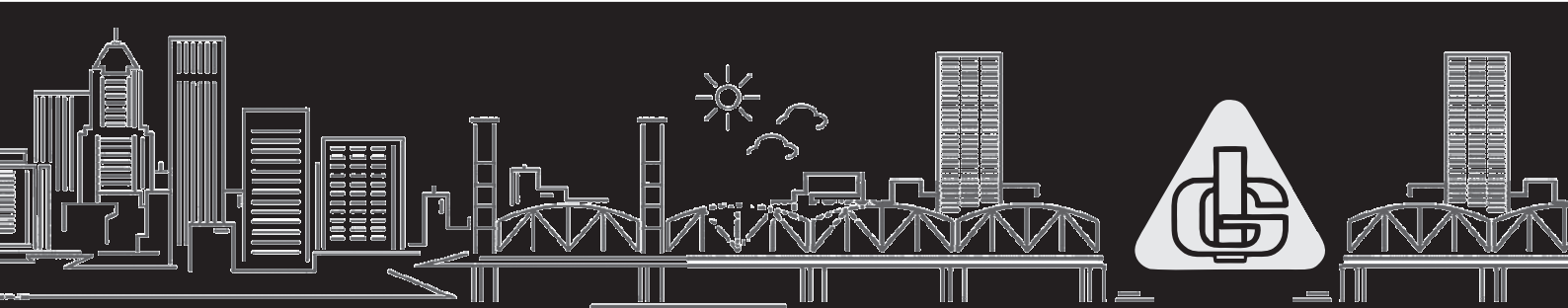


96TH

**ANNUAL REPORT
2017-2018**



GAMMON INDIA LIMITED



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Abhijit Rajan

Chairman

Mr. Jaysingh Ashar

Executive Director

Mr. Soumendra Nath Sanyal

Independent Director

Mr. Ulhas Prabhakar Dharmadhikari

Independent Director

Mr. Sugato Prosanno Ghosh

Nominee Director

Mr. Ajit B. Desai

Chief Executive Officer

Mr. Anurag Choudhry

Chief Financial Officer

Ms. Niki Shingade

Company Secretary

AUDITORS

M/s. Nayan Parikh & Co.

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS/FINANCIAL INSTITUTIONS

ICICI Bank Limited

Canara Bank

IDBI Bank Limited

Punjab National Bank

Syndicate Bank

Bank of Baroda

United Bank of India

Union Bank of India

Allahabad Bank

Bank of Maharashtra

Oriental Bank of Commerce

UCO Bank

United India Insurance

Central Bank of India

Karnataka Bank

Indian Bank

DBS Bank

Life Insurance Corporation of India

General Insurance Corporation of India

CONTENTS

Corporate Information.....	2
About Gammon Group	3
Chairman's Statement.....	4
Key Projects – KYC.....	6
Management and Discussion Analysis.....	7
Directors Report	9
Report on Corporate Governance	35
Financial Statements.....	50
Consolidated Accounts.....	118

ABOUT GAMMON GROUP

Gammon India Limited (“GIL” or “the Company”) incorporated in 1922, is an Engineering, Procurement and Construction Company. It has been amongst the largest physical infrastructure construction companies in India with a prominent presence across all sectors of Civil Engineering, Design and Construction.

GIL has a track record of building iconic landmark structures. This includes “The Gateway of India”, the piling and civil foundation work of which was successfully executed by GIL as its maiden project in 1919. GIL is also active through its operations in the realty project segment. Examples include residential complexes such as Pebble Bay and Godrej Woods Man Estate in Bangalore, Godrej Kalyan in Mumbai, Runwwal greens in Mumbai, Nathani Heights in Mumbai and hotel complexes such as Hotel Leela Palace, Chennai and G Staad, Bangalore besides commercial complexes such as Galleria Mall (INXS) in Bangalore.

GIL’s 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 Ansaldo Caldaie S.p.A)., ITEA and Europower are some companies under the Group. The Company has a substantial stake in Puma Oil Block in the Oriente basin in Ecuador.

Area of Operations:

Civil 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)
- Environmental engineering (water treatment)
- High-rise buildings

Oil Exploration and Production

Real Estate Development



CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to present to you our Company's performance for the fiscal year 2017 –18

The year 2017-18 continued to remain challenging for the Indian construction sector. Even as of Dec 2018 11.8 trillion (almost 11% of projects under implementation) of projects had status 'Implementation Stalled' as per CMIE. As you know, the policy paralysis and issues in land acquisition stalled key projects across all sectors of infrastructure over last several years. Stalled and severely delayed projects led to delay in payments, payments being withheld for no fault of contractors. Further clients did not honor arbitration awards awarded in favour of your Company and litigation went on for years. Contractors who had borrowed from banks to mobilize resources faced high interest costs, declining profitability due to massive cost overruns and extreme liquidity stress due to unavailability of credit. This has impacted all major construction and infrastructure companies including yours. The market conditions have not improved significantly.

Gammon India Limited is the first and few companies to successfully implement and exit SDR under which we have managed to resolve approx. 70% of lenders exposure. We continue to strive vigorously to meet our debt obligations and to resolve the remaining 30% of the debt. We are exploring various strategic and tactical options to reduce the debt burden and improve financial viability of the business.

However, with the release of RBI circular of February 2018, all available mechanisms and schemes for resolution of stressed assets such as SDR, S4A were withdrawn. The resulting impact of tightening of credit, following resolution mechanism enforced by RBI to reduce NPAs across sectors in banks, slowdown in decision making process and lack of collaboration among lender consortium and recent negativity surrounding a couple of highly publicized cases of bank fraud have adversely impacted resolution of stressed assets, especially in infrastructure.

However, Government at Central and State levels have undertaken various positive steps including revival of stalled projects and some sectors like road have seen large number of project awards where capital expenditure of ₹ 1.22 lakh crore has been earmarked for expansion of National Highways. Some of the measures taken by Government include:

- Increased spending in all areas of infrastructure: In Union Budget FY18-19, the total infrastructure outlay was increased by almost 21% to ₹ 5.97 lakh crore with all time high allocations made to roads, bridges and railways (₹ 148,528 crore).
- We have started seeing the effects of implementation of Arbitration and Conciliation (Amendment) Act, 2015, which facilitates faster and time bound decision making in the arbitration process. We have diligently followed up on our claims under the aegis of amended Arbitration Act and consequently GIL won awards worth ₹ 60 crores in FY2018 and ₹ 175 crores so far in 2019. We were also able to collect almost ₹ 75 crores in last 2 years against arbitration awards. We expect to receive a significant amount of funds in coming years against existing awards and pending arbitration cases.



PERFORMANCE REVIEW

During the year under review the Turnover of the Company on a standalone basis stood at ₹ 233.43 crores, as compared to ₹ 712.02 crores during the previous 12 month period ended 31st March, 2017. The Company posted a Net Loss after Tax of ₹ 1981.30 crores during the period ended 31st March, 2018, as against a Net loss after Tax of ₹ 1,659.92 crores during the previous period ended 31st March, 2017.

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at ₹ 645.41 crores as compared to ₹ 1483.92 crores for the previous 12 month period ended 31st March, 2017. The Group posted a Net Loss after Tax of ₹1,621.45 crores during the period ended 31st March 2018, as against a Net Loss after Tax of ₹ 1,153.77 crores during the previous 12 month period ended 31st March, 2017.

In its overseas operations the Company has posted a turnaround in Group Sofinter in Italy with Sofinter Group reporting a revenue of ₹ 2,681 crores and a profit after tax of ₹ 16.23 crores. However, the operation in its marginal oil-field in Ecuador continues to be under extreme stress due to lack of financial support needed to fund capex interventions due to delays in decision making by the lenders.

We shall continue to focus on monetization of non-core assets and increase liquidity of the company. During the year the Company sold land in Dombivali held by its subsidiary Metropolitan Infrahousing Pvt. Ltd. to repay ₹ 286 crores debt to lenders who held first charge on the land.

Gammon is actively working with lenders to design another resolution mechanism under the 'Sashakt' plan for resolution of stressed assets. We are in discussions with a financial investor who has submitted a proposal to lenders to resolve a significant portion of outstanding debt by reviving Gammon India's EPC operations via equity infusion, and monetization of company's claims an real estate holdings. The Company has over ₹ 3000 crores of outstanding arbitration claims which the new investor will take to conclusion to recover atleast ₹ 800 crores with possibility to collect 75% against a bank guarantee in case further the award is appealed in higher courts. The Company is actively engaging the lender consortium to obtain a buy-in for the proposal to initiate the steps required for debt resolution. We hope to obtain the required approvals from lender consortium this year and begin the journey for revival of company's EPC business wherein we shall once again aspire to assume leadership position.

ACKNOWLEDGEMENTS

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

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

With best wishes

Abhijit Rajan,
Chairman

**KEY PROJECTS – KYC****(A) Jobs Under Progress**

Sr. No.	Job Code	Name of Project / Work	Client Name	Location	Contract Value
1	9012	Package ANV2: Construction of Viaduct Including Related Works for 5.27Km length, Kolkata Metro	Rail Vikas Nigam Limited	Kolkata Project Implementation Unit, Kalighat Metro Railway Station Building (North East Corner), Third Floor, 41A, Rash Behari Avenue, Kolkata – 700026, West Bengal	₹ 309 crores
2	9218	Supply of Cement & Reinforcement Steel At NPCIL Kota-Rajasthan for Design, Engg & Const of IDCT	Nuclear Power Corporation of India Ltd. (NPCIL)	Rawatbhata Rajasthan Site, Anushakti-323303.	₹ 13.89 crores
3	8727	Kaleshwaram Project, Package Number 19, Investigation, Design and execution of water conveyor system with a capacity of 84.21 Cumecs from Tipparam Reservoir main canal – Reach - III with all associated works such as lined gravity canal, CM & CD works including distributor system. Of 25000 acres from Muhannabad (V) to Cheriyal (V) from Km 70.00 to Km 96.00.	I & CAD Department, Govt. of Telangana	Office of the Superintending Engineer, I & CADD, Kaleshwaram Project, Construction Circle No 2, Yadadri- Bhongir Dist, Telangana, 508116.	₹ 766 crores
4	9602	Balance work of Regional Water supply scheme of 199 villages and their habitation of P.S. Jawaja, Tehsil Beawar, District Ajmer on Flouride Control Project on single responsibility turnkey Basis, i.e. Design ,Build, and 1 year defect liability and 9 years Operation & Maintenance	Additional Chief Engineer (Project) Public Health Engineering Department, Ajmer (Rajasthan)	Qtr. No. II/2, PHED Colony, Vaishali Nagar, near RIICO Watch Factory, Ajmer	₹ 174.45 crores

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy in the Financial Year 2017-18

Growth of Indian economy slowed down in 2017-18 recording 6.4% growth in real gross value added (GVA). Despite this slowdown, the economy continues to remain amongst one of the fastest growing major global economies. Indian economy is expected to grow 7.3 per cent in 2018-19. India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years. Further initiatives include: lower income tax for companies with annual turnover up to ₹ 500 million; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; new measures to improve the ease of doing business; and major push to the digital economy. India also saw a marked increase in global ease of Doing Business Rankings with introduction of landmark reforms like GST and is now in the Top 100. Most hurdles relating to implementation of GST have been removed which should benefit both consumers and industry

INFRASTRUCTURE AND CONSTRUCTION SECTOR

Infrastructure industry is the 2nd largest industry in India after agriculture, accounting for about 8% of the GDP. Construction sector in India has grown by 4.3% in 2017-18. While it has still underperformed the broader economy, the growth has seen an uptick in last couple of years as compared to the lows hit between FY11-14. The Indian construction sector is expected to grow at 5.6% during 2016-20, compared to 2.9% during 2011-15. Some of the measures taken by Government of India include:

- In the Union Budget for FY18-19, the total infrastructure outlay was increased by almost 21% to ₹ 5.97 lakh crore with all time high allocations made to roads, bridges and railways (Rs 148,528 crore);
- Around 35,000 km of road construction has been approved under the Phase-1 of the Bharatmala Pariyojana at an estimated cost of Rs 5.35 lakh crore;
- Around 9,900 km of National Highways were completed in 2017-18 with pace of highway construction hitting a record of almost 27 kms per day. NHAI will consider organizing its road assets into Special Purpose Vehicles and use innovative monetizing structures like Toll, Operate and Transfer (TOT) and InvITs;
- The government also announced a programme to focus on water supply to all households in 500 cities translating to for 494 projects worth Rs 19,428 core that will be awarded; and
- Government targets "Housing for all" by 2022 with almost 1 cr houses to be built under Pradhan Mantri Awas Yojana in rural areas.

However, private investment in Indian infrastructure and construction sector is still lacking. The need is to fill the infrastructure investment gap by bringing back investor confidence in the sector and promoting financing from private investment.

REVIEW OF FINANCIAL PERFORMANCE

The year under review is a twelve (12) months period commencing from 1st April, 2017 and ending on 31st March, 2018.

During the year under review the turnover of the Company on a standalone basis stood at ₹ 233.43 crores, as compared to ₹ 712.02 crores during the previous year ended 31st March, 2017. The Company posted a Net Loss after Tax of ₹ 1,981.30 crores during the year ended 31st March, 2018, as against a Net Loss after Tax of Rs.1659.92 crores during the previous year ended 31st March, 2017.

On a Consolidated basis, the turnover of Gammon Group during the period under review stood at ₹ 645.41 crores as compared to ₹ 1,483.92 crores for the previous year ended 31st March, 2017. The Group posted a Net Loss after Tax of ₹ 1,621.45 crores during the year ended 31st March 2018, as against a Net Loss after Tax of ₹ 1,153.78 crores during the previous year ended 31st March, 2017.

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

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

SEGMENT WISE PERFORMANCE

After hiving off of the Transmission and Distribution business and major part of the Civil EPC business the Company's focus remains on resolving the outstanding debt, pursuing arbitration, receiving claims, awards and other compliance related issues. At present GIL has ongoing project each in Metro Rail, Water supply, Power sector and Irrigation sector.

The Company continues to carry on its retained Civil EPC business in cooling towers, chimneys, industrial and residential buildings, tunnels, dams etc., post the demerger of its two operating businesses. The Company currently has four major projects viz., Kolkata Metro, Supply of cement and reinforcement steel at NPCIL Kota-Rajasthan, Irrigation project at Rajasthan and Telengana.

Though the Company has requisite pre-qualification for bidding for new projects it is not able to bid for any new projects due to lack of banking support. The Company has been successful in recovering arbitration claims aggregating to ₹ 392.83 crores. The Company continues to focus on recovery of these claims. However delays in Arbitration process and appeals against awards by clients further adds to the Company's liquidity problems.



In case of Arbitration awards and the insolvency procedures are still getting dragged which is the biggest hurdle for revival of this segment. With streamlining of Arbitration awards and realization of cash flow along with expediting insolvency process, this sector will foster health growth.

It may be seen from the list of Company's on-going Arbitrations that most of the Arbitrations were started before the Amended Act 2015 came into force. The time limit of giving Award within 12 months/18 months is applicable to Arbitrations that have commenced after the Amended Arbitration Act 2015 came into force, leaving many Arbitrations which were started as early as August 2007, still pending due to administrative reasons.

In view of the long pending arbitration claims lot of claims are awarded and the Company's working capital is stuck in these claims thereby adding to the liquidity crunch.

We continue to focus remained on resolving the outstanding debt and following up with the on-going arbitrations and claims. We are hopeful that during the current financial year, we would resolve many of those past issues and should be able to revive the construction capabilities and start bidding projects especially in Water Environment, Real Estate, Power Sector and Irrigation Dept.

FUTURE OUTLOOK

The Company is making every effort to repay the debt due to lenders and to this end has submitted a restructuring proposal to the lenders, which is under consideration. The Company has received a proposal from an Investor who has evinced interest in acquiring major stake in the Company which includes debt resolution plan and infusion of funds in the company.

Details of the same have been disclosed in the Board's report.

The Company has been focusing on restructuring and carve-out of the Civil EPC business. The Company has also been successful in recovering certain arbitration claims. The Company is evaluating and exploring various courses of action for raising funds for Company's operations, including options for future restructuring. The Company is also taking efforts for disposing of its non-core assets to ensure liquidity in the Company & repayment of balance debt.

MANAGING RISK

Some of the key risks the Company manages proactively and takes steps to mitigate are as under:

- 1) The Construction Industry in general have risk of delayed collection, meeting payment obligations, timely completion of projects, long working capital cycle, settlement of claims, contractual disputes with clients etc, liquidity mismatch, thereby resulting in litigations against the Company and winding up actions.
- 2) By subletting the projects and monitoring it periodically, the risk of execution and collection are addressed to a great extent.
- 3) With respect to delayed payments from the clients, Company initiates as per the contract provision. Further legal action is taken wherever necessary.
- 4) The Company continues to review the various projects on an ongoing basis. So as to identify challenges and take steps to mitigate losses.

HUMAN RESOURCES

Post the demerger of the two business, the Company's operations have reduced substantially. The Company continues to operate with very few employees, after majority of the employees were transferred to the demerged entities, however the Company has retained senior project level employees with experience and expertise who presently manage the residual EPC business.

Due to challenges being faced by the Company, it is not able to attribute and retain employees.

INTERNAL CONTROLS

The Company remains committed to ensuring an internal control environment that provides assurance on the operations and safe guarding of its assets. The internal control 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. Management periodically assesses the effectiveness of its internal controls with a view to obviating material weaknesses.

The use of IT and ERP still continues to be the main focus point for the traceability and retrieval of the information. The Company's Audit Committee consists of Independent Director and is headed by experienced professionals. The Committee meets periodically to review the auditors' reports and their observations and make recommendations for adequacy, effectiveness of internal controls and required remedial actions if any to the Board of Directors.

CAUTIONARY STATEMENT

Statements made in the Management Discussions and 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 operation include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax law and other statutes and other incidental factors.

Directors' Report

To,

The Members of Gammon India Limited,

Your Directors have pleasure in presenting their 96th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Statutory Auditors Report thereon.

1. Review of Financial and Operational Performance:

(₹ in crores)

Particulars	Standalone		Consolidated	
	For the Financial Year ended March 31, 2018	For the Financial year ended March 31, 2017	For the Financial Year ended March 31, 2018	For the Financial year ended March 31, 2017
Profit before Other Income, Depreciation and Interest	(1538.59)	(1419.34)	(1128.22)	(292.70)
Add:				
Other Income	112.42	308.17	329.66	121.20
Less:				
Depreciation	11.77	32.65	46.39	90.44
Interest	575.91	518.90	782.81	874.97
Profit/(Loss) before Tax	(2013.85)	(1662.72)	(1627.76)	(1136.91)
Less:				
Provision for Taxation	(32.55)	(2.80)	(6.31)	16.87
Profit/(Loss) after Tax	(1981.30)	(1659.92)	(1621.45)	(1153.78)
Transferred to Minority Interest	-	-	(47.60)	(67.32)
Profit/(Loss) for the year	(1981.30)	(1659.92)	(1573.85)	(1086.46)
Add:				
Profit brought forward from the previous year	(1351.62)	315.41	(3248.59)	(2158.85)
Available for Appropriation	(3332.92)	(1344.51)	(4822.44)	(3245.31)
Appropriations:				
On Divestment of Subsidiary	-	-	(0.33)	-
Dividend (Proposed) Equity Shares	-	-	-	-
Tax on Dividend	-	-	-	-
Other Adjustments	0.20	(7.11)	2.37	(3.28)
Balance carried to Balance Sheet	(3332.71)	(1351.62)	(4820.41)	(3248.59)

- The Financial Statements for the year ended 31st March, 2018 have been restated in accordance with Ind-AS for comparative information.
- The Financial Statements are in compliance with the Ind-AS, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

The year under review is a period of 12 (twelve) months commencing from 1st April, 2017 and ending on 31st March, 2018.

