing to read 'Niki Shingade', written over a horizontal line.

**NIKI SHINGADE  
COMPLIANCE OFFICER**

**Dated the 29<sup>th</sup> day of September, 2017**

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
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E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com  
CIN: L74999MH1922PLC000997



410

# GAMMON TRANSMISSION LIMITED

(FORMERLY KNOWN AS SAE TRANSMISSION INDIA LIMITED)

## List of Directors

1. Name : Mr. Digambar Chunilal Bagde  
Address : Smruddhi, 31, Loksewa Nagar,  
Bhamti Layout Nagpur - 440022  
DIN : 00122564
  
2. Name : Mr. Naval Choudhary  
Address : B/63/64 Kalumal Estate,  
A.B. Nair Road, Mumbai - 400049  
DIN : 00192164
  
3. Name : Mr. Kailash Kumar Agarwal  
Address : 386 Belilious Road 2nd Floor,  
Howrah - 711101, West Bengal  
DIN : 02364529

**For GAMMON TRANSMISSION LIMITED**



**DIRECTOR**

Dated the 27<sup>th</sup> day of September, 2017

411

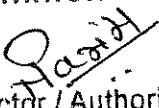
CIN : U45204MH2009PLC195888

**Registered Office:** 501 A,B,C,E Fortune 2000, Block G Bandra Kurla Complex, Bandra East Mumbai - 400051

**Details of processing fee remitted to NSE:**

Processing Fee (including service tax)	Rs. 2,36,000
TDS, if any	Rs. 20,000
Net amount remitted after TDS	Rs. 2,16,000
UTR No./Cheque/Demand Draft No.	NEFT:000033156583
Dated	28 <sup>th</sup> September, 2017
Drawn on	--
Name of the Bank	ICICI Bank
Name of the Branch	Churchgate
Branch Code	0393
Address	ICICI centre, 163 S.T Parekh Marg Reclamation Churchgate.
City Name	Mumbai - 400020
IFSC Code No.	ICIC0000393
Account No.(As appearing on cheque Book)	039305005798

For Gammon India Limited

  
Director / Authorised Signatory

**GAMMON INDIA LIMITED**

**An ISO 9001 Company**

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.  
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529  
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com

CIN: L74999MH1922PLC000997



412