During the year under review the Turnover of the Company on a Standalone basis stood at ₹ 233.43 crores, as compared to ₹ 712.02 crores during the previous F.Y. ended 31st March, 2017. The Company posted a Net Loss after Tax of ₹ 1981.30 crores during the period ended 31st March, 2018, as against a Net Loss after Tax of ₹ 1,659.92 crores during the previous FY ended 31st March, 2017.

On a Consolidated basis, the Turnover of Gammon Group during the period under review stood at ₹ 645.41 crores as compared to ₹ 1,483.92 crores for the previous F.Y. ended 31st March, 2017. The Group posted a Net Loss after Tax of ₹ 1,621.45 crores during the F.Y. ended 31st March 2018, as against a Net Loss after Tax of ₹ 1,153.77 crores during the previous F.Y. ended 31st March, 2017. The income generated during the year is from the residual EPC. Interest and finance costs continue to be high.

During the year under review the process of demerger of the two operating businesses was completed. The Transmission and Distribution business was demerged through a Scheme of Arrangement to Transrail Lighting Limited ("TLL") (duly approved by the National Company Law Tribunal on 30th March, 2017) and TLL discharged the consideration by allotting 725,000 equity



GAMMON INDIA LIMITED

shares to the Company. A part of the Civil EPC business was demerged to Gammon Engineers and Contractors Private Limited ("GECPL") (duly approved by the National Company Law Tribunal on 22nd March, 2017) and GECPL discharged the consideration by allotting 1,18,85,714 equity shares to the Company. The Company thereafter pledged its shareholding in each of the two demerged entities to the CDR lenders as security for repayment of its dues. The Company has also been successful in recovering certain arbitration claims aggregating to ₹ 392.83 crores as on 31st March, 2019.

The Company has been making every effort in settling the outstanding CDR dues. As part of the carve out of the transmission and distribution business and part of the Civil EPC business in the previous years there was a reduction in the CDR lenders exposure by ₹ 10,362 crores including funded and non-funded exposures.

After the carve out of businesses the total exposure of the lenders in the Company is ₹ 4263 crores (Fund based - ₹ 3872 crores (excluding interest) and Non-Fund Based - ₹ 391 crores).

An Investor has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are

- Gammon India would be revived as a construction company primarily in the EPC business.
- The investor will invest ₹ 50 crore as primary investment into Gammon for a minimum of 60% stake and management control
- Claims in EPC Projects will remain in the Company
- Total Debt to be assumed of ₹ 500 Crore
- The assumed debt would be restructured with a new maturity and repayment profile having an IRR of 8%
- Gammon House will be developed and sold by entering into a development agreement with leading developers. As per the estimates provided by the developers, funds to the tune of ₹ 630 crores are estimated to be available for the lenders.
- The aforementioned proposal is subject to further negotiations between the Company, its lenders and the Investor.

The said proposal has been forwarded to the lenders and is awaiting their acceptance.

CARVE OUT OF RETAINED CIVIL EPC BUSINESS

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

The Shareholders approved the slump sale on 15th May, 2017 for transfer of the retained residual EPC undertaking for a cash consideration of ₹ 10 lakhs. The Company also executed another Business Transfer Agreement for transfer of two identified civil EPC projects along with all assets, properties rights, obligations to GTL for a consideration of ₹ 6,00,00,000/- (Rupees Six crores) to be discharged by GTL by way of issue of 60,00,000 (Sixty Lakhs) equity shares of ₹ 10 each to the Company. On approval of the Scheme of Arrangement between the Company and GTL by the National Company Law Tribunal, GTL will issue 7,40,000 (Seven lakhs forty thousand) fully paid up equity shares of face value of ₹ 10/- each to GIL towards transfer of the retained Civil EPC Undertaking. The said Scheme has also received approval from the stock exchanges viz., BSE Limited and the National Stock Exchange of India Limited vide its letters dated 27th June, 2018 and 25th June, 2018. The said Scheme is filed with the Hon'ble National Company Law Tribunal, Mumbai Bench for directions for summoning meeting of shareholders and creditors. The hearing of the same is awaited.

The Board has also approved the sale of 90% of its equity stake in GTL to Transrail Lighting Limited and Ajanma Holdings Private Limited ("Investors") for a consideration of ₹ 5,00,00,000/- (Rupees Five crores only). The Board has also accepted the proposal from Transrail Lighting Limited and Ajanma Holdings Private Limited ("Investors") for investment of ₹10,00,00,000/- (Rupees Ten crores only) into GTL post the completion of the Scheme as aforementioned. Post the investment, the Investors will hold 90% and the Company will hold 10% equity stake in GTL. The demerger of the retained Civil EPC business to GTL and the proposed investment by Investor in GTL as proposed is subject to the approval of Lenders, shareholders and all other regulatory authorities.

OVERSEAS SUBSIDIARIES

Group Sofinter, Italy

Established in 1979, Group Sofinter, Italy comprises four principal Companies viz. Sofinter S.p.A., A.C. Boilers S.p.A (formerly AnsaldoCaldaie S.p.A), Europower SpA, ITEA SpA. The Group is engaged in the manufacture/EPC of packaged industrial boilers/utility/ power generation boilers respectively, catering to the oil and gas industry, industrial manufacturing and power utility plants worldwide. The Group has modern manufacturing facilities in Italy, Romania and India and a dedicated R&D facility in Italy. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity

value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is ₹ 125 crores. However on the prudent basis Company has provided ₹ 350 crores during the year against its exposure to GIBV.

Sofinter SpA

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

AC Boilers S.p.A.

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

Europower S.p.A

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

ITEA S.p.A

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

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

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

During the Financial Year ended on 31st December 2017, the group clocked a turnover of Euro194 million, EBITDA of Euro13.7 million and Profit after tax of Euro2.2million. Turnover reduction is solely attributed to the continuing problem of adequate bonding and credit lines due to the delay in finalizing a long term agreement with the Italian banks for the Group. However, better execution and control over costs helped the Sofinter Group post a higher EBITDA over the previous financial year and an after tax profit as against an after tax loss in the previous financial year. The current Standstill Agreement with the Banks. The reason for the Banks not willing to finalize a long term Agreement is due to the insistence by them on a capital increase within Sofinter group in order to enhance its Net worth to support the levels of funding sought by the Group. Consequently the Shareholders have irrevocably mandated the Board to search for a partner once the long term agreement with the Banks is signed in order to move forward on this matter.

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

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

The Macchi division engaged in the manufacture of Industrial boilers mainly in the Oil, gas and petrochemical industry witnessed a decline in order intake due partly to delays by customers notably in U.S.A in placing orders as well as the lack of bonding lines.

A.C. Boilers S.p.A has lower order bookings as well due to the banking situation.

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



GAMMON INDIA LIMITED

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

The order backlog of Group Sofinter as on 31st December 2017 is approximately €410million.

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

As pointed out in the previous period's report with the transfer of the operational assets in all respects having been completed to Bruno Presezzi S.p.A, the Commissioner has started the second phase of disposing the non-core assets of the Company. These primarily comprise of approx 60 acres of land in Legnano, Milan, buildings and some equipments within. However in view of the present market situation for disposal of property in Italy, there has been hardly any progress in disposing off the same. Meanwhile creditors in order of ranking and their dues are also being negotiated and will be paid off to the extent of amounts received from the disposal of the assets as and when these materialize. A statement of assets and liabilities prepared by the Commissioner in December, 2017 is available in terms of the procedure. No further updates to this document or Audited Financial Statements are available on the date of this report. The Company has on a prudent basis provided ₹ 171.76 crores against its exposure in FTM as on 31st March, 2018.

Campo Puma Oriente S.A. Puma Oil Block

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

There are 11 operational wells in the Puma Block. However of these only 2 wells are currently flowing with the remaining being capped awaiting interventions including water injections, artificial lift etc. as also additional CAPEX. In the absence of undertaking these procedures due to the stringent conditions for funding under SDR on Gammon there has been no progress in this direction, resulting in drop in average to approx 250 barrels of oil per day at the per barrel service fee of USD 21.50. Had these interventions taken place, these wells would have flowed approx 2000 barrels apart from an upward revision in service fees to approx USD 29 per barrel. Our attempts to identify a strategic partner to remedy the situation including complete divestment of the asset is continuing but in the context of the current production levels is proving to be a significant challenge.

The Company has already made a provision of ₹ 130 crores in March 2017 against its exposure based on internal estimates of the realisable value and further provision of ₹ 100 crores is made during March 2018.

2. Dividend

In view of the losses the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2018.

3. Reserves

No amount was transferred to Reserves for the Financial Year ended March 31, 2018.

4. Finance

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

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

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

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

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

The residual CDR debt of ₹ 4263 crores has become a Non Performing Asset with the lenders as on 30th June, 2017. During the year under review the Company has repaid part dues of Canara Bank aggregating to ₹ 286 crores (including interest) through the sale of land owned by one of its subsidiary.

5. Debentures

As on March 31, 2018 the Company had an outstanding principal balance of NCD's amounting to ₹ 289,33,89,796. Also the FITL outstanding on the NCD's was ₹ 45,36,063 which makes the total principal outstanding to ₹ 289,79,25,859. This amount is post novation/transfer of NCD's to Transrail Lighting Limited ("TLL") and Gammon Engineers and Contractors Private Limited ("GECPL") as part of the carve out of the Transmission and Distribution business into TLL and Civil EPC Undertaking into GECPL respectively. However some NCD holders have yet to approve the novation. The said debentures and interest thereon continue to remain unpaid for more than a year. Repayment of debentures is also part of the settlement proposal as mentioned above, subject to the approval of the lenders to the proposal.

6. Public Deposits

The Company has no fixed deposits under Chapter V of the Companies Act, 2013, and did not accept any further deposits during the Financial Year 2017-18.

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

Pursuant to Section 124 of the Companies Act, 2013 the Company has transferred unclaimed interim dividend for the Financial Year 2010 - 11 which remained unclaimed and unpaid for a period exceeding seven years from its due date aggregating to ₹ 2,41,168/- (Rupees Two Lakh Forty One Thousand One Hundred and Sixty Eight only) to the Investor Education and Protection Fund (IEPF) on 21st October, 2017. The Company has also transferred unclaimed Final Dividend for the financial year 2009-10 amounting to ₹ 3,68,722/- (Rupees Three Lakh Sixty Eight Thousand Seven Hundred and Twenty Two only) to the IEPF Fund on 23rd November, 2017. The Company has also transferred unclaimed and unpaid Dividend outstanding for seven or more years for the Financial Year 2010-11 amounting to ₹ 2,56,212/- (Rupees Two Lakh Fifty Six Thousand Two Hundred and Twelve) to the IEPF Fund on 16th November, 2018.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares in respect of interim dividend 2010-11, final dividend 2009-10 and 2010-11 are transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at www.gammonindia.com under the 'Investors' section.

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

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

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

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

9. Change in Nature of Business

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

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

As on date of this report no significant and material orders have been passed by the regulators or courts or Tribunals which will impact the going concern status and company's operations in future. However there are winding up petitions filed by creditors including Union Bank of India under the Insolvency and Bankruptcy Code which are in various stages of hearing. Also suits for recovery have been filed in the Debt Recovery Tribunals. To that extent the Company faces the risk of winding up.

11. Directors' Responsibility Statement

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

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and its loss for the year ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;



GAMMON INDIA LIMITED

- iv) The Directors have prepared the Annual Accounts for the year ended March 31, 2018 on a going concern basis;
- v) The Directors have laid down internal financial controls which are followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. Annual Return

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

13. Subsidiary / Associates and Joint Venture Companies

During the period under review Gammon Engineers and Contractors Private Limited ("GECPL") ("Formerly Nikias Metals Private Limited") ceased to be the subsidiary of the Company effective from 31st March, 2017. The Company had pledged its entire shareholding of 25% in each of the two demerged entities viz: Transrail Lighting Limited (TLL) and Gammon Engineers and Contractors Private Limited (GECPL), which was pledged to its CDR lenders. The lenders invoked the pledge in each of the two entities. As on 31st March, 2019 the CDR lenders invoked pledge of Company's holdings of 23.08% (131,90,833) in Gammon Engineers and Contractors Private Limited and 23.08% holding (969,526) in Transrail Lighting Limited. Balance Shares with the Company in GECPL 10,94,881 shares and in TLL 80,474 shares. Lenders dues are reduced by ₹ 90.91 Crore.

The Company had 25 subsidiaries including step-down subsidiaries, 4 Associates and 5 Joint venture companies as on 31st March, 2018.

Gammon Infrastructure projects Limited ("GIPL") ceased to be the Company's subsidiary effective from 8th August, 2017 post divestment by the Company of its stake in GIPL held through two of its wholly owned subsidiaries Gammon Power Limited and Gactel Turnkey Projects Limited. Pursuant to this all the subsidiaries and SPV's of GIPL have ceased to be the subsidiaries of the Company. However the Company continues to hold as on date 38.54% of the equity stake in GIPL through its wholly owned subsidiary Gammon Power Limited.

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

Preeti Townships Private Limited (the Company's step down subsidiary) has ceased to be the Company's step down subsidiary pursuant to sale of its stake by Gammon Realty Limited (the Company's subsidiary). Further S.A.E. Powerlines, Italy, wholly owned subsidiary of the Company in Italy has filed an application for insolvency.

14. Consolidated Financial Statements/Subsidiary Companies

The Company, its Subsidiaries, Associates and Joint Ventures have adopted Ind-AS pursuant to the Ministry of Corporate Affairs notification, notifying the Companies (Indian Accounting Standard) Rules, 2015 under Section 133 of the Companies Act, 2013. Your Company has published Ind AS Financials for the year ended March 31, 2018 along with comparable as on March 31, 2017 on a Standalone and Consolidated basis, which form part of this Annual Report.

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

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

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

15. Directors/Key Managerial Personnel

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

1. Mr. Digambar Bagde-Non Executive and Non-Independent Director resigned from the Company's Board on 11th May, 2017.
2. Mr. Chandahas Dayal resigned as the Non-Executive and Independent Director of the Company w.e.f. 29th September, 2017.
3. Mr. Ajit B. Desai ceased to be an Executive Director of the Company effective from 17th December, 2017, by virtue of expiry of his term and did not offer himself for re-appointment. However, he was appointed as a Chief Executive Officer (CEO) and a Key Managerial Person for a period of one year w.e.f. 18th December, 2017. His term was renewed for a further period of 2 years w.e.f. 18th December, 2018.

4. Mr. Chayan Bhattacharjee was appointed as Non-Executive Non-Independent Director of the Company for a period of three years w.e.f. 6th February, 2018. Mr. Bhattacharjee however resigned from the Company's Board w.e.f. 3rd August, 2018.
5. The term of Mr. Rajul Bhansali – Executive Director – International Operations expired on 29th March, 2018 and he did not seek re-appointment.
6. Mr. Anurag Choudhry was appointed as the Executive Director on 20th August, 2018 subject to the shareholders approval to hold office as such for a period of 3 years and he resigned from the Board on 18th February, 2019. The Board however seeks ratification of the remuneration paid to him during the above tenure.
7. Mr. Naval Choudhary, Mrs. Urvashi Saxena and Mr. Atul Kumar Shukla have ceased to be Independent Directors of the Company effective from 31st March, 2019, by virtue of expiry of their term of office as Independent Directors of the Company.
8. Mr. Soumendra Nath Sanyal an Independent Director has been appointed as an Additional Director effective from 1st April 2019 and holds office until the Annual General Meeting. The Board recommends his appointment as an Independent Director for a term of 5 (Five) years effective from 1st April, 2019.
9. Mr. Ulhas Dharmadhikari an Independent Director has been appointed as an Additional Director effective from 17th April, 2019 and holds office until the Annual General Meeting. The Board recommends his appointment as an Independent Director for a term of 5 (Five) years effective from 17th April, 2019.
10. Mr. Sugato Ghosh has been appointed as a "Nominee Director" duly appointed by Axis Trustee, being the Debenture trustess to hold office as such effective from 7th February, 2019.
11. Mr. Abhijit Rajan is liable to retire by rotation at the 96th Annual General Meeting. However as he suffers from disqualification under Section 164(2) of the Act, he has not offered himself for re-appointment. Hence Mr. Rajan shall hold office only until the date of the 96th AGM.
12. Mr. Anurag Choudhry has been appointed as a Chief Financial Officer and Ms. Niki Shingade as the Company Secretary of the Company w.e.f. 30th April, 2019.

As on the date of this Report, except for Mr. Abhijit Rajan, none of the existing directors suffer disqualification under the provisions of Section 164(2) of the Companies Act, 2013. Accordingly all the Directors have given a declaration to that effect.

16. Auditors

(A) Statutory Auditors

In compliance with the provisions of Section 139 of the Companies Act, 2013, the shareholders at the 95th AGM held on 21st March, 2018 approved the appointment of M/s Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) as the Statutory Auditors of the Company in place of the retiring auditors, for a period of 5(Five) years i.e. from the conclusion of the 95th AGM, till the conclusion of the 100th AGM.

Vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting has been done away with. Accordingly, no such item has been considered in the Notice of the 96th Annual General Meeting.

(B) Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013, the Board in its meeting held on 20th September, 2017 appointed Mr. R. Srinivasarghavan as the Cost Auditor of the Company, for the Financial Year ended 31st March, 2018 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only). The said payment was ratified by the members of the Company at the 95th Annual General Meeting held on 21st March, 2018. The Cost Auditors have submitted their Cost Audit Report for the financial year ended 31st March, 2018 which was taken on record by the Board and also filed with the Ministry of Corporate Affairs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 the Board in its meeting held on 30th April, 2019 has re-appointed Mr. R. Srinivasarghavan as the Cost Auditor of the Company for the financial year 2018-19 on a remuneration of ₹ 100,000 excluding out of pocket expenses and tax. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor for the aforementioned Financial Year 2018-19 is sought to be ratified by the members at the ensuing 96th Annual General Meeting.

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

M/s. Pramod Shah & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors of the Company, to conduct the Secretarial Audit of the Company for the Financial Year ended 31st March, 2018 pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time. The Secretarial Auditor's Report is annexed to this report as "**Annexure B**".



GAMMON INDIA LIMITED

The auditors have qualified the report with the following observations:

1. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable. The company has not submitted the financial statement for quarter ended September, 2017, December, 2017, March, 2018 and year ended March, 2018. However, the Management has informed us that they are in the process of uploading the same.

Board's explanation: The quarterly results for the quarters ended September, 2017 December 2017 and March 2017 were subsequently approved by the Board in its meeting held on 28th November, 2018.

With the carve outs of two operating businesses and the transfer of employees engaged therein to the demerged entities, the Company is working with skeletal staff which delayed the preparation and audit of financial results for the quarter commencing from September 2017 onwards. This delayed the preparation of financial statements.

2. As per the provisions of Section 96(1) of the Companies Act, 2013, the Company was required to conduct its 95th Annual General Meeting (AGM) on or before 30th September, 2017. The Company had applied for extension of AGM with the Registrar of Companies (ROC) to conduct their AGM on or before 30th December, 2017. The approval for the same was granted on 26th August, 2017. However, the Company was unable to conduct its AGM by 30th December, 2017 because their Financial Statements were not ready. The Company conducted its AGM on 21st March, 2018.

Board's explanation: Due to difficult times being faced including tight liquidity conditions and delayed results the company was not able to convene its AGM within the prescribed time limits.

3. As per the provisions of Section 203 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint following Whole-Time Key Managerial Personnel:
 - i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
 - ii) Company Secretary; and
 - iii) Chief Financial Officer.

As per Section 203, the Company has appointed Chief Executive Officer but has not appointed a Whole Time Company Secretary and Chief Financial Officer for the Financial Year ended 31st March 2018. However, the Management has informed us that they are in the process of appointing a Whole Time Company Secretary and Chief Financial Officer;

Board's explanation: Mr. Anurag Choudhry has been appointed as a Chief Financial Officer and Ms. Niki Shingade as the Company Secretary of the Company w.e.f. 30th April, 2019.

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

Board's Explanation: The Company has filed the Annual Performance Reports as per FEMA Circular of RBI pertaining to Overseas Direct Investments dated 13th April, 2016. The status of filing the APR's for the financial year ended 31st March, 2017 which has been filed on several dates in respect of several overseas subsidiary companies is as below:

Sr. No.	Name of the Company	Date of filing APR
1.	ATSL Holdings B.V., Netherlands	29 th March, 2017
2.	Gammon Holdings B.V., Netherlands	15 th March, 2018
3.	Gammon International B.V.,	19 th March, 2018
4.	Gammon International FZE, Dubai	13 th December, 2017
5.	P Van Eerd Beheersmaatschappij B.V.,	27 th March, 2018

17. Corporate Governance Report and Management Discussion & Analysis

A Report on Corporate Governance and Management Discussion and Analysis for the period ended 31st March, 2018, together with certificate from M/s. V. V. Chakradeo and Co., Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

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

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

Members attention is drawn to “Emphasis of Matter” stated in the Auditor’s Report dated 19th February, 2019 on the Revised Standalone Financial Statements and in the Auditor’s Report dated 19th February, 2019 on the Consolidated Financial Statements of the Company for the year ended 31st March, 2018. The Directors would like to state that the said matters are for the attention of members only and have been explained in detail in the relevant notes to accounts as stated therein and hence require no separate clarification.

19. Declaration by Independent Directors

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

20. Nomination and Remuneration Policy

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

21. Committees of the Board

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

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

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

22. Familiarization Programme for Independent Directors

The Company has in place a system to familiarize its Independent Directors with the operations of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. All the Independent Directors are updated about the ongoing events and developments relating to the Company from time to time either through presentations at board or committee meetings. 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.

23. Meetings of the Board

During the Financial Year under review, the Board of Directors of your Company met 8 (eight) times, i.e. on 11th April, 2017, 5th May, 2017, 29th August, 2017, 20th September, 2017, 20th November, 2017, 29th December, 2017, 6th February, 2018 and 6th March, 2018.

24. Audit Committee

The Audit Committee has been formed in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. During the financial year under review the Audit Committee met 7 (seven) times, i.e. on 11th April, 2017, 5th May, 2017, 29th August, 2017, 20th September, 2017, 20th November, 2017, 6th February, 2018, 6th March, 2018.

Mr. Chandrahas Dayal ceased to be the Chairman of the Audit Committee due to his resignation from the Company’s Board effective from on 29th September, 2017. Mr. Naval Choudhary was appointed as the Audit Committee Chairman vide a resolution passed by the Audit Committee at its meeting held on 20th November, 2017.

Post cessation of Mr. Naval Choudhary, Mrs. Urvashi Saxena and Mr. Atul Kumar Shukla as Independent Directors w.e.f. 31st March, 2019, Mr. Jaysingh Ashar – Executive Director, Mr. Soumendra Nath Sanyal and Mr. Ulhas Dharmadhikari – Independent Directors were appointed as members of the said Committee vide a circular resolution dated 24th April, 2019.

25. Vigil Mechanism / Whistle Blower Policy

A vigil mechanism as per the provisions of Section 177 of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has been established by adoption of “Whistle Blower Policy” for Directors and



Employees to report to the management about suspected or actual frauds, unethical behaviour or violation of the Company's code. The Whistle Blower Policy is uploaded on the company's website at www.gammonindia.com under the Investors Section.

26. Particulars of Loans, Guarantees or Investments

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

27. Particulars of Contracts/Arrangements with Related Parties

All contracts/arrangements/transactions entered into by the Company during the Financial Year ended 31st March, 2018 with the Related Parties were in the ordinary course of business and at arm's length basis. All such Related Party Transactions were placed before the Audit Committee and also the Board for its approval, wherever required. No omnibus approvals were taken during the period under review.

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

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

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

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

28. Board Evaluation

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

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 E**" and is also available on the website of the Company viz. www.gammonindia.com.

The Company has not spent any amount on CSR activities during the Financial Year ended 31st March, 2018 since the average net profits of the Company for the immediately preceding three Financial Years stood negative.

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

30. Risk Management Policy

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

31. Internal Financial Controls

The Company has devised and implemented internal control systems as are required in its business processes. The 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.

During the year, the internal controls across the Company's business processes were reviewed for adequacy and were found to be adequate.

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

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

33. Particulars of Employees

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

35. Prevention of Sexual Harassment of Women at Workplace

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

36. Reasons For Delay in AGM:

The Company filed application to seek extension of time from the Registrar of Companies, Mumbai seeking three months extension commencing from 1st October, 2018 to 30th December, 2018 for convening and holding the 96th Annual General Meeting of the Company which was approved by the ROC permitting the Company to hold the AGM on or before 30th December, 2018. However despite this the Company could not convene the AGM due to difficult times being faced including tight liquidity conditions.

36. Acknowledgement

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

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

Place: Mumbai

Date: 30th April, 2019

**Abhijit Rajan
Chairman**



Form No AOC - 1

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

Part "A": Subsidiaries

(₹ In Crore)

Sr. No.	Name of the Subsidiary	Reporting period	Reprting Currency/ Exchange Rate	Share Capital	Reserve & surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	ATSL Infrastructure Projects Limited	Apr 17 - Mar 18	INR	0.05	(0.02)	2.53	2.51	-	-	(0.00)	-	(0.00)	-	51.00%
2	Deepmala Infrastructure Private Limited	Apr 17 - Mar 18	INR	0.01	(31.85)	1,087.36	1,119.20	-	107.92	(33.11)	-	(33.11)	-	51.00%
3	Gactel Turnkey Projects Limited	Apr 17 - Mar 18	INR	5.05	(192.33)	110.96	298.24	-	6.34	(28.40)	18.04	(46.44)	-	100.00%
4	Gammon & Billimoria Limited	Apr 17 - Mar 18	INR	0.10	(3.07)	104.24	107.81	0.61	-	(0.01)	0.02	(0.03)	-	50.94%
5	Gammon Power Limited	Apr 17 - Mar 18	INR	22.55	(7.38)	2.49	94.04	106.72	-	(51.24)	-	(51.24)	-	90.00%
6	Gammon Realty Limited	Apr 17 - Mar 18	INR	20.05	(81.20)	114.66	175.81	-	-	(1.01)	0.32	(1.34)	-	75.06%
7	Gammon Retail Infrastructure Private Limited	Apr 17 - Mar 18	INR	0.05	(0.01)	0.43	0.39	-	-	(0.01)	-	(0.01)	-	99.00%
8	Metropolitan Infrahousing Private Limited	Apr 17 - Mar 18	INR	0.01	75.91	1,259.84	1,183.92	-	-	(2.76)	2.00	(4.76)	-	84.16%
9	Gammon Transmission Limited	Apr 17 - Mar 18	INR	0.05	0.00	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00%
10	Gammon Real Estate Developers Private Limited	Apr 17 - Mar 18	INR	0.01	(0.03)	0.00	0.02	-	-	(0.01)	-	(0.01)	-	100.00%
11	Preeti Township Private Limited	Apr 17 - Mar 18	INR	0.10	(0.14)	9.81	9.85	-	-	(0.01)	-	(0.01)	-	45.04%
12	Patna Water Supply Distribution Networks Private Limited	Apr 17 - Mar 18	INR	0.01	(35.71)	34.62	70.32	-	-	(6.31)	(0.00)	(6.31)	-	73.99%
13	Ansaldocaldaie Boilers India Private Limited	Apr 17 - Mar 18	INR	50.00	(67.50)	62.17	99.67	20.00	41.83	5.98	0.21	5.77	-	73.40%
14	Gammon Italy Srl	Apr 17 - Mar 18	EURO/ 80.6222	0.07	(0.20)	0.03	0.17	-	-	-	-	-	-	100.00%
15	SAE Powerlines Srl	Apr 17 - Mar 18	EURO/ 80.6222	92.72	(89.54)	213.22	210.04	-	-	-	-	-	-	100.00%
16	Gammon & Billimoria LLC	Apr 17 - Mar 18	AED/ 17.6736	1.77	(70.56)	88.89	157.68	-	81.60	1.08	-	1.08	-	49.00%
17	P.Van Eerd Beheersmaatschappij B.V., Netherlands	Apr 17 - Mar 18	EURO/ 80.6222	0.13	(137.10)	0.17	125.58	60.51	-	(12.01)	-	(12.01)	-	100.00%
18	ATSL Holdings BV, Netherlands	Apr 17 - Mar 18	EURO/ 80.6222	0.12	(167.42)	59.03	226.33	-	-	(104.56)	-	(104.56)	-	100.00%
19	Associated Transrail Structures Limited., Nigeria	Apr 17 - Mar 18	Naira/ 0.2059	0.21	(2.12)	0.00	1.91	-	-	-	-	-	-	100.00%
20	Gammon Holdings B.V., Netherlands	Apr 17 - Mar 18	EURO/ 80.6222	0.12	(493.83)	74.96	852.67	284.01	-	(102.63)	-	(102.63)	-	100.00%
21	Gammon International B.V., Netherlands	Apr 17 - Mar 18	EURO/ 80.6222	0.12	(246.79)	17.75	747.81	483.39	-	(80.81)	-	(80.81)	-	100.00%
22	Gammon International FZE	Apr 17 - Mar 18	AED/ 17.6736	0.26	(42.52)	65.12	107.38	-	-	(8.55)	-	(8.55)	-	100.00%
23	Gammon Holdings (Mauritius) Limited	Apr 17 - Mar 18	USD/ 65.0441	0.10	249.94	0.85	271.39	520.58	-	(27.78)	-	(27.78)	-	100.00%
24	Franco Tosi Meccanica S.p.A	Apr 17 - Mar 18	INR	-	-	-	-	-	-	-	-	-	-	-
25	Franco Tosi Turbines Private Limited. (FTT)	Apr 17 - Mar 18	INR	-	-	-	-	-	-	-	-	-	-	-
26	Sofinter S.p.A. *	Jan 17 - Dec 17	EURO/ 80.6222	-	-	-	-	-	-	-	-	-	-	-

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

Part "B": Associates and Joint Ventures

(₹ In Crore)

Sr. No.	Particulars	Details				
		1	Name of associates/Joint Ventures	Gammon Engineers and Contractors Pvt Ltd (GECPL)	Transrail Lighting Limited (TLL)	Gammon Infrastructure Projects Ltd (GIPL)
2	Latest audited Balance Sheet Date	31 st Mar 2018	31 st Mar 2018	31 st Mar 2018	31 st Dec 2013	31 st Mar 2017
3	Shares of Associate/Joint Ventures held by the company on the year end:					
	No. of Shares	1,42,85,714	87,50,000	36,29,99,700	7,80,000	-
	Amount of Investment in Associates/Joint Venture	49.65	26.08	490.94	19.52	-
	Extend of Holding%	25.00%	25.00%	38.54%	50.00%	51.00%
4	Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence & Control
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Not Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	254.06	242.66	522.72	17.41	(84.29)
7	Profit/(Loss) for the year					
	Considered in Consolidation	0.92	18.47	(38.93)	-	-
	Not Considered in Consolidation	-	-	-	-	-

Sr. No.	Particulars	Details			
		1	Name of associates/Joint Ventures	Gammon – Ojsc Mosmetrostroy – JV('GOM') ^{***}	Ansaldocaldaie-GB Engineering Private Limited.('ACGB') ^{**}
2	Latest audited Balance Sheet Date	31 st Mar 2018	31 st Mar 2018	31 st Mar 2018	31 st Mar 2018
3	Shares of Associate/Joint Ventures held by the company on the year end:				
	No. of Shares	-	2,00,00,000	-	-
	Amount of Investment in Associates/Joint Venture	-	20.00	-	-
	Extend of Holding%	51.00%	50.00%	90.00%	100.00%
4	Description of how there is significant influence	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	52.00	13.77	(0.00)	(0.18)
7	Profit/(Loss) for the year				
	Considered in Consolidation	(0.06)	(0.96)	(0.00)	0.00
	Not Considered in Consolidation	-	-	-	-

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

[^] In the absence of financial statements of Campo Puma Oriente S.A. and Fin esta Spa no effects are taken in these financial statements for the current period. The balances as at March 31, 2017 are incorporated. However, these joint ventures/ associates are not carrying out any operations and therefore their impact is not expected to be significant.

Unincorporated JV's.

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

Abhijit Rajan

Chairman

DIN: 00177173

Mumbai, Dated : 07 February, 2019



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31st MARCH, 2018

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

To,
The Members,
Gammon India Limited

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2018 according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable during the period of Audit);**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the period of Audit);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the period of Audit);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the period of Audit);**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS- 2).
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. *As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable. The company has not submitted the financial statement for quarter ended September, 2017, December, 2017, March, 2018 and year ended March, 2018. However, the Management has informed us that they are in the process of uploading the same.*

2. *As per the provisions of Section 96(1) of the Companies Act, 2013, the Company was required to conduct its 95th Annual General Meeting (AGM) on or before 30th September, 2017. The Company had applied for extension of AGM with the Registrar of Companies (ROC) to conduct their AGM on or before 30th December, 2017. The approval for the same was granted on 26th August, 2017. However, the Company was unable to conduct its AGM by 30th December, 2017 because their Financial Statements were not ready. The Company conducted its AGM on 21st March, 2018.*
3. *As per the provisions of section 203 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint following whole-time key managerial personnel:*
 - i) *Managing director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;*
 - ii) *Company Secretary; and*
 - iii) *Chief Financial Officer.*

As per Section 203, the Company has appointed Chief Executive Officer but has not appointed a Whole Time Company Secretary and Chief Financial Officer for the Financial Year ended 31, March 2018. However, the Management has informed us that they are in the process of appointing a Whole Time Company Secretary and Chief Financial Officer;

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

We further report that,

The Board of Directors of the Company is duly constituted as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'The Act'). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

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

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

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

Place: Mumbai

Date: 30th April, 2019



BOARDS' EXPLANATION ON AUDITORS QUALIFICATION ON FINANCIAL STATEMENTS

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

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause a. of Basis of Qualifies Opinion	We invite attention to note no 37 (c) relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is ₹ 943.08.crores (net of provisions made) as at March 31, 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2018.	Based on estimation given by the Commissioner in charge, the management believes the value of non-core assets including land is sufficient to cover external liabilities of FTM as also the exposure of the Group. However on a prudent basis Company has provided ₹100 crores. Accordingly Board has come to the conclusion that no further impairment is required for the Company.
Clause b. of Basis of Qualifies Opinion	We invite attention to note no 7, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Company has recognised further claims amounting to ₹ 140.35 crores. The aggregate amount of claims outstanding as at March 31, 2018 is ₹ 912.36 crores. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the year ended March 31, 2018.	The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.
Clause c. of Basis of Qualifies Opinion	We invite attention to note no 37(d) relating to the Company's Exposure to Campo Puma Oriente S.A. of ₹ 192.88 crores net of impairment provisions of ₹ 230 crores made based on internal estimates of asset value. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.	The company had received a valuation report for \$ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has made a provision of ₹ 230 crores against its exposure based on internal estimates of the realisable value and the management is confident that there will be no further provision required towards impairment.
Clause d. of Basis of Qualifies Opinion	We invite attention to Note 4(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 402.54 crores in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.	There are disputes in seven projects of the Company. The total exposure against these projects is ₹ 402.54 Crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
Clause e. of Basis of Qualifies Opinion	We invite attention to note no 31(iii) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of ₹ 100 crores against the exposure of ₹ 324.68 crores. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposure of ₹ 224.68 crores.	Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management is confident that there will be no further provision required towards impairment.

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

Relevant Para Nos. of The Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause a. of Basis of Qualifies Opinion	The accounts of one of the entities M/s Franco Tosi Meccanica S.p.A, Italy (FTM) in which the Holding Company owns 83.94% stake have not been audited since December 2011 for reasons mentioned in note 6B which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court, partial completion of the composition agreement where the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. In the light of what is stated in the aforesaid note, the Holding Company does not have any control over the financial and operating decisions of the said FTM. Therefore the said FTM has not been consolidated in accordance with INDAS 110 – Consolidated Financial Statements. Further the management contends that considering the status as detailed in the above-referred note the entity operates under severe restrictions, which significantly impairs its access to variable returns. The said Subsidiary has therefore been accounted as Financial Instrument accounted on Fair Value through Other Comprehensive Income. However since the financial information and other records are not available the fair value could not be determined. The funded and non-funded exposure of the group to FTM net of eliminations is ₹ 556.78 crores (net of provisions towards impairment of ₹ 422.40 crores) as at 31 st March 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets and the surplus after recovering the liability therefrom we are unable to quantify the possible further provision towards the exposure of the Group. We are also unable to determine whether the said entity carrying value is appropriate as FVTOCI and whether the effect on the consolidated loss of the Group for the year ended March 31, 2018 is appropriate.	Based on estimation given by the Commissioner in charge, the management believes the value of non-core assets including land is sufficient to cover external liabilities of FTM as also the exposure of the Group. However on a prudential basis Company has provided ₹ 100 crores. Accordingly Board has come to the conclusion that no impairment is required for the Company.
Clause b. of Basis of Qualifies Opinion	We invite attention to note no 11 (i), detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Holding Company has recognised further claims amounting to ₹ 140.35 crores. The aggregate amount of claims outstanding as at March 31, 2018 is ₹ 912.36 crores. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the consolidated financial statements for the year ended March 31, 2018.	The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.
Clause c. of Basis of Qualifies Opinion	Trade receivables, inventories and loans and advances which includes an amount of ₹ 335.89 crores in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.	There are disputes in seven projects of the Company. The total exposure against these projects is ₹ 335.89 crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
Clause d. of Basis of Qualifies Opinion	We invite attention to note no 12(d) relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of ₹ 100 crores against the exposure of ₹ 324.68 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of ₹ 832.99 crores (net of provision).	Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. However on prudent basis management has made a provision of ₹ 100 crores and management is confident that there will be no further provision required towards impairment.



<p>Clause e. of Basis of Qualifies Opinion</p>	<p>a. The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered , as follows.</p> <ol style="list-style-type: none"> i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financial statements for the year ended 31st December 2017 has been not received. There are no audited financial statements after 31st December 2011. ii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 1087.36 crores and total revenues of ₹ 39.29 crores. iii. M/s SAE Powerlines S.r.L, Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, a wholly owned subsidiary of the Company whose financial statements for the year 31st December 2017 has been not received. iv. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 160.30 crores, Revenue of ₹ NIL crores for the year ended March 31, 2018, the groups share in the Revenue being ₹ NIL crores. The JV is accounted on equity method. <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 financials statements.</p>
<p>Clause f. of Basis of Qualifies Opinion</p>	<p>The auditors of three subsidiaries of the Company have qualified their auditors' report as follows:</p> <ol style="list-style-type: none"> i. <i>Ansaldo Caldaie Boilers India Limited:</i> <ul style="list-style-type: none"> - <i>"In respect to the investment and other exposure of the Company in Ansaldo GB Engineering Pvt Ltd aggregating to ₹ 20 crores, the management has indicated a possible resolution plan due to which in the opinion no impairment will be required presently. In the absence of definitive resolution plan, we are unable to opine whether any provision towards impairment is required towards the exposure of the Company in the said Ansaldo GB Engineering Pvt Ltd.</i> - <i>ACBI had received amounts as share application money of ₹ 16.64 crores for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The RBI vide its letter dated August 16, 2018 has asked the company to refund the money. The company has applied to RBI asking them to reconsider their directive for reasons detailed in the aforesaid note. RBI has not responded on the matter till date. The company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities."</i> ii. <i>In the case of G&B Contracting LLC:</i> <i>"Included in accounts and other receivables is an amount of AED 2.7 million (₹ 4.77 crores) (31st march 2017:AED 2.7 million (₹ 4.76 crores)) , Which due to the Company as a sub-contractor. Since the company has back to back terms with its customer i.e. the main contractor, the recoverability of the amount is dependent on the successful outcome of the customers dispute with the main client, a matter which could potentially be referred to arbitration. In view of the foregoing, we were unable to satisfy ourselves as to the extent of the recoverability of the receivables of AED 2.7 million (₹ 4.77 crores (Previous Year AED 2.7 million ₹ 4.76 crores) and are of the view that a substantial portion thereof could be impaired."</i> iii. <i>In the case of Gammon & Billimoria Limited:</i> <ul style="list-style-type: none"> - <i>"On account of sticky advances, interest on advances given is not provided in books of accounts. Interest provision not made is of ₹ 9.62 crores</i> - <i>Interest is not paid provided on Loans outstanding in the name of Bebanco Developers Limited in view of financial loss. Company appreciates and acknowledges the right of Bebanco Developers Limited for the interest of ₹ 4.38 crores not provided in the books as and when the financial position of the company improves."</i> <p><i>Consequent effects of two qualifications are as under:</i></p> <ol style="list-style-type: none"> 1. <i>On account of non- provision of interest profits would go up by ₹ 9.61 crores.</i> 2. <i>On account of non- provision of interest on amount advance profit would go down by ₹ 4.38 crores Net effects profit would go up by ₹ 5.23 crores "</i> <i>The above would impact the Consolidated financial statement by non-provision of ₹ 4.38 crores towards the loan of Bebanco Developers Limited and to that extent consolidated profit is higher by ₹ 4.38 crores.</i> iv. <i>Incase of Patna Water Supply Private Limited:</i> The company has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of ₹ 65.85 crores. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court by the Company , pending the outcome, the amount encashed net of the unadjusted advance received from the client has been shown as current and considered good based on the legal advice received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their bankers net of advances have been shown under Current Liabilities. In view thereof we are unable to state whether the same is good and recoverable pending the outcome of the decision. 	<p>Management believes that the value of land in ACGB is sufficient to cover the investment in ACGB. ACBI has made an application to RBI for write back of the share application money received from Ansaldo Caldaie Italy. In respect of G&B Contracting LLC (GBLLC) – the management continues to be hopeful of receiving the amount from the Customer. In respect of Patna Water Supply Pvt. Ltd.(PWS)- The Company has raised final bill of encashment of Bank Guarantee aggregating to ₹ 125 crores. The Company has also invoked arbitration and appointed its arbitrator. Therefore management believes that it has a good chance of winning the arbitration and to receive the claims.</p>

Annexure "D"

NOMINATION AND REMUNERATION POLICY**1. PREAMBLE:**

The Nomination and Remuneration Committee has been re-constituted with the following members: (a) Mr. Abhijit Rajan, (b) Mr. Soumendra Nath Sanyal and (c) Mr. Ulhas Dharmadhikari and the same is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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.



GAMMON INDIA LIMITED

- 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.

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

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

D. Other duties & responsibilities:

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

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

5. COMPOSITION:

- (a) The Committee shall consists of a minimum of three (3) non-executive directors with a majority of them being independent.
- (b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (c) Membership of the Committee shall be disclosed in the Annual Report.
- (d) The term of the Committee shall continue unless terminated by the Board.

6. CHAIRMAN:

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

7. COMMITTEE MEETINGS:

- (a) The meeting of the Committee shall be held at such regular intervals as may be required.
- (b) The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.

8. COMMITTEE MEMBERS' CONFLICT OF INTEREST:

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

9. DUTIES OF THE COMPANY SECRETARY :

The Company Secretary shall:

- (a) in coordination with the Chairman of the Committee finalize agenda and arrange for the Committee meetings;
- (b) provide agenda and supporting documents to Committee members sufficiently in advance so as to enable the Committee members to prepare for the meeting;
- (c) circulate minutes of each meeting to Committee members; and
- (d) circulate copies of the minutes of the Committee meeting to the remaining Board members upon request.

Annexure “E”

COPORATE SOCIAL RESPONSIBILITY POLICY (CSR) POLICY**1. INTRODUCTION**

Pursuant to the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Rules, 2014 the CSR Policy of Gammon India Limited (“the Company”) was constituted by the Board of Directors of the Company at their meeting held on 3rd April, 2014 and further re-constituted on 30th April, 2019 to comprise of Mr. Abhijit Rajan, Mr. Soumendra Nath Sanyal and Mr. Ulhas Dharmadhikar as members of the Committee. However, the Board has power to re-constitute the Committee as and when required from time to time.

2. OBJECTIVE

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

3. CSR VISION

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

4. SCOPE

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

5. DEFINITIONS:

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

6. ROLE OF THE CSR COMMITTEE

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- e. Monitor the implementation of the CSR Policy from time to time.
- f. Such other functions as the Board may deem fit.

7. ROLE OF THE BOARD

- a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company
- b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that –



GAMMON INDIA LIMITED

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

- d. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy.
- e. If the Company fails to spend such amount the Board shall, in its report shall specify the reasons for not spending such amount
- f. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,
- g. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

8. CSR ACTIVITIES FOR IMPLEMENTATION:

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

- (a) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation [including contribution to the Swach Bharat Kosh promoted by Central Government for promotion of sanitation] and making available safe drinking water;
- (b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water:[including clean Ganga fund set-up by the Central Government for rejuvenation of river Ganga];
- (e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (f) measures for the benefit of armed forces veterans, war widows and their dependents;
- (g) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- (i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (j) rural development projects;
- (k) slum area development

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

9. CSR MONITORING AND REPORTING FRAMEWORK

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

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

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

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

10. CSR EXPENDITURE

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

11. DISCLOSURE OF THE POLICY

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

12. CSR REPORTING

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

13. FREQUENCY OF MEETINGS

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

14. QUORUM

The quorum of the meetings shall be two members.

15. CHAIRMAN

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

16. SECRETARY

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

17. MINUTES OF THE COMMITTEE MEETING

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

18. MISCELLEANOUS

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



ANNEXURE “F”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES DURING THE FY 2017-18

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

The Company’s CSR policy is framed in such a manner so as to provide a contribution for the betterment of the society where it operates, identifying and implementing the programmes mentioned in Schedule VII of the Companies Act, 2013. The Policy also defines a monitoring mechanism and delegates powers to the CSR Committee and the Board of Directors for effective implementation of the CSR activities. However, during the Financial Year ended 31st March, 2018, the Company has not undertaken any CSR projects/programs since the average net profit of the Company stood negative. The CSR policy is hosted on the Company’s website viz; www.gammonindia.com.

2. Composition of the CSR Committee.

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

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

Year	Profit/(loss) (₹ In crores)
1 st April, 2016 to 31 st March, 2017	(1,659.92)
1 st October, 2014 to 31 st March, 2016 (18 months)	100.52
1 st January, 2014 to 30 th September, 2014 (9 Months)	67.80
Total Net Profit	(1,491.60)
Average Net Profit	(497.20)

4. Prescribed CSR Expenditure (two percent of the Average Net profit as mentioned in “Item 3” above): Since the average net profit for the last three Financial Years stood negative, the Company has not spent any amount on CSR activities for the period ended 1st April, 2017 to 31st March, 2018.

5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year – Not applicable
- b. Amount unspent, if any – Not applicable
- c. Manner in which the amount was spent during the financial year :

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

*Give details of implementing agency

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 "G"

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

- 1) Ratio of remuneration of each director to median remuneration of employees for the financial Year ended 31
- st
- March, 2018

Sr. No	Name of the Director	Designation	Ratio of Directors remuneration to Median remuneration
1.	Mr. Abhijit Rajan	Chairman	Nil
2.	Mr. Rajul Bhansali*	Executive Director – International Operations	1: 16.67
3.	Mr. A.B. Desai	Executive Director and CEO	1: 16.67
4.	Mr. Chandrahas C. Dayal**	Non-Executive Non-Independent Director	1:0.3599
5.	Mr. Naval Choudhary	Non-Executive Non-Independent Director	1:0.4799
6.	Mrs. Urvashi Saxena	Non-Executive Non-Independent Director	1:0.3599
7.	Mr. Atul Kumar Shukla	Non-Executive Non-Independent Director	1:0.3599

*The term of Mr. Rajul Bhansali as the Executive Director – International Operations expired on 29th March, 2018

** Mr. Chandrahas C. Dayal resigned as the Independent Director w.e.f 29th September, 2017

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

- There is no increase in the remuneration of Directors and KMP's during the Financial Year ended 31st March, 2018

- 3) Percentage increase in median remuneration of employees is as follows:

Employee Group	Median Remuneration (in lakhs)	Increase in median remuneration %
HO Roll Employees	5.08	6.05%
Level A	40.00	-
Level B	10.66	-
Level C	4.92	-
Level D	3.53	-
LMR	2.35	No increase

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

- There are 65 employees as on 31st March 2018, 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 is as follows:

Employee Group	Average % increase in salaries for Fiscal 2018
HO Roll Employees	12.40%
LMR	0.80%

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

- The remuneration paid to employees is as per the remuneration policy of the Company.

In terms of provisions of Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and MCA Notification No. G.S.R.646(E) dated 30th June, 2016, the statement containing names of top ten employees in terms of remuneration drawn and employees drawing remuneration not less than Rs. 102,00,000 per annum and not less than Rs. 850,000 per month, if employed for a part of financial year, forms part of the Directors Report as a separate Annexure. The Directors report along with the accounts are sent to the members excluding the aforesaid Annexure. In terms of Section 136 of the Companies Act, 2013 the Annexure is open for inspection at the Registered office of the Company and shareholders interested in obtaining copy of the same may write to the Compliance Officer.



ANNEXURE “H”

PARTICULARS OF CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

- The concept of conservation of energy which was initiated remains the main focus of the Company. After demerger of T&D and Civil EPC Business of the Company, the Company has very few businesses. The principle and the bench mark set in the past continues for the residual operation such as :
 - a) Use of APFC panel and voltage regulation system.
 - b) Minimization of system losses by using the right size of fixtures.
 - c) Efficient construction equipment
 - d) Monitoring of fuel quality and reducing fuel .
 - e) Technology absorption

After demerger of two operating businesses the Company is striving to adopt the latest technology for the existing projects. The current ongoing projects are not disturbed keeping construction schedule in consideration.

- Foreign Exchange Earnings & Outgo:

Total Foreign Exchange used & earned during the year :

Particulars	Current Period	Previous Period
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	12.52 Cr	-

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 (3) and Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we furnish below the Corporate Governance Report for the Financial Year ended 31st March, 2018. The information given in this Report is as on 31st March, 2018, the changes in the Company's Management as on date is provided in the Board's Report.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS ('Board')

(a) Composition:

The Company has an optimum combination of Executive and Non-Executive Directors including one Woman Director which is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31st March, 2018, the Board of Directors comprised of 5 (five) Directors which include 1 (one) Chairman and Managing Director (Executive), 1 (one) Non-Executive Non-Independent Director and 3 (three) Non - Executive Independent Directors including a Woman Director. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

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

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

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

(b) Changes in Board Composition

During the Financial Year ended 31st March, 2018, the following changes have taken place in the Board composition:

- Mr. Ajit B. Desai ceased to be an Executive Director & Chief Executive Officer of the Company w.e.f. 17th December, 2017. However he was appointed as a Chief Executive Officer of the Company w.e.f. 18th December, 2017 for a term of one year.
- Mr. Chayan Bhattacharjee was appointed as a Non-Executive Non-Independent Director of the Company w.e.f. 6th February, 2018, however he resigned from the Board w.e.f. 3rd August, 2018.

(c) Board Meetings

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

During the Financial Year under review, the Company held 8 (eight) Board Meetings on 11th April, 2017, 5th May, 2017, 29th August, 2017, 20th September, 2017, 20th November, 2017, 29th December, 2017, 6th February, 2018 and 6th March, 2018.

(d) Directors' Attendance Record and Directorships held

The names and categories of the Directors on the Board, their attendance at Board Meetings during the Financial Year and at the last Annual General Meeting, also the number of directorships and committee memberships held by them in other Companies are given below:



Name and Designation of Director	Category of Directors	No of Board Meetings held and attended (01/04/2017 to 31/03/2018)		Attendance at the last Annual General Meeting held on 21 st March, 2018	Directorships in other Companies in India (as on 31 st March, 2018) #	Committee Positions held (other than in Gammon India Limited) ##	
		Held	Attended			Chairman	Member
Mr. Abhijit Rajan	Chairman and Managing Director	8	7	Present	1	0	0
Mr. Ajit B. Desai*	Chief Executive Officer	8	4 – As a Director 3 – As CEO	NA	-	-	-
Mr. Chayan Bhattacharjee**	Non-Executive Non-Independent Director	8	1	NA	0	0	0
Mr. Rajul Bhansali***	Executive Director – International Operations	8	5	NA	0	0	0
Mr. Digamber Bagde****	Non-Executive Non-Independent Director	8	1	NA	0	0	0
Mr. Chandrahas. C. Dayal*****	Non-Executive & Independent Director	8	4	NA	0	0	0
Mr. Atul Shukla	Non-Executive & Independent Director	8	8	Present	1	1	4
Mr. Naval Choudhry	Non-Executive & Independent Director	8	8	Present	1	0	2
Ms. Urvashi Saxena	Non-Executive & Independent Director	8	7	Present	2	0	2

* Mr. Ajit B. Desai ceased to be an Executive Director and CEO of the Company effective from 17th December, 2017, by virtue of expiry of his term. However he was appointed as Chief Executive Officer w.e.f. 18th December, 2017.

** Mr. Chayan Bhattacharjee was appointed as a Non-Executive Non-Independent Director of the Company w.e.f. 6th February, 2018.

*** Mr. Rajul Bhansali ceased to be an Executive Director – International Operations of the Company w.e.f. 29th March, 2018 by virtue of expiry of his term.

**** Mr. Digamber Bagde resigned as a Director of the Company w.e.f. 11th May, 2017.

***** Mr. Chandrahas. C. Dayal resigned as a Director of the Company w.e.f. 29th September, 2017.

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

Chairmanship/Membership of Audit Committee and Stakeholders' Relationship Committee has been considered.

(e) Information to the Board

The Board Meetings are held at the Registered Office of the Company. Agenda of the business to be transacted at each meeting is given to the Board in advance together with relevant information and explanations. The Board deliberates on every matter placed before it before arriving at a decision/approving such matters. The Company Secretary/Compliance Officer conveys the decisions of the Board to the Senior Management to initiate action. The information as required under Part A to Schedule II of the SEBI Listing Regulations is being made available to the Board. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year.

(f) Familiarization Program for the Independent Directors

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

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

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

3. BOARD COMMITTEES

In compliance with the requirements of the Companies Act, 2013, the SEBI Listing Regulations, the Board constituted / reconstituted the following committees:

(i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) Corporate Social Responsibility Committee (v) Review Committee of Independent Directors (vi) Securities Allotment Committee.

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

Mandatory Committees

(i) Audit Committee

Composition

The Audit Committee as on 31st March, 2018 comprised of 3 (three) Non-Executive Independent Directors viz. (1) Mr. Naval Choudhary (Chairman), (2) Mrs. Urvashi Saxena, and (3) Mr. Atul Kumar Shukla.

Mr. Chandahas. C. Dayal was the Chairman of the Audit Committee prior to his resignation dated 29th September, 2017.

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

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

- a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors, secretarial auditors and fixation of their remuneration.
- c) Approving the payments to statutory auditors for any other services rendered by them.
- d) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Any changes in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on exercise of judgments by management;
 - Modified opinion(s) in draft audit report;
 - Significant adjustments made in the financial statements arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with listing and legal requirements concerning financial statements;
 - All Related Party Transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.
- e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequent modification of transactions of the listed entity with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



GAMMON INDIA LIMITED

- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) to review the functioning of the whistle blower mechanism;
- s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- u) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Audit Committee Meetings

During the Financial Year ended 31st March, 2018, the Audit Committee held 7 (seven) meetings on 11th April, 2017, 5th May, 2017, 29th August, 2017, 20th September, 2017, 20th November, 2017, 6th February, 2018, 6th March, 2018. Necessary quorum was present at all the meetings.

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

Name of the Member	No. of Audit Committee Meetings attended
Mr. Chandrahas C. Dayal – Chairman*	4
Mr. Naval Choudhary – Chairman**	7
Mrs. Urvashi Saxena	6
Mr. Atul Kumar Shukla	7

* Mr. Chandrahas C. Dayal - Chairman of the Audit Committee resigned as a Director w.e.f. 29th September, 2017.

** Mr. Naval Choudhry was appointed as the Chairman of the Audit Committee w.e.f. 20th November, 2017

The Audit Committee meetings are held at the Registered Office of the Company and attended by invitation by the Finance Controllers, Representatives of the Statutory Auditors and the Internal Auditors of the Company and various Business Heads.

(ii) Stakeholders' Relationship Committee

In order to ensure compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations, the Role of Stakeholders Relationship Committee is to consider and resolve the grievances of all security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.

Composition

The Stakeholders' Relationship Committee comprised of 2 (two) Non-Executive Independent Directors viz.

(1) Mr. Naval Choudhary (Chairman), and (2) Mr. Atul Kumar Shukla.

Terms of reference

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

Stakeholders' Relationship Committee Meetings

During the Financial Year ended 31st March, 2018 the Committee held 7 (Seven) meeting on 22nd April, 2017, 22nd May, 2017, 21st July, 2017, 7th August, 2017, 22nd August, 2017, 1st January, 2018 and 7th March, 2018. Necessary quorum was present at all the meetings.

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

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

* Mr. Chandrahas C. Dayal - Chairman of the Stakeholders' Relationship Committee resigned as a Director w.e.f. 29th September, 2017.

** Mr. Naval Choudhary was appointed as the Chairman of the Stakeholders' Relationship Committee w.e.f. 20th November, 2017.

Details of Investor Complaints

A total 4 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 31st March, 2018, there were no pending letters / complaints. The status of Investors complaints received up to 31st March 2018 is as stated below:

No. of Complaints received during the financial year ended 31 st March, 2018	04
No. of Complaints resolved as on 31 st March, 2018	04
No of Complaints pending as on 31 st March, 2018	Nil
No. of pending share transfers as on 31 st March, 2018	Nil

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

Ms. Niki Shingade

Gammon India Limited

'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

E-mail Id: niki.shingade@gammonindia.com

Telephone : 022 - 6115 3411.

Facsimile : 022 - 2430 0221.

(iii) Nomination & Remuneration Committee

Composition

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

(1) Mr. Naval Choudhary (Chairman) (2) Mr. Atul Kumar Shukla and (3) Mrs. Urvashi Saxena.

Terms of reference

The role of the Nomination and Remuneration Committee is:

- To identify persons who are qualified to become directors or who can be appointed in the senior management.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend the appointment / removal of directors or senior management personnel.
- To carry out evaluation of every director's performance.
- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board, policy relating to remuneration for the Directors, Key Managerial Personnel and other Senior Employees and to review the policy at regular intervals.

Nomination and Remuneration Committee Meetings

During the Financial Year ended 31st March, 2018, the Committee held 4 (Four) meetings on 5th May, 2017, 20th September, 2017, 29th December, 2017 and 6th February, 2018.

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
Mr. Naval Chaudhary – Chairman**	4
Mr. Atul Kumar Shukla ***	2
Mrs. Urvashi Saxena	2

* Mr. Chandrahas C. Dayal - Chairman of the Nomination and Remuneration Committee resigned as a Director w.e.f. 29th September, 2017.



GAMMON INDIA LIMITED

** Mr. Naval Choudhary was appointed as the Chairman of the Nomination and Remuneration Committee w.e.f. 20th November, 2017

***Mr. Atul Kumar Shukla was appointed as a Member of the Nomination and Remuneration Committee vide a Circular Resolution passed by the Board of Directors on 17th October, 2017.

Nomination and Remuneration Policy

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

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

Details of Remuneration paid to Directors during the Financial Year ended 31st March, 2018

All Executive Directors are paid salary, allowances and perquisites while Non-Executive Independent Directors receive sitting fees for attending Board and Committee meetings. Payment of remuneration to the Chairman & Managing Director and the Executive Directors is governed by an Agreement entered into between the Company and the Managerial Personnel, the terms and conditions of which have been duly approved by the Board and the Shareholders of the Company and by the Central Government wherever necessary.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the Financial Year ended 31st March, 2018 is as follows:

(Amount in ₹)

Name of Director	Mr. Abhijit Rajan	Mr. Rajul Bhansali #	Mr. Ajit B. Desai ##
Salary	Nil	78,37,638	56,10,298
Perquisites *	Nil	1,19,355	Nil
Commission	Nil	Nil	Nil
Performance Linked incentives	Nil	Nil	Nil
Total	Nil	79,56,993	56,10,298
Tenure:			
From	17/05/2016	30/03/2015	18/12/2014
To	16/05/2019	29/03/2018	17/12/2017
Shares of ₹ 2/- each held as on 31 st March, 2018	81,72,459	NIL	4,500

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

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

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

Service Contract, Severance Fees & Notice Period

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

Sitting Fees to Non-Executive Independent Directors

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

Details of sitting fees paid for attending Board and Committee Meetings during the Financial Year ended 31st March, 2018 are given below:

(Amount in ₹)

Name of Director	Board Meeting	Committee Meeting *	Total
Mr. Chandrahas C. Dayal	80,000	1,00,000	1,80,000
Mr. Naval Choudhary	1,00,000	1,40,000	2,40,000
Mrs. Urvashi Saxena	80,000	1,00,000	1,80,000
Mr. Atul Kumar Shukla	1,00,000	1,00,000	2,00,000

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

Details of Shareholding of Non-Executive Directors as on 31st March, 2018

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

(iv) Corporate Social Responsibility Committee

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

Composition

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

(1) Mr. Naval Choudhary (Chairman), (2) Mr. Atul Kumar Shukla and (3) Mrs. Urvashi Saxena.

Terms of reference

The role of the Corporate Social Responsibility Committee is to:

- formulate and recommend to the Board a Corporate Social Responsibility Policy to indicate the activities to be undertaken by the Company as specified in Schedule VII and as amended thereof.
- recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company; and
- monitor the Corporate Social Responsibility Policy from time to time.

4. COMPANY POLICIES

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

- Policy on Related Party Transactions
- Policy on Material Subsidiaries
- Whistle Blower Policy
- Nomination & Remuneration Policy
- Preservation of Documents & Archival Policy
- Policy on Determination of Materiality of Events or Information
- Corporate Social Responsibility Policy

5. OTHER INFORMATION

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

(b) Code of Conduct

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

(c) General Body Meetings

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

The Annual General Meeting of the Company for the financial year ended 31st March, 2017, 18 months period ended 31st March, 2016 and 9 (nine) months period ended 30th September, 2014 were held, as detailed below:

AGM	Financial year/Period	Date & Time	Venue
95 th	31 st March, 2017	21 st March, 2018 at 3.30 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025
94 th	18 months period ended 31 st March, 2016	21 st September, 2016 at 3.00 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025
93 rd	9 months period ended 30 th September, 2014	24 th March, 2015 at 3.30 p.m.	Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), 3 rd Floor (Mini Theatre), Sayani Road, Prabhadevi, Mumbai - 400 025



GAMMON INDIA LIMITED

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

Date	Resolutions
21 st March, 2018	NIL
21st September, 2016	(i) Special Resolution under Section 20 of the Companies Act, 2013 authorising Company to charge for service of documents to members of the Company.
24th March, 2015	(i) Re-appointment of Mr. Rajul A. Bhansali as Whole time Director of the Company designated as Executive Director (International Operations). (ii) Appointment of Mr. Ajit B. Desai as Whole-time Director of the Company designated as Executive Director & Chief Executive Officer. (iii) Approval of existing material related party transaction entered into by the Company with its subsidiaries/joint ventures for execution of infrastructure projects. (iv) Approval of existing material related party transaction entered into by the Company with its subsidiaries Metropolitan Infrahousing Private Limited. (v) Approval of existing material related party transactions entered into by the Company with its subsidiary Campo Puma Oriente S.A. (vi) Approval of existing material related party transactions entered into by the Company with its subsidiary Franco Tosi Meccanica S.p.A.

(iii) Resolution passed by Postal Ballot during the Financial Year ended 31st March, 2018.

The following resolutions were passed by Postal Ballot of which results were declared on 15th May, 2017.

- Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 to sell, dispose, hive-off and/or transfer “Gammon House”, undertaking including the building, adjoining land and all appurtenances thereto together with all debts, liabilities and obligations related thereto, on a going concern basis, by way of a slump sale to M/s Gammon Retail Infrastructure Private Limited, a wholly owned subsidiary of the Company:**

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	77	8267694
Total number of electronic votes received	73	60399665
Total number of invalid votes		
E-voting	0	0
Postal Ballot	5	11899
Total number of votes polled in favour of the resolution	126	53626582
E-voting	58	45374549
Postal Ballot	68	8252033
Total number of votes polled against the resolution	19	15028878
E-voting	15	15025116
Postal Ballot	4	3762
Percentage of votes cast in favour of the resolution : 78.11% (both physical & electronic)		
Percentage of votes cast against the resolution : 21.89% (both physical & electronic)		

- Special Resolution pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to sell/transfer/dispose off upto 49% of its shareholding in its wholly owned subsidiary Gammon Power Limited to Gammon Retail Infrastructure Private Limited, a wholly owned subsidiary of the Company.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	77	8267694
Total number of electronic votes received	73	60399665
Total number of invalid votes		
E-voting	0	0
Postal Ballot	5	11899
Total number of votes polled in favour of the resolution	129	53627082
E-voting	61	45375049
Postal Ballot	68	8252033
Total number of votes polled against the resolution	16	15028378
E-voting	12	15024616
Postal Ballot	4	3762
Percentage of votes cast in favour of the resolution : 78.11% (both physical & electronic)		
Percentage of votes cast against the resolution : 21.89% (both physical & electronic)		

3. Special Resolution pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to sell/transfer/dispose off upto 90% of its shareholding in its material subsidiary Metropolitan Infrahousing Private Limited together with identified debt to its wholly owned subsidiary M/s Franco Tosi Hydro Private Limited.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	77	8267694
Total number of electronic votes received	73	60399665
Total number of invalid votes		
E-voting	0	0
Postal Ballot	5	11899
Total number of votes polled in favour of the resolution	128	53627012
E-voting	61	45375019
Postal Ballot	67	8251993
Total number of votes polled against the resolution	17	15028448
E-voting	12	15024646
Postal Ballot	5	3802
Percentage of votes cast in favour of the resolution : 78.11% (both physical & electronic)		
Percentage of votes cast against the resolution : 21.89% (both physical & electronic)		

4. Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 to sell, dispose, hive-off and/or transfer Civil EPC Business of the Company viz. identified contracts essentially comprising of the Civil Engineering, Procurement and Construction ("EPC") business to the Company's wholly owned subsidiary "Gammon Transmission Limited", on a going concern basis by way of a slump sale.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	77	8267694
Total number of electronic votes received	73	60399665
Total number of invalid votes		
E-voting	0	0
Postal Ballot	5	11899
Total number of votes polled in favour of the resolution	127	53626842
E-voting	60	45374849
Postal Ballot	67	8251993
Total number of votes polled against the resolution	18	15028618
E-voting	13	15024816
Postal Ballot	5	3802
Percentage of votes cast in favour of the resolution : 78.11% (both physical & electronic)		
Percentage of votes cast against the resolution : 21.89% (both physical & electronic)		

5. Special Resolution pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to sell/transfer/or otherwise dispose off in any manner upto 90% of its shareholding in each of the Company's subsidiaries viz. (i) Gammon Retail Infrastructure Private Limited (ii) Franco Tossi Hydro Private Limited and (iii) Gammon Transmission Limited to/in favour of one or more strategic investors, who may invest in each of the wholly owned subsidiaries aforementioned.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	77	8267694
Total number of electronic votes received	73	60399665
Total number of invalid votes		
E-voting	0	0
Postal Ballot	5	11899
Total number of votes polled in favour of the resolution	129	53627212
E-voting	62	45375219
Postal Ballot	67	8251993
Total number of votes polled against the resolution	16	15028248
E-voting	11	15024446
Postal Ballot	5	3802
Percentage of votes cast in favour of the resolution : 78.11% (both physical & electronic)		
Percentage of votes cast against the resolution : 21.89% (both physical & electronic)		



GAMMON INDIA LIMITED

6. Special Resolution pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to divest/sell/dispose off the Company's shareholding in its indirect subsidiary "Preeti Townships Private Limited" to/in favour of strategic investors.

Particulars	No. of Ballots	No. of shares
Total number of Physical Ballot forms	77	8267694
Total number of electronic votes received	73	60399665
Total number of invalid votes		
E-voting	0	0
Postal Ballot	6	12529
Total number of votes polled in favour of the resolution	127	53626082
E-voting	61	45374719
Postal Ballot	66	8251363
Total number of votes polled against the resolution	17	15028748
E-voting	12	15024946
Postal Ballot	5	3802
Percentage of votes cast in favour of the resolution : 78.11% (both physical & electronic)		
Percentage of votes cast against the resolution : 21.89% (both physical & electronic)		

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

Procedure for Conducting Postal Ballot

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

6. OTHER DISCLOSURES

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

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

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

(Amount in ₹)

Financial Year / Period	NSE	BSE
During the 18 (eighteen) month period 1 st October, 2014 to 31 st March 2016	12,70,995	12,55,779
During the Financial Year ended 31 st March, 2017	8,25,196	8,29,980
During the Financial Year ended 31 st March, 2018	32,99,820	39,39,659

Save as mentioned above no other penalties / strictures have been imposed on the Company by SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years.

- (iii) A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) along with shares held in physical form and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (iv) The Chief Executive Officer has certified to the Board in accordance with Regulation 17(8) of the SEBI Listing Regulations pertaining to CEO / CFO Certification for the period ended 31st March, 2018.

- (v) The Company has structured a Risk Management policy in terms of the SEBI Listing Regulation. The risk framework covers the management's approach and initiatives taken to mitigate a host of business and industry risk by identifying such risks and redefining processes, decision making authorities, authorisation levels, risk and control documentation etc. and reviewing these periodically and details of the same are set out in the MDA which forms part of the Annual Report.
- (vi) The Company is striving to adopt the discretionary requirements set out in Part E of Schedule II of the SEBI Listing Regulations to enhance Corporate Governance.

7. MEANS OF COMMUNICATION

- (a) Financial Results: The Financial Results are published in two newspapers viz. Free Press Journal and Navshakti and also uploaded on the Company's website viz. www.gammonindia.com. The Company publishes the Quarterly and Annual Financial Results as required under the SEBI Regulations. The same are submitted to the Stock Exchanges and uploaded on the Company's Website.
- (b) News Releases, Presentations etc.: Official news releases, and all communications to Stock Exchanges are displayed on the Company's website viz. www.gammonindia.com. Official announcements are sent to the Stock Exchanges through online portals.
- (c) Website: The Company's corporate website www.gammonindia.com provides information about the Company's business.
- (d) Annual Report: Annual Report containing, *inter-alia* the Standalone Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information including Corporate Governance Report and the Management Discussion and Analysis (MDA) Report which forms part of the Annual Report is circulated to the members and uploaded on the Company's website.

8. MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of Regulation 27 of the SEBI Listing Regulations relating to Corporate Governance.

9. NON-MANDATORY REQUIREMENTS

Subsidiary Monitoring Framework

All Subsidiaries of the Company are managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. As a majority shareholder, the Company has nominated its representatives on the Boards of Subsidiary Companies and also one Independent Director on the Board of each of its material unlisted subsidiaries to monitor the performance of such Companies, *inter-alia*, by means of taking Consolidated Accounts and including all items of the subsidiaries as required under Section 129 of the Companies Act, 2013, except the items which are exempted by the Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION

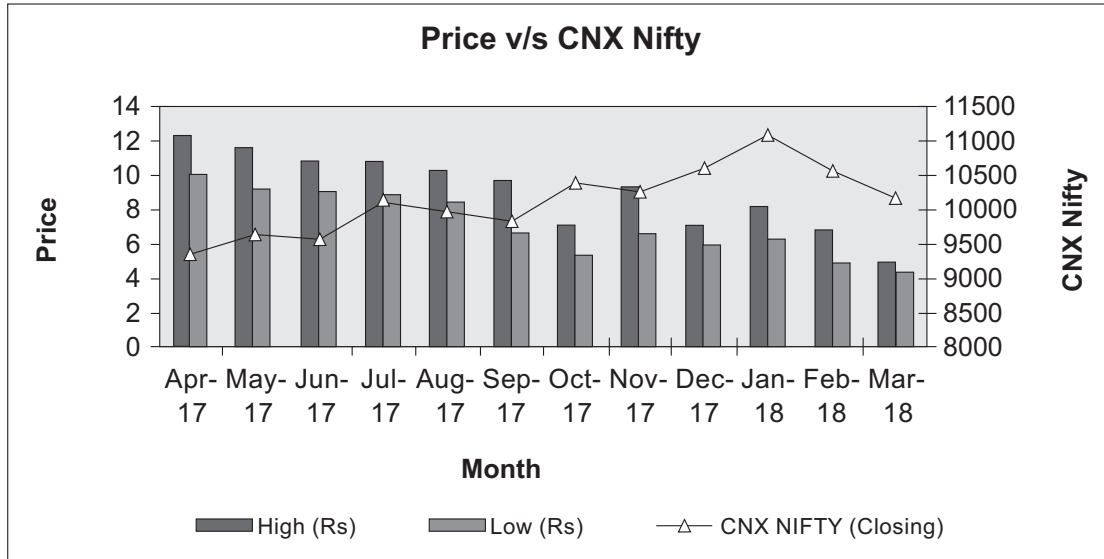
Date, Time and Venue of the 96th Annual General Meeting	7 th June, 2019, Friday at 3.00 p.m. at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Mumbai- 400025.
Financial Calendar for the year Starting from 1 st April, 2018 - 31 st March, 2019 (Tentative)	<ul style="list-style-type: none"> • Results for the quarter ending 30th June, 2018 - Second week of September, 2018. • Results for the half year ending 30th September, 2018 - Second week of November, 2018. • Results for the quarter ending 31st December, 2018 - Second week of February, 2019. • Results for the year ending 31st March, 2019 - Second week or last week of May, 2019.
Date of Book Closure	30 th May, 2019 to 7 th June, 2019
Listing on Stock Exchanges: Equity Shares	<p>BSE Limited (Security Code: 509550) P. J. Towers, Dalal Street, Fort, Mumbai-400 001. Telephone: 022 - 2272 1233 / 34; Facsimile: 022 - 2272 1919</p> <p>The National Stock Exchange of India Limited (Security code – GAMMONIND) 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</p>
Listing Fees	Paid to the above Stock Exchanges for F.Y. 2016-17 and also paid for F.Y. 2017-18.
International Securities Identification No. (ISIN)	Equity: INE 259B01020
Registrar & Share Transfer Agent	M/s. Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Telephone: 022-4918 6270; Facsimile: 022-4918 6060; E-mail : rnt.helpdesk@linkintime.co.in
Share Transfer System	Trading in Company's shares on the Stock Exchanges takes place in electronic form. However physical shares are normally transferred and returned within 15 days from the date of lodgment provided the necessary documents are in order. However the shares of the Company are suspended for trading from 23 rd February, 2018 onwards.



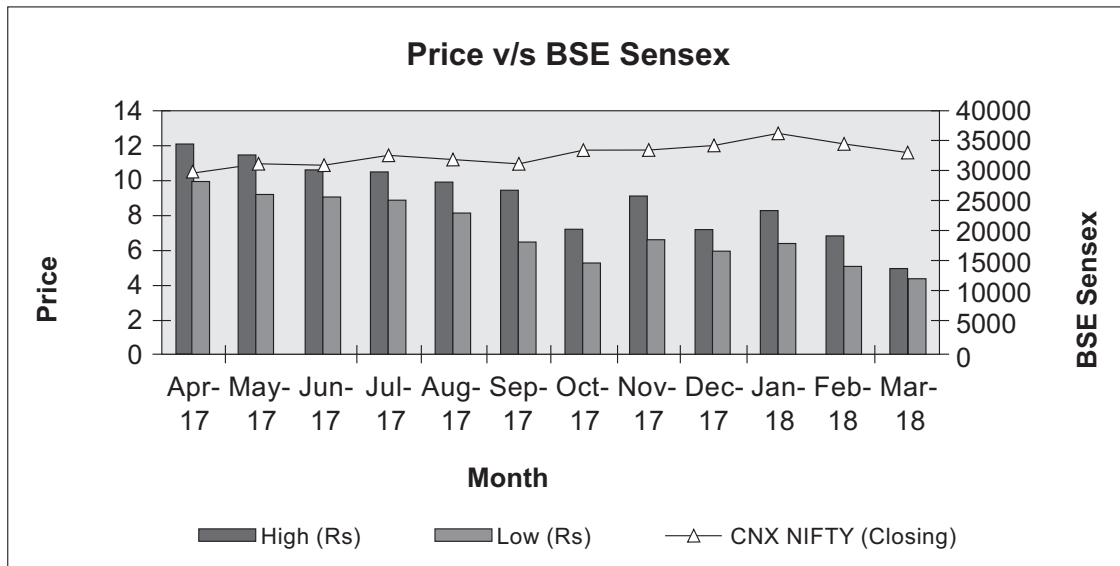
MARKET PRICE DATA: High and Low (in ₹) during each month in the Financial Year ended 31st March, 2018 on the Stock Exchanges.

MONTH	BSE		SENSEX	NSE		NIFTY
	High	Low	(closing)	High	Low	(closing)
April, 2017	12.00	9.84	29918.40	12.00	9.80	9304.05
May, 2017	11.37	9.13	31145.80	11.30	9.05	9621.25
June, 2017	10.60	8.82	30921.61	10.60	8.90	9520.90
July, 2017	10.48	8.70	32514.94	10.50	8.70	10077.10
August, 2017	9.80	8.00	31730.49	10.00	8.20	9917.90
September, 2017	9.40	6.38	31283.72	9.45	6.50	9788.60
October, 2017	7.05	5.13	33213.13	6.95	5.20	10335.30
November, 2017	9.00	6.50	33149.35	9.10	6.50	10226.55
December, 2017	7.10	5.91	34056.83	7.05	5.85	10530.70
January, 2018	8.15	6.20	35965.02	8.00	6.25	11027.70
February, 2018	6.70	4.85	34184.04	6.60	4.80	10492.85
March, 2018	4.65	4.20	32968.68	4.85	4.25	10113.70

STOCK PERFORMANCE IN COMPARISON TO NIFTY



STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX



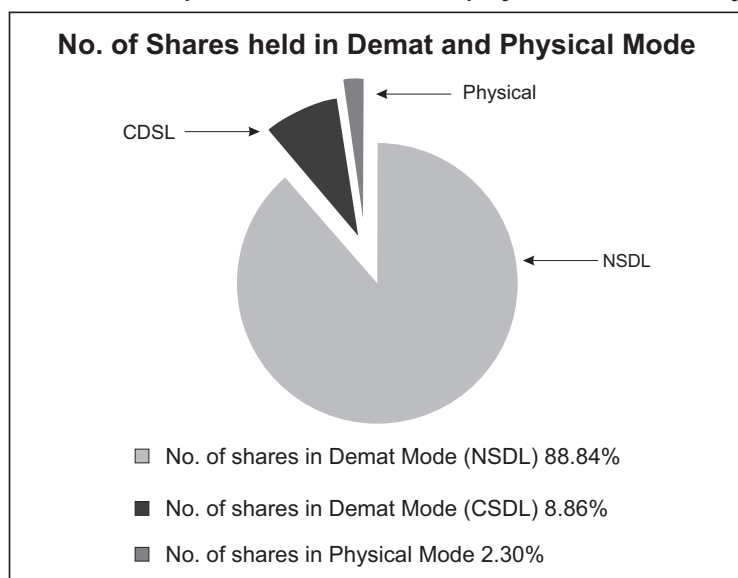
11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018:

Shareholding of Shares	No. of Shareholders	% of Total	Total Shares	% of Total
Upto 500	28391	64.91	4773171	1.2915
501 – 1000	6000	13.7177	5194976	1.4057
1001-2000	3812	8.7153	6158021	1.6663
2001-3000	1516	3.466	3996333	1.0813
3001-4000	800	1.829	2923578	0.7911
4001-5000	777	1.7764	3734621	1.0105
5001-10000	1330	3.0408	10187124	2.7565
10001 and above	1113	2.5446	332605281	89.9972
TOTAL	43739	100	369573105	100

12. DEMATERIALISATION OF SHARES AS ON 31ST MARCH 2018:

Particulars	No. of Equity Shares	% of Share Capital
NSDL	328325268	88.83%
CDSL	32751279	8.87%
Physical	8496558	2.30%
Total*	369573105	100%

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

13. TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2018

Sr. No.	Name of the Shareholder	Category	No. of shares	% of Shareholding
1	Canara Bank-Mumbai	Public	52814769	14.2908
2	ICICI Bank Ltd	Public	39696547	10.7412
3	Punjab National Bank	Public	24209101	6.5506
4	Syndicate Bank	Public	22696508	6.1413
5	Bank Of Baroda	Public	22104507	5.9811
6	Allahabad Bank	Public	19582216	5.2986
7	Pacific Energy Pvt. Ltd	Promoter Group	17913015	4.8469
8	IDBI Bank Ltd.	Public	14053827	3.8027
9	Oriental Bank of Commerce	Public	12389240	3.3523
10	Abhijit Rajan	Promoter	8172459	2.2113

14. LISTING OF DEBT SECURITIES

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



15. DETAILS OF ONGOING PROJECT SITES

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

16. ADDRESS FOR CORRESPONDENCE

Registered Office: ‘Gammon House’, Veer Savarkar Marg, Prabhadevi, Mumbai 400025

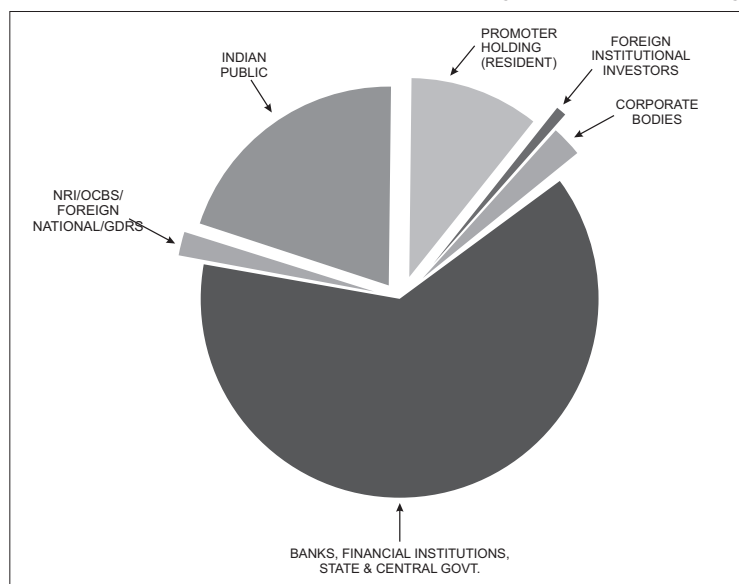
Telephone : 022 - 61153411; Fax: 022 - 24300221

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

17. CATEGORIES OF SHAREHOLDERS: (AS ON 31ST MARCH 2018)

Sr. No.	Category	No. of shares	Percentage (%)
	Promoter Holding		
1	Resident	39570719	10.71
2	Non-Resident	3086435	0.84
	Non Promoter Holding		
3	Mutual Fund & UTI	100	0.00
4	Corporate Bodies	9683709	2.62
5	Banks, Financial Institutions, State & Central Govt.	236102889	63.89
6	Foreign Institutional Investors	139302	0.04
7	NRIs / OCBs / Foreign Nationals / GDRs	7073105	1.91
8	Indian Public	73916846	20.00
	GRAND TOTAL	369573105	100.00

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



18. DISCLOSURE REGARDING COMPLIANCE WITH CORPORATE GOVERNANCE

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

To,
The Members of
Gammon India Limited

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

I, Mr. Ajit B. Desai – Chief Executive Officer of Gammon India Limited, hereby declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company applicable to them for the Financial Year ended 31st March, 2018.

For **GAMMON INDIA LIMITED**

Date: 30th April, 2019

Place: Mumbai

AJIT B. DESAI

CHIEF EXECUTIVE OFFICER

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members of
Gammon India Limited

We have examined the compliance of conditions of Corporate Governance by Gammon India Limited ('the Company'), for the Financial Year ended 31st March, 2018, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Date: 30th April, 2019

Place: Mumbai

V. V. Chakradeo

COP 1705

Membership No. 3805



INDEPENDENT AUDITOR'S REPORT

To the Members of

Gammon India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Financial Statements of **Gammon India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. These Financial Statements have been prepared to give effects to the recall notices from the lenders, received by the Company for Bank loans of foreign SPV's for which the corporate guarantees were given by the Company, that were not accounted in the earlier Financial Statements approved on November 28, 2018 by the Company through oversight (Refer note no. 1A of the Financial Statements). These notices came to the attention of the management only when the consolidation of accounts was in progress. These notices were not brought to our attention earlier at the time of preparation of the Financial Statements approved on November 28, 2018. On account of the revision, the liabilities to the lenders including lenders of the foreign SPV has increased by ₹ 860.61 Crore and amounts due from the foreign SPVs are correspondingly increased. There were also consequential effects to the guarantees fees accrual. Prior to the preparation of these Financial Statements, the Board of Directors of the Company in their meeting held on November 28, 2018 had prepared earlier Financial Statements and on which we had issued our report dated November 28, 2018 thereon. Since the said earlier Financial Statements adopted by the Board of Directors on November 28, 2018 were yet to be adopted by the shareholders of the Company, the Board of Directors have now modified the Financial Statements to give effect to the recall notices from the lenders and have now approved these Financial Statements at their meeting held on February 07, 2019 and we have been called upon to issue our Audit Report on such Financial Statements and also a report on the effectiveness of internal control with reference to Financial Statements.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

Basis of Qualified Opinion

- a. We invite attention to note no 37(c) relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A. (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is ₹ 943.08 Crore (net of provisions made) as at March 31 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favor of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to

cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2018.

- b. We invite attention to note no 7, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Company has recognised further claims amounting to ₹ 140.35 Crore. The aggregate amount of claims outstanding as at March 31, 2018 is ₹ 912.36 Crore. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the Financial Statements for the year ended March 31, 2018.
- c. We invite attention to note no 37(d) relating to the Company's Exposure to Campo Puma Oriente S.A. of ₹ 192.88 Crore net of impairment provisions of ₹ 230 Crore made based on internal estimates of asset value. In the light of the on-going dispute with the partners resulting in the Financial Statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.
- d. We invite attention to Note 4(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 402.54 Crore in respect of disputes in seven projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favor of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.
- e. We invite attention to note no 31(iii) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of ₹ 100 Crore against the exposure of ₹ 324.68 Crore. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposure of ₹ 224.68 Crore.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph a to e, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS under section 133, of the financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date

Material Uncertainty Related to Going Concern

We invite attention to the note no 38 relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders have recalled all the loans and their present excess of Current Liabilities over Current Assets is ₹ 5718.67 Crore. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. Further due to the issues detailed in the note 38 the Company is continuously delayed in the preparation of the Financial Statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. However the Company has obtained stay subject to deposit of money with the NCLT. The Company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 38 including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

Emphasis of Matter

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

- a) We draw attention to Note 4(a)(i) & 4(a)(ii) relating to recoverability of an amount of ₹114.22 Crore as at March 31, 2018 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favor in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of ₹ 7.56 Crore where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favor of the Company.
- b) We draw attention to Note 4(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 54.72 Crore. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon;
 - (e) The matters described in paragraphs under the Basis for Qualified Opinion and Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, all the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act except for Mr. Chayan Bhattacharjee
 - (g) The matter described in the Basis for Qualified Opinion paragraph, Material Uncertainties Relating to Going Concern paragraph and Qualified Opinion paragraph of 'Annexure B' to this report, in our opinion, may have an adverse effect on the functioning of the Company.
 - (h) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note 34 to the Financial Statements;
 - ii. The Company has provided for all material foreseeable losses arising out of long-term contracts including derivative contracts;
 - iii. The Company has to transfer amount of ₹ 0.32 Crore to the Investor Education and Protection Fund during the year.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: February 7, 2019

ANNEXURE A**To the Independent Auditors' Report on the Standalone Ind AS Financial Statements Gammon India Limited**

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.
- (b) Property, Plant & Equipment have been physically verified by the management during the period at reasonable intervals and no material discrepancies were identified on such verification except assets at some of their terminated sites where the access to the assets are presently prohibited and the matter is under dispute. The total value of assets at such sites is ₹ 18.66 Crore (Net WDV).
- (c) We are informed by the management that all the title deeds of immovable properties are in custody of IDBI trusteeship Services Limited as part of Corporate Debt Restructuring norms with the lenders. We have therefore not verified the physical documents of immovable property and relied on the management representation and correspondence of the IDBI trustees as on the date of submission of documents by the Company with them.
- (ii) (a) Inventories, being project materials have been physically verified by the management at reasonable intervals during the year except for inventories at terminated sites valued at ₹ 1.34 Crore. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The discrepancies noticed between the physical stocks and books stocks were not material and the valuation of stock has been done on the basis of physically verified quantity. Therefore Shortage / Excess automatically get adjusted and the same is properly dealt in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 in respect of which
- (a) The terms and condition of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) Since repayment of aforesaid loans is not due, there is no overdue amounts from parties covered under section 189 and therefore the requirements of clause 4(iii)(b) of the Companies (Auditors Report) Order, 2015 are not applicable.
- (c) There are no overdue amounts as at the year-end in respect of principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given by the Company.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections. Accordingly the provision of clause 3(v) is not applicable to the Company.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) The Company has several instances of delay in depositing undisputed statutory dues including Provident Fund, Professional Tax, Employees State Insurance, Works Contract Tax, Service Tax/VAT, Cess and Sales Tax dues with the appropriate authorities observed on a test check basis. On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to ₹ 0.05 Crore in case of Provident Fund, ₹ 0.18 Crore in case of Professional Tax, ₹ 0.06 Crore in case of Works Contract Tax, ₹ 2.07 Crore in case of Duty Drawback which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the details of Sales Tax, Income Tax, Service Tax and Excise Duty that have not been deposited on account of dispute are stated in the Statement of statutory dues outstanding attached herewith.
- (c) The amounts to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time except for ₹ 0.32 Crore which is required to be transferred to Investor Education and Protection Funds.



GAMMON INDIA LIMITED

- (viii) According to information and explanations given to us, the Company has defaulted in servicing interest and principal repayment due to debenture holders, financial institutions and banks. The borrowings have become Non Performing Assets (NPA) and lenders have recalled all the loans. The total amount of recalled debts are disclosed as current liabilities aggregating to ₹ 3894.14 Crore. 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 ₹ 796.62 Crore for a period ranging from 1 to 366 days. The amounts of default on account of overdrawn of Cash credit facility were ₹ 465.31 Crore as at March 2018. The amounts include the continuing defaults at Balance Sheet on repayment of interest and principal as disclosed in notes 12(h), 18(vi) and 20(b) of the Ind AS Financial Statements.
- (ix) The Company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Therefore the clause 3(ix) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) During the year the Company has not paid/ provided any remuneration to the Chairman and Managing Directors or any of the Directors excepting the sitting fees to Independent and non-executive directors. In respect of the previous periods remuneration attention is invited to Note no 28(a) of the Ind AS Financial Statements. Excess Managerial remuneration aggregating to ₹ 30.54 Crore for the Chairman and Managing Director has been reversed and disclosed as receivable (net off unpaid salary). Similar effects has been given for excess remuneration paid to another director aggregating to ₹ 0.60 Crore and disclosed as receivable.
- (xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) Based on the minutes and the secretarial compliance all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standard.
- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review except for allotment to lenders at the prescribed pricing norms prescribed by Securities and Exchange Board of India. The necessary compliances under the Companies Act have been carried out. Further since the same is conversion of loan into equity there are not purposes specified for the utilisation of the proceeds.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: February 7, 2019

Annexure - B

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

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

We have audited the internal financial controls with reference to Financial Statements of Gammon India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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



Basis of Qualified Opinion

- a) The Company has laid down internal financial controls with reference to Financial Statements, however, its implementation and effectiveness in certain areas are affected due to severe manpower issues affecting timely preparation of Financial Statements.
- b) Out test of transactions revealed instances of control weaknesses which have inter-alia resulted from manpower and liquidity issues
- c) Internal Audit carried out by the Company was not adequate considering the size and operations of the Company and was required to be more extensive with timely follow up and actions to correct the issues promptly. The internal audit has also revealed weaknesses in the systems and processes.

Qualified Opinion

In view of what is stated in our basis of Qualified Opinion we cannot state that the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: February 7, 2019

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

Name of the Statute	State	Nature of the dues	Amount in Crore	Period to which it relates	Forum where Dispute is pending
Direct Tax		Income Tax Assessment Order	306.04	A.Y. 2006-07 to A.Y. 2013-14	CIT Appeal
Direct Tax		TDS Intimation U/s 200A	8.67	A.Y. 2007-08 to A.Y. 2017-18	Not yet Filled
Direct Tax		TDS Intimation U/s 200A	0.18	A.Y. 2008-09 to A.Y. 2017-18	Not yet Filled
Direct Tax		Joint Venture Assessment	7.33	A.Y. 2010-11 to 2013-14	CIT Appeal
Direct Tax		Corporate Guarantee Disallowance	6.28	A.Y. 2016-17	Not yet Filled
	Total		328.5		
Sales Tax	Andhra Pradesh	Reassessment matter	0.04	2001-02	High Court
Sales Tax	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	2.10	2002-03	Tribunal / High Court
Sales Tax	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	1.63	2003-04	Tribunal / High Court
Sales Tax	Andhra Pradesh	Disallowance of Interstate purchase	0.24	2005-07	High Court
Sales Tax	Andhra Pradesh	Levy of Penalty	1.89	2005-07	High Court
Sales Tax	Gujarat	Levy of Penalty under Amnesty	0.22	2003-04	J C Appeal
Sales Tax	Uttar Pradesh	AS per clause no. 11 of the compounding scheme under the UP Trade Tax Act it is categorically made clear that no taxes shall be levied on sub-contractor where main contractor has opted for composition, no tax shall be levied to sub-contractor and benefit of sec 3G and 3F2 b (1) is available to us.	0.77	2003-04	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Same as above	1.88	2004-05	Hon'ble High Court of Allahabad
Sales Tax	Uttar Pradesh	Entry Tax on Vehicle, VAT levied on RMC rather than its components, whereas we have not purchased any RMC. Tax levied on structural steel which should be allowed as deduction.	0.29	2007-08	Additional Commissioner, Appeal
Sales Tax	Maharashtra	Denial of deduction on Pre cost component	0.06	1993-94 to 1997-98	Tribunal / A C Appeal
Sales Tax	Maharashtra	Disallowance of WCT & BST	5.84	2000 to 2002	Jt. Appeal / Tribunal
Sales Tax	Maharashtra	Lease Matter	0.10	2005-06	Jt. Appeal II
Sales Tax	Maharashtra	Sales-In-Transit (I.E. 6(2) Sales disallowed)	4.72	2013-14	Jt. Appeal I
Sales Tax	Orissa	Lab. and Service Charges disallowed	0.11	1992-93 to 1999-00	A C Appeal
Sales Tax	Orissa	Various disallowance	0.11	2001-02	A C Appeal
Sales Tax	West Bengal	Arbitrary Demand	0.98	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax	West Bengal	Arbitrary Demand	5.65	2008-09 & 2009-10	Revision Board
Sales Tax	West Bengal	Arbitrary Demand	2.39	2007-08	Tribunal
Sales Tax	West Bengal	Arbitrary order	0.63	2007-08 (CST)	Tribunal
Sales Tax	West Bengal	Arbitrary demand based on prejudice about books of accounts is not reliable.	1.29	2012-13	JC Appeal
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C T
Sales Tax	Assam	Arbitrary Demand	0.60	2004-05 and 2006-07	Board of Revenue (GHC Ordered) / Appeal
Sales Tax	Rajasthan	Increase in EC Fees	0.05	2007-08	Tax Law Board – Ajmer
	Total		31.63		
Service Tax		Service Tax	0.86	August, 2012 to January, 2016	Supreme Court, New Delhi
Service Tax		Service Tax	6.44	August, 2008 to September, 2012	Supreme Court, New Delhi
Service Tax		Service Tax	0.25	July, 2006 to December 2007	
Service Tax		Service Tax	1.91	October, 2004 to August, 2008	
Service Tax		Service Tax	0.02	April 2007 to March, 2008	
	Total		9.48		



Balance Sheet as at 31, March 2018

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

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	450.74	451.28
(b) Capital work-in-progress	2B	10.38	20.05
(c) Intangible asset	2B	-	-
(d) Financial assets			
(i) Investments	3	442.77	1,202.79
(ii) Trade receivable	4	207.71	294.86
(iii) Loans	5	1,984.60	2,009.01
(iv) Others	6	197.02	356.04
(e) Deferred tax assets (net)		-	-
(f) Other non-current assets	7	1,311.88	1,266.77
TOTAL NON-CURRENT ASSETS		4,605.10	5,600.80
CURRENT ASSETS			
(a) Inventories	8	123.82	146.27
(b) Financial assets			
(i) Investments	3	3.93	5.74
(ii) Trade receivables	4	132.00	60.46
(iii) Cash and cash equivalents	9	10.11	44.84
(iv) Bank balances	9	3.05	6.95
(v) Loans	5	8.65	15.63
(vi) Others	6	25.81	33.03
(c) Current tax assets (net)		-	-
(d) Other current assets	7	59.21	57.07
TOTAL CURRENT ASSETS		366.58	369.99
TOTAL ASSETS		4,971.68	5,970.79
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	74.11	74.11
(b) Other equity	11	(1,411.63)	569.47
TOTAL EQUITY		(1,337.52)	643.58
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	-	2,192.17
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	13	-	-
- Total outstanding dues to other than Micro and Small Enterprises	13	10.95	8.77
(iii) Other financial liabilities	14	12.00	12.00
(b) Provisions	15	0.35	0.90
(c) Deferred tax liabilities (net)	16	110.06	243.70
(d) Other non-current liabilities	17	90.59	101.92
TOTAL NON-CURRENT LIABILITIES		223.95	2,559.46
(a) Financial liabilities			
(i) Borrowings	18	-	949.14
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	19	0.44	0.65
- Total outstanding dues to other than Micro and Small Enterprises	19	137.13	199.06
(iii) Other financial liabilities	20	5,758.76	1,298.49
(b) Other current liabilities	21	114.46	67.72
(c) Provisions	15	72.14	250.37
(d) Current tax liabilities (net)	22	2.32	2.32
TOTAL CURRENT LIABILITIES		6,085.25	2,767.75
TOTAL EQUITY AND LIABILITIES		4,971.68	5,970.79

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements

As per our report of even date

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

For Nayan Parikh & Co.

Chartered Accountants
Firm Registration No. 107023W

Abhijit Rajan
Chairman
DIN No. 00177173

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

K N Padmanabhan

Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

Anurag Choudhry
Director
DIN No. 00955456

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

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

Particulars	Note No.	April 2017 - March 2018	April 2016 - March 2017
I Revenue from Operations :	23	242.44	761.68
II Other Income	24	112.42	308.17
III Total Income (I +II)		354.86	1,069.85
IV Expenses:			
Cost of material consumed	25	40.31	246.10
Excise Duty		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in progress and stock-in-trade	26	3.69	49.39
Subcontracting Expenses		61.25	203.44
Employee benefits expense	27	11.83	78.43
Finance Costs	28	575.91	518.90
Depreciation & amortization	29	11.77	32.65
Other expenses	30	77.30	298.57
Total Expenses		782.06	1,427.48
V Profit/(Loss) before exceptional items and tax		(427.20)	(357.63)
VI Exceptional items Income / (Expense)	31	(1,586.65)	(1,305.09)
VII Profit / (Loss) before tax		(2,013.85)	(1,662.72)
VIII Profit/(Loss) from continuing operations		(2,013.85)	(1,614.82)
IX Tax expenses			
Current Tax		-	-
Excess / Short Provision of Earlier years		-	2.93
Deferred Tax Liability / (asset)		(32.55)	(5.73)
Total tax expenses		(32.55)	(2.80)
X Profit/(Loss) for the period from continuing operations (VIII-IX)		(1,981.30)	(1,612.02)
XI Profit/(Loss) from discontinued Operations		-	(47.90)
XII Tax expenses			
Current Tax		-	-
Excess / Short Provision of Earlier years		-	-
Deferred Tax Liability / (asset)		-	-
Total tax expenses		-	-
XIII Profit/(Loss) from Discontinued Operations after Tax (XI-XII)		-	(47.90)
XIV PROFIT FOR THE YEAR (X) + (XII)		(1,981.30)	(1,659.92)
XV Other Comprehensive Income:			
Items that will not be reclassified to profit or loss		0.20	(0.89)
Income tax thereon		-	(1.14)
		0.20	(2.03)
XVI Total Comprehensive Income / (Loss) For The Period (XIV +XV)		(1,981.10)	(1,661.95)
XVII Earnings per equity share of the face value of ₹ 2 each			
Basic		(53.72)	(45.10)
Diluted		(53.61)	(45.01)

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

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

Abhijit Rajan
Chairman
DIN No. 00177173

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Anurag Choudhry
Director
DIN No. 00955456



Cash Flow Statement for the year ended 31 March 2018

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

Particulars		April 2017 - March 2018		April 2016 - March 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax and Extraordinary Items		(2,013.85)		(1,662.72)
	Adjustments for :				
	Depreciation	11.77		32.65	
	(Profit) / Loss on Sale of Assets	(9.68)		(0.81)	
	(Profit) / Loss on Sale of Investments	(0.91)		(1.02)	
	(Profit) / Loss on Sale of Business	-		(26.75)	
	Income recognised towards Corporate Guarantee	(11.44)		(12.01)	
	Gain on Remeasurement of Loans to Subsidiary	(7.79)		(0.89)	
	Dividend Income	(0.05)		-	
	Interest Expenses	575.91		518.90	
	Provision for Doubtful Debts and Advances	22.71		34.13	
	Bad Debts Written Off	8.89		20.94	
	Interest Income	(18.52)		(265.98)	
	Exceptional Items	1,586.65		1,305.09	
	Sundry Balances Written Off	0.06		38.08	
	Asset Written Off	-		12.44	
	Excess Provision Written Back	(49.67)		-	
	Sundry Balances Written Back	(2.42)	2,105.51	(46.32)	1,608.45
	Operating Profit Before Working Capital Changes		91.66		(54.27)
	Trade and Other Financial Receivables	15.00		(720.63)	
	Inventories	22.45		28.78	
	Trade Payables and Provision	(76.24)		(31.49)	
	Other Non Financial Assets	(49.95)		871.53	
	Other Financial Liabilities	48.77		21.89	
	Other Non-Financial Liabilities	(0.88)	(40.85)	25.75	195.83
	CASH GENERATED FROM THE OPERATIONS		50.81		141.56
	Direct Taxes Paid		(6.81)		(15.94)
	Net Cash from Operating Activities		44.00		125.62
B	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of Fixed Assets	(0.43)		(18.85)	
	Fixed Assets and CWIP disposal	20.99		27.51	
	Purchase of Investments	-		(0.25)	
	Sale of Investments			-	
	Subsidiary, Joint Ventures & Associates			-	
	Others	2.72		0.26	
	Dividend Received	0.05		-	
	Other Bank Balance	3.90		(0.05)	
	Loans and Advances to Subsidiary	(30.69)		(26.10)	
	Loan repaid by Subsidiary	76.67		17.89	
	Interest Received	7.77		34.08	
	Net Cash from Investment Activities		80.98		34.48

Cash Flow Statement for the year ended 31 March 2018

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

Particulars	April 2017 - March 2018		April 2016 - March 2017	
C CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	-		4.91	
Movement in other Equity	-		(5.09)	
Interest paid	(108.75)		(137.53)	
(Repayment) from Long Term Borrowings	-		(14.00)	
Net proceeds from Short Term Borrowings	(50.96)		(39.93)	
Net Cash from Financing Activities		(159.71)		(191.64)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(34.73)		(31.54)
Opening Balance		44.84		113.63
Less: Cash and Cash Equivalent Transferred on Demerger of Business		-		37.25
Closing Balance		10.11		44.84
NET INCREASE IN CASH AND CASH EQUIVALENTS		(34.73)		(31.54)
Components of Cash and Cash Equivalents				
Cash on Hand		0.06		0.05
Balances with Bank		10.05		44.79
Total Balance		10.11		44.84

Note: Figure in brackets denote outflows

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements

As per our report of even date

For Nayan Parikh & Co.Chartered Accountants
Firm Registration No. 107023W**K N Padmanabhan**Partner
M.No. 36410
Mumbai, Dated : February 7, 2019For and on behalf of the Board of Directors
Gammon India Limited**Abhijit Rajan**Chairman
DIN No. 00177173**Ajit B. Desai**Chief Executive Officer
DIN No. 00105836**Anurag Choudhry**Director
DIN No. 00955456



Notes to Financial Statements for the year ended March 31, 2018

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

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

A Equity Share Capital

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

B Other Equity

Particulars	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	General Reserve	Foreign Currency Translation Reserve	Promoters Contribution	Treasury Shares	Total
Balance as at 1 April 2016	315.41	105.00	11.52	1,258.12	81.00	-	363.06	-	100.00	(1.69)	2,232.43
Profit for the year	(1,659.91)										(1,659.92)
Share allotted during the year				4.08							4.08
Re-measurement of net defined benefit plans	(0.89)										(0.89)
- Tax on above	(1.14)										(1.14)
Others	(5.08)										(5.08)
Balance as at 31 March 2017	(1,351.62)	105.00	11.52	1,262.20	81.00	-	363.06	-	100.00	(1.69)	569.47
Profit for the year	(1,981.30)										(1,981.30)
Re-measurement of net defined benefit plans	0.20										0.20
- Tax on above											-
Balance as at 31 March 2018	(3,332.71)	105.00	11.52	1,262.20	81.00	-	363.06	-	100.00	(1.69)	(1,411.62)

(a) General Reserve

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

(b) Securities Premium Reserve

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

(c) Debenture Redemption Reserve

In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11.02.2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. In accordance with the Companies (Share Capital and Debenture) Rules, 2014 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. The Company has however not set aside or earmarked liquid assets of ₹ 43.40 Crore (PY: ₹ 5.44 Crore) being 15% of the amount of Debenture due for redemption as at March 2018 as required by the aforesaid Circular in view of the financial crunch faced by the Company. Since the entire facility is recalled by the lenders the entire amount of Non Convertible Debenture is considered as current and 15% of earmarked fund is calculated on the entire amount.

(d) Capital Reserve

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

(e) Promoters Contribution

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

(f) Treasury Shares

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

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants
Firm Registration No. 107023W

K N Padmanabhan

Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

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

Abhijit Rajan

Chairman
DIN No. 00177173

Ajit B. Desai

Chief Executive Officer
DIN No. 00105836

Anurag Choudhry

Director
DIN No. 00955456



NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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

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

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

1A Revision of Financial Statements

The Financial Statements for the year ended March 31, 2018 were authorised for issue vide resolution passed at the meeting of Board of Directors held on 28th November 2018 on which the Statutory Auditors' issued their report dated 28th November 2018. Those Financial Statements did not include the effects of the recall notice issued by the lenders of the Foreign SPV's namely Gammon Holding BV, Gammon International BV, PVAN, ATSL BV, Gammon Holding (Mauritius) Limited. The Holding Company Gammon India Limited had issued Corporate Guarantees against the loans taken in the aforesaid foreign subsidiaries for investments in target operating companies as follows:

Sr No	Name of the SPV	Target Company	Amount of Facility guaranteed (in Cr.)	Amount of facility recalled (in Cr.)	Date of letter
1	Gammon Holding BV	Franco Tosi Meccanica S.p.A.	495.85	226.75	06th February, 2018
2	Gammon International BV	Sofinter S.p.A.	517.35	323.14	06th February, 2018
3	PVAN EERD BEHEERSMAATSCHAPPIJ BV	Sadelmi S.p.A.	75.70	75.89	06th February, 2018
4	ATSL BV	SAE Powerlines S.r.l	94.31	83.99	06th February, 2018
5	Gammon Holding (Mauritius) Limited	Sofinter S.p.A.	117.08	150.84	13th December, 2017

The bankers had issued letters to the holding company enforcing the corporate guarantee and demanding repayment of the aforesaid amounts. Impacts of these letters were missed by oversight at the time of adoption of standalone accounts on 28th November 2018.

This was noticed subsequently at the time of preparation of consolidated Financial Statements and therefore the standalone Financial Statements approved on November 28, 2018 are modified to give effect to the recall notice by the lenders.

On account of the revision the liabilities to the lenders including lenders of the SPV has increased by ₹ 860.61 Crore and amounts due from the SPVs are correspondingly increased. There were also consequential to the income statement on account of guarantee fees accrual.

In the case of exposure to FTM the management believes that the value of non-core assets adequately cover the exposure.

2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

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

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

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

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

ii) Revenue Recognition:

a) Revenue from Construction Contracts:

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

b) Turnover:

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

c) Interest Income:

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

d) Dividend Income:

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

e) Lease Income:

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

f) Income from Insurance Claim:

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

iii) Joint Ventures

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

iv) Employee Benefits

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

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

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

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

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

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



Long-Term Employee Benefits

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

Termination Benefits

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

v) Property, Plant and Equipment

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

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

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

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

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

vi) Leased Assets

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

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

vii) Intangible Assets

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

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

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

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

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

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

viii) Impairment of Non-Financial Assets

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

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

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

ix) Cash and Cash Equivalents

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

x) Inventories

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

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

xi) Foreign Currency Transactions

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

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

xii) Borrowing Cost

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

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

xiii) Taxes on Income**Current Taxes**

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

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

Deferred Tax

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

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

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

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

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

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

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

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



Contingent liabilities and Contingent Assets

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

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

Onerous Contracts

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

xv) Earning Per Share

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

xvi) Leases

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

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

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

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

xvii) Current and Non-Current Classification

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

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
 - Held primarily for the purpose of trading,
 - Expected to be realized within twelve months after the reporting period,
- All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

xviii) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

xix) Financial Instruments

a. Financial Assets:

(i) Initial Recognition and Measurement

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

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

(ii) Subsequent Measurement

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

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

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

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

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

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

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

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

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

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



GAMMON INDIA LIMITED

(iii) Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - (a) The Company has transferred substantially all the risks and rewards of the asset, or
 - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Investment in Associates, Joint Venture and Subsidiaries

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

(v) Impairment of Financial Assets

The Company assesses impairment based on Expected Credit Losses (ECL) model to the Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

b. Financial Liabilities:

(i) Initial Recognition and Measurement

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

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

(ii) Subsequent Measurement

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

(iii) Financial Liabilities at Fair Value through Profit or Loss

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

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

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

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

(iv) Loans and Borrowings

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

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

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

(v) Financial Guarantee Contracts

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

(vi) Derecognition

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

c. Offsetting of Financial Instruments:

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

d. Derivative Financial Instruments:

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

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

e. Trade Payables:

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

f. Trade Receivable:

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


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

(₹ in Crore)

Particulars	Freehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK							
As at 01 April 2016	502.11	105.13	1,329.31	66.16	7.67	30.13	2,040.51
Additions	-	-	17.69	0.99	0.18	-	18.86
Disposals/Adjustments	-	-	49.91	6.77	0.03	0.20	56.91
Transfer under Scheme and BTA (Refer Note 38)	108.97	63.42	1,197.72	57.12	7.04	29.47	1,463.74
As at 31 March 2017	393.14	41.71	99.37	3.26	0.78	0.46	538.72
Additions	-	-	0.42	-	0.01	-	0.43
Disposals/Adjustments	-	-	(11.84)	0.15	-	-	(11.69)
As at 31 March 2018	393.14	41.71	111.63	3.11	0.79	0.46	550.84
DEPRECIATION							
As at 01 October 2014	-	38.77	691.13	54.24	6.60	25.63	816.37
Charge for the Year	-	1.29	29.63	1.00	0.73	-	32.65
Disposals/Adjustments	-	-	10.68	6.38	-	0.09	17.15
Transfer under Scheme and BTA (Refer Note 38)	-	11.16	655.42	46.23	6.55	25.08	744.44
As at 31 March 2017	-	28.90	54.66	2.63	0.78	0.46	87.43
Charge for the Year	-	0.83	10.70	0.24	0.01	-	11.78
Disposals/Adjustments	-	-	(1.05)	0.15	-	-	(0.90)
As at 31 March 2018	-	29.73	66.41	2.72	0.79	0.46	100.11
NET BLOCK							
As at 31 March 2017	393.14	12.81	44.71	0.63	(0.00)	-	451.29
As at 31 March 2018	393.14	11.98	45.22	0.39	(0.00)	-	450.73

3 Financial Assets

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
A	Investment carried at amortised Cost				
1	Equity Instrument of Subsidiaries -Indian	1,657.39	1,657.39	-	-
2	Equity Instrument of Subsidiaries - Foreign	45.26	45.26	-	-
3	Equity Instrument - Others- India	75.96	10.41	-	-
4	Equity Instrument - Others- Foreign	19.70	19.70	-	-
5	Government Securities	0.54	0.54	-	-
6	Partnership Firm	0.00	0.00	-	-
7	Optionally fully Convertible Debenture (OFCD)	-	4.37	-	-
8	Consideration Receivable Pursuant to Scheme	-	61.18	-	-
9	Provision for Impairment	(1,356.09)	(596.06)	-	-
	Total	442.77	1,202.80	-	-
B	Other Investments (At Fair value through P&L)				
1	Equity Shares	-	-	1.73	3.65
2	Liquid Mutual Funds	-	-	2.20	2.09
	Total	-	-	3.93	5.74

Disclosure:

- i) Investment carried at Cost
 ii) Investments carried at fair value through Profit and Loss

I Details of Investments**A Non Current Investments:-****i) Investment in equity instruments of Subsidiaries (Indian)**

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

ii) Investment in equity instruments of Subsidiaries (Foreign)

Particulars	Face Value	March 31, 2018		March 31, 2017	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)					
Associated Transrail Structure Limited Nigeria	NGN 1	1,00,00,000	0.36	1,00,00,000	0.36
ATSL Holdings BV (Netherland)	EUR 100	180	2.29	180	2.29
ATSL Holdings BV (Netherland) (for SAE Power lines S.r.l.)	-	-	5.91	-	5.91
Campo Puma Oriente S.A.	USD 1	6,441	4.66	6,441	4.66
Gammon Holdings (Mauritius) Limited	USD 1	15,000	2.85	15,000	2.85
Gammon Holdings BV	EUR 100	180	12.28	180	12.28
Gammon Holdings BV (for Franco Tosi Meccania S.p.A.)			2.73		2.73
Gammon International BV	EUR 100	180	12.09	180	12.09
Gammon International FZE	AED 150000	1	0.17	1	0.17
P.Van Eerd Beheersmaatschappij BV	EUR 453.78	35	1.92	35	1.92
Total			45.26		45.26


iii) Investment in Equity Instruments -Others- Indian

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)					
Aircscrew (India) Limited (₹ 5 paid up)	100	200	0.00	200	0.00
Alpine Environmental Engineers Limited	100	204	0.00	204	0.00
Bhagirathi Bridge Construction Company Limited	100	300	0.00	300	0.00
Gammon Engineers and Contractors Private Limited	10	1,41,85,714	49.65	-	-
Transrail Lighting Limited	10	87,50,000	26.08	77,50,000	10.18
Modern Flats Limited (Unquoted)	10	2,040	0.00	2,040	0.00
Plamach Turnkeys Limited	100	600	0.01	600	0.01
Shah Gammon Limited	100	835	0.01	835	0.01
STFA Piling (India) Limited (Fully Provided)	10	2,17,321	0.22	2,17,321	0.22
Indira Container Terminal Private Limited	10	2,64,07,160	26.41	2,64,07,160	26.41
Less : Transfer of Beneficial Interest in SPV in lieu of Deposit received			(26.41)		(26.41)
Total			75.96		10.41

iv) Investment in Equity Instruments -Others- Foreign

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

v) Government Securities

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

vi) Investment in Partnership Firm

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Unquoted					
Gammon Shah (Fully Provided for)			0.00		0.00
Total			0.00		0.00

vii) Provision for Impairment of Investment

Particulars	March 31, 2018		March 31, 2017	
	Nos	Amount	Nos	Amount
Air Screw India Limited		0.00		0.00
Bhagirathi Bcc Limited		0.00		0.00
Shah Gammon Limited		0.01		0.01
STFA Piling India Limited		0.22		0.22
Gammon Midest Limited		0.18		0.18
Gammon Shah		0.00		0.00
PVAN Investment		0.05		0.05
ACBI Investment		37.15		37.15
ATSL HOLDING BV		0.12		0.12
ASSOCIATED TRANSRAIL STR LIMITED - NIGERIA		0.36		0.36
Others		0.00		0.00
Finest S.p.A., Italy		19.52		19.52
Gammon Power Limited		672.48		518.99
Gactel Turnkey Projects Limited		10.97		10.97
Gammon Billimoria Limited		8.49		8.49
Metropolitan Infrahousing Private Limited		606.53		-
Total		1,356.09		596.06

viii) Optionally fully Convertible Debenture (OFCD)

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Transrail Lighting Limited	159	-	-	2,75,000	4.37
Total			-		4.37

In accordance with the Business Transfer Agreement, the Company has been allotted 2,75,000 unsecured zero coupon Optionally Fully Convertible Debentures ("OFCD") of ₹ 159 each amounting to ₹ 4.37 Crore of Transrail Lighting Limited. Each OFCD is convertible in to 1 equity share of the Company at the option of the OFCD holder upon one month of consummation of the scheme of Arrangement or 18 months from the execution of BTA, whichever is later. If the scheme of arrangement as detailed in Note 36 is not approved & the investor opts for redemption of OFCD to be issued to them, the said OFCD's shall be redeemed with a 11% yield on the subscribed amount.

During the year pursuant to the scheme being approved the OFCD's have been converted to equity shares of Transrail Lighting Limited

ix) Consideration Receivable pursuant to Scheme

	March 31, 2018	March 31, 2017
	Amount	Amount
Equity Shares receivable from Gammon Engineers and Contractors Private Limited	-	49.65
Equity Shares receivable from Transrail Lighting Limited	-	11.53
Total	-	61.18
Total Non-Current Investments	442.77	1,202.80

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


B Current Investments:-
Investment in Shares and Mutual Funds

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

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

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

(₹ in Crore)

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

E Other Notes

- (a) During the previous period the Company has pledged the Equity Shares of the following Companies -
- 3,65,00,000 Ansaldoaldaie Boilers India Private Limited
 - 5,100 Deepmala Infrastructure Private Limited
 - 50,49,940 Gactel Turnkey Projects Limited
 - 1,41,85,714 Gammon Engineers & Contractors Private Limited
 - 10,49,940 Transrail Lighting Limited
- (b) - Post Balance Sheet date out of total pledge shares of Gammon Engineers and Contractors Private Limited, 1,11,57,273 equity shares have been invoked by the Lenders.
- Similarly in the case of Transrail Lighting Limited 8,20,059 equity shares pledged have been invoked by the Lenders.
- (c) The Company has made provision for diminution in the value of investments arising out of fall in value of equity shares of Gammon Infrastructure Projects Limited (GIPL) which is held through Gammon Power Limited and GACTEL Turnkey Projects Limited. The provision is made against carrying value of investments and the loans advanced to the companies. The provision is based on the rate at which the Company had sold its partial stake in GIPL during the year and since the Balance Sheet date.

4 Financial Assets - Trade Receivables

(Unsecured, at amortised cost)

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

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Trade Receivables : (Unsecured, Considered Good unless otherwise stated)				
Considered Good	208.23	132.33	295.52	60.56
Considered Doubtful	-	202.45	-	172.97
Provision for Doubtful Debts	-	(202.45)	-	(172.97)
	208.23	132.33	295.52	60.56
Less: Expected Credit Loss	(0.52)	(0.33)	(0.66)	(0.10)
	207.71	132.00	294.86	60.46
Total	207.71	132.00	294.86	60.46

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

- (i) The Company in evaluating its jobs has considered an amount of ₹ 7.56 Crore relating to the likelihood of the claim materializing in favor of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.
- (ii) In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favor, the Company has recognized income to the extent of ₹114.22 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.
- (iii) There are disputes in seven projects of the Company. The total exposure against these projects is ₹ 402.54 Crore consisting of receivable of ₹ 164.29 Crore, inventory 38.71 Crore and other receivables ₹ 199.54 Crore. The Company is pursuing legal recourse / negotiations for settling the disputes in favor of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
- (iv) The Company has receivable including retention and work in progress aggregating to ₹ 54.72 Crore (inventory - ₹ 24.30 Crore and receivables ₹ 30.42 Crore) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts

(b) Expected Credit Loss

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

Movement in the expected credit loss allowance

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	(0.66)	(0.10)	1.33	1.49
Reversal on account of Transfer of Business	-	-	0.16	1.86
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.14	(0.23)	(1.82)	0.26
Provision at the end of the period	(0.52)	(0.33)	(0.66)	(0.10)


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

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	1,973.24	1.06	1,985.86	1.03
Considered Doubtful	1,520.29	113.78	600.37	171.26
Less : Provision for Doubtful Loans	(1,520.29)	(113.78)	(600.37)	(171.26)
Deposits				
Considered Good	4.50	4.45	4.62	8.22
Unsecured Considered Doubtful	-	3.60	-	3.60
Less : Provision for Doubtful	-	(3.60)	-	(3.60)
Other Loans and Advances				
Unsecured Considered Good	6.86	3.14	18.53	6.38
Unsecured Considered Doubtful	33.22	4.94	54.09	4.94
Less : Provision for Doubtful	(33.22)	(4.94)	(54.09)	(4.94)
Total	1,984.60	8.65	2,009.01	15.63

(i) Details of Loans given to Related Parties

Name of the Related Party	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Considered good:				
Deepmala Infrastructure Private Limited	152.47	-	214.19	-
Gammon Realty Limited	29.43	-	119.46	-
Metropolitan Infrahousing Private Limited	343.38	-	531.81	-
RAS Cities and Township Private Limited	2.00	-	9.94	-
Gactel Turnkey Projects Limited	1.53	-	-	-
Sikkim Hydro Power Ventures Limited	0.00	-	0.00	-
Haryana Biomass Power Limited (Hareda Projects)	0.07	-	0.07	-
Gammon International FZE	69.36	-	70.87	-
Gammon International BV	372.57	-	312.32	-
Campo Puma Oriente S.A.	165.22	-	264.38	-
Ansaldoaldiae Boilers India Private Limited	29.57	-	29.57	-
Gammon Holdings (Mauritius) Limited	260.04	-	108.85	-
Patna Water Supply Distribution Network Private Limited	51.44	-	51.15	-
Gammon Holdings BV	498.68	-	274.47	-
OSE Gammon Joint Venture	-	-	0.14	-
ATSL Holding BV (Netherland)	(2.52)	-	(1.36)	-
Franco Tosi Meccanica S.p.A.	-	0.11	-	-
Gammon Retail Infrastructure Private Limited	-	0.27	-	0.24
Rajahmundry Godavari Bridge Limited	-	0.35	-	0.35
Tidong Hydro Power Limited	-	0.02	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	0.00	-	-
Franco Tosi Hydro Private Limited	-	0.01	-	0.01
Gammon Sew Joint Venture	-	0.09	-	0.08
Preeti Township Private Limited	-	0.01	-	0.01
SAE Transmission India Limited	-	0.20	-	0.20
Franco Tosi Turbine Private Limited	-	-	-	0.11
Total	1,973.24	1.06	1,985.86	1.03

Name of the Related Party	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Considered Doubtful:				
Deepmala Infrastructure Private Limited	61.77	-	-	-
Gammon Realty Limited	88.88	-	-	-
Metropolitan Infrahousing Private Limited	206.03	-	-	-
Gammon & Billimoria Limited	39.87	-	40.37	-
Gactel Turnkey Projects Limited	66.79	-	65.54	-
Gammon International FZE	21.84	-	17.04	-
P.Van Eerd Beheersmaatschappij BV	85.07	-	9.11	-
Gammon International BV	286.61	-	2.55	-
Campo Puma Oriente S.A.	230.41	-	130.00	-
Gammon Holdings BV	183.87	-	171.77	-
Finest S.p.A.	0.52	-	0.52	-
ATSL Holding BV (Netherland)	199.66	-	114.51	-
SAE Power Lines S.r.l	48.96	-	48.96	-
Gammon Power Limited	-	110.57	-	168.05
Associated Transrail Structure Limited, Nigeria	-	3.21	-	3.21
Total	1,520.29	113.78	600.37	171.26

(ii) Detail of Loans & Advances in the nature of loans

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

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Ansaldocaldaie Boilers India Private Limited	29.57	29.57	29.57	60.42
Associated Transrail Structure Limited, Nigeria	3.21	3.21	3.21	3.29
Atlanta India Limited Gammon Joint Venture	-	-	-	0.06
ATSL Holding BV (Netherland)	197.14	113.15	197.14	115.48
BBJ Gammon Joint Venture	-	-	-	1.35
Campo Puma Oriente S.A.	395.63	394.38	397.52	394.38
Deepmala Infrastructure Private Limited	214.25	214.19	240.81	214.19
Finest S.p.A.	0.52	0.52	0.52	0.56
Franco Tosi Hydro Private Limited	0.01	0.01	0.01	0.01
Franco Tosi Turbines Private Limited	-	0.11	-	0.11
Gactel Turnkey Projects Limited	68.32	65.54	68.32	65.54
Gammon & Billimoria Limited	39.87	40.37	40.37	40.37
Gammon Archirodon Joint Venture	-	-	-	0.03
Gammon Cidade Tensacciai Joint Venture	-	-	-	63.09
Gammon CMC Joint Venture	-	-	-	7.50
Gammon Encee Joint Venture	-	-	-	4.85
Gammon Holdings (Mauritius) Limited	260.04	108.85	260.56	111.29
Gammon Holdings BV	682.55	446.24	682.55	459.56
Gammon International BV	659.18	314.86	659.18	325.83
Gammon International FZE	91.20	87.92	91.20	91.09
Gammon JMC Joint Ventures	-	-	-	0.05
Gammon Power Limited	110.57	168.05	168.05	168.05
Gammon Progressive Joint Venture	-	-	-	0.61
Gammon Realty Limited	118.31	119.46	123.10	119.46
Gammon Renewable Energy Infrastructure Limited	0.00	-	0.00	0.00
Gammon Retail Infrastructure Private Limited	0.27	0.24	0.27	0.24
Gammon Rizzani Joint Venture	-	-	-	0.44
Gammon Sew Joint Venture	0.09	0.08	0.09	0.08



Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Haryana Biomass Power Limited (Hareda Projects)	0.07	0.07	0.07	0.07
Jaeger Gammon Joint Venture	-	-	-	1.57
JV Gammon-FECP, Nigeria	-	-	-	14.75
Kosi Bridge Infrastructure Company	-	-	-	0.61
Metropolitan Infrahousing Private Limited	549.41	531.81	549.41	531.81
Mumbai Nasik Expressway Limited	-	-	-	0.01
OSE Gammon Joint Venture	-	0.14	0.14	0.14
P.Van Eerd Beheersmaatschappij BV	85.07	9.11	85.09	9.30
Patna Water Supply Distribution Network Private Limited	51.44	51.15	51.46	51.15
Preeti Township Private Limited	0.01	0.01	0.01	0.01
Rajahmundry Godavari Bridge Limited	0.35	0.35	0.35	0.35
RAS Cities and Township Private Limited	2.00	9.94	9.94	9.94
SAE Power Lines S.r.l	48.96	48.96	48.96	49.08
SAE Transmission India Limited	0.20	0.20	0.20	0.20
Sikkim Hydro Power Ventures Limited	0.00	0.00	0.00	0.00
Tidong Hydro Power Limited	0.02	0.02	0.02	0.02
Transrail Lighting Limited	-	-	-	0.01
Youngthong Power Ventures Limited	-	-	-	0.00
Franco Tosi Meccanica S.p.A.	0.11	-	0.11	-
Total	3,608.37	2,758.52	3,708.24	2,916.97

(iii) Investment by loanee in the subsidiary Companies Shares

Name of the Company	Invested in Subsidiary Company	March 31, 2018	March 31, 2017
Gammon Holdings BV	Franco Tosi Meccanica S.p.A.	411.29	353.26
	Gammon Itlay S.r.l.	0.14	0.12
ATSL Holding BV (Netherland)	SAE Powerlines S.r.l.	103.44	96.30
Gammon & Billimoria Limited	G & B Contracting LLC	0.61	0.61
Gammon Realty Limited	Preeti Township Private Limited	0.12	0.12
	Deepmala Infrastructure Private Limited	0.00	0.00
Gammon Power Limited	Gammon Infrastructure Projects Limited	490.94	714.10
Gactel Turnkey Projects Limited	Gammon Infrastructure Projects Limited	-	68.17
P.Van Eerd Beheersmaatschappij BV	Sadelmi S.p.A.	60.51	51.97
Gammon Retail Infrastructure Private Limited	Gammon Power Limited	0.01	0.01

- (iv) The balances of the project advances are subject to confirmation and consequent reconciliation, if any.
- (v) The Company on prudent basis has stopped recognizing further interest on all the loans which are doubtful of recovery and for which provisions for impairment are made either in full or part.

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

Name of Party	Relation	Purpose	March 31, 2018	March 31, 2017
Campo Puma Oriente S.A.	Subsidiary	Advance towards Operations	-	349.38
Deepmala Infrastructure Private Limited	Subsidiary		0.14	0.01
Gactel Turnkey Projects Limited	Subsidiary		2.78	19.47
Gammon Holdings (Mauritius) Limited	Subsidiary		-	0.07
Gammon Holdings BV	Subsidiary		-	0.06
Gammon International BV	Subsidiary		9.50	0.06
Gammon Retail Infrastructure Private Limited	Subsidiary		-	0.24
Metropolitan Infrahousing Private Limited	Subsidiary		17.60	0.26
P.Van Eerd Beheersmaatschappij BV	Subsidiary		-	0.04
Patna Water Supply Distribution Network Private Limited	Subsidiary		0.30	0.44

6 Other Financial Assets (at amortised cost)

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	197.02	0.65	356.04	32.70
Considered Doubtful	217.70	-	14.86	4.58
Less : Provision for Doubtful Interest	(217.70)	-	(14.86)	(4.58)
Other Receivable	-	0.63	-	0.33
Excess Managerial Remuneration Receivable	-	24.53	-	-
Total	197.02	25.81	356.04	33.03

Pursuant to the rejection of the waiver of recovery of managerial remuneration by the Members in General Meeting, the Company has reversed the managerial remuneration of the Chairman and Managing Director and another Executive Director aggregating to ₹ 31.13 Crore and has shown the net recoverable amount (after reversal of unpaid salary) of ₹ 24.53 Crore as excess managerial remuneration receivable.

7 Other Assets

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

Unbilled Revenue

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

8 Inventories

Particulars	March 31, 2018	March 31, 2017
Material at Construction Site	28.86	50.69
Work In Progress - Real Estate	25.06	21.99
Work In Progress	69.90	73.59
Total	123.82	146.27

Inventory Valuation Policy

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



9 Cash and Bank Balance

Particulars	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Cash on Hand	0.06	0.05
Balances with Bank	10.05	44.79
Total	10.11	44.84
Other Bank Balances		
Unpaid dividend	0.58	0.64
Other Bank Balance	2.00	2.00
Bank deposits (on margin account)	0.47	4.31
Total	3.05	6.95

Other Bank Balances

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

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

10 Equity Share Capital

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

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

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

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

(b) Reconciliation of Number of Shares Outstanding

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

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

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2018		March 31, 2017	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,97,74,612	10.76%	3,97,74,612	10.76%
Punjab National Bank	2,42,09,101	6.55%	2,42,09,101	6.55%
Syndicate Bank	2,26,96,508	6.14%	2,26,96,508	6.14%
Bank Of Baroda	2,21,04,507	5.99%	2,21,04,507	5.99%
Allahabad Bank	1,95,82,216	5.30%	1,95,82,216	5.30%

(d) Terms / rights attached to equity shares

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

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

11 Other Equity

Particulars	March 31, 2018	March 31, 2017
Capital Redemption Reserve	105.00	105.00
Capital Reserve	11.52	11.52
Securities Premium Account	1,262.20	1,262.20
Debenture Redemption Reserves	81.00	81.00
General Reserve	363.06	363.06
Perpetual Promoter Contribution	100.00	100.00
Retained Earnings	(3,332.71)	(1,351.62)
Treasury Shares	(1.69)	(1.69)
Total	(1,411.62)	569.48

12 Non Current Financial Liabilities - Borrowings

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

Note:

Classification of all credit facilities under Current Liabilities

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



GAMMON INDIA LIMITED

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

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

Key features of the CDR agreement are as follows :

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

(b) Securities for Term Loans and NCD :

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

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

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

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

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

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

Working Capital Term Loan (WCTL) -

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

Priority Loan -

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

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

Non Convertible Debentures (NCD) and FITL thereon -

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

Funded Interest Term Loan (FITL) -

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

(c) Interest on Term Loans:

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

Non Convertible Debentures

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

(d) Repayment Term:

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

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

- a) Pledge of entire unencumbered Equity Shares (present and future) of GIL held by Promoters subject to section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered Equity Shares as and when such shares are released by the respective existing lenders.
- b) Personal guarantee of Mr Abhijit Rajan, Chairman & Managing Director.
- c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the Joint Venture agreement with developer.
- d) Corporate Guarantee provided by Nikhita Estate Developers Private Limited ("promoter entity")
- e) Pledge over the following shares -
 - 51% of Deepmala Infrastructure Private Limited
 - 74% of Ansaldoaldaie Boilers India Private Limited
 - 100% of Gactel Turnkey Projects Limited
 - 25% of Transrail Lighting Limited
 - 25% of Gammon Engineers and Contractors Private Limited
 - 100% of Nikhita


GAMMON INDIA LIMITED
(f) Maturity profile of Term Loans and NCD:

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

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

The continuing default on principal obligation is tabulated below:

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
The Entire credit facilities is in default and recalled, hence age-wise default is not disclosed.					
Rupee Term Loan (RTL)					1,497.78
Priority Loan (PL)					613.05
Funded Interest Term Loan (FITL)					64.51
Working Capital Term Loan (WCTL)					458.31
Non Convertible Debentures(NCD)					289.34
Total	-	-	-	-	2,922.98

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

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
Rupee Term Loan (RTL)	40.71	21.50	43.00	19.78	124.99
Priority Loan (PL)	42.20	22.35	32.68	11.72	108.95
Funded Interest Term Loan (FITL)	2.38	2.02	2.38	-	6.78
Working Capital Term Loan (WCTL)	14.64	0.87	-	-	15.51
Non Convertible Debentures(NCD)	6.10	6.10	12.42	-	24.62
Total	106.02	52.84	90.48	31.50	280.84

13 Non-Current Financial Liabilities - Trade Payable

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

14 Other financial liabilities

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

15 Provisions

Particulars	March 31, 2018		March 31, 2017	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:				
Provision for Gratuity	0.05	0.23	0.05	0.12
Provision for Leave Encashment	0.30	0.46	0.85	0.63
Others:				
Provision for Risk and Contingencies	-	71.45	-	249.62
Total	0.35	72.14	0.90	250.37

(a) Disclosure under Ind AS 37 “ Provisions, Contingent Liabilities and Contingent Assets”

Provision for Risk and Contingencies

As at	Opening Balance	Addition during the period	Paid/ Reversed during the period	Closing Balance
March 31, 2017	237.49	17.80	5.67	249.62
March 31, 2018	249.62	-	178.17	71.45

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

Table Showing Change in the Present Value of Projected Benefit Obligation	As at March 31, 2018	As at March 31, 2017
Present Value of Benefit Obligation at the Beginning of the Period	0.50	7.21
Interest Cost	0.04	0.20
Current Service Cost	0.05	0.23
Liability transferred out - on scheme and BTA	0.28	(6.97)
Benefit Paid Directly by the Employer	(0.02)	(0.03)
Benefit Paid From the Fund	(0.07)	(1.03)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.01)	0.03
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.19)	0.84
Present Value of Benefit Obligation at the End of the Period	0.56	0.50
Fair Value of Plan Assets at the Beginning of the Period	0.32	1.24
Interest Income	0.02	0.06
Contribution by Employer	0.00	1.42
Assets transferred out - on scheme and BTA	-	(1.34)
Benefit Paid from the Fund	(0.07)	(1.03)
Return on Plan Assets, Excluding Interest Income	(0.00)	(0.02)
Fair Value of Plan Assets at the End of the Period	0.28	0.32
Present Value of Benefit Obligation at the end of the Period	(0.56)	(0.50)
Fair Value of Plan Assets at the end of the Period	0.28	0.32
Funded Status (Surplus/ (Deficit))	(0.28)	(0.17)
Net (Liability)/Asset Recognized in the Balance Sheet	(0.56)	(0.35)
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.05	0.23
Net Interest Cost	0.01	0.14
Past Service Cost	0.28	-
Expenses Recognized	0.34	0.37
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation for the Period	(0.20)	0.88
Return on Plan Assets, Excluding Interest Income	0.00	0.02
Net (Income)/Expense For the Period Recognized in OCI	(0.20)	0.90
Balance Sheet Reconciliation		
Opening Net Liability	0.17	5.98
Expenses Recognized in Statement of Profit or Loss	0.34	0.37
Expenses Recognized in OCI	(0.20)	0.90
Net Liability/(Asset) Transfer Out	0.00	(5.62)
Benefit Paid Directly by the Employer	(0.02)	(0.03)
Employer Contribution	(0.00)	(1.42)
Net Liability/(Asset) Recognized in the Balance Sheet	0.28	0.17
Category of Assets		
Insurance Fund	0.28	0.32
Total	0.28	0.32



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

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

Note :

- 1 Gratuity is payable as per Company's scheme as detailed in the report.
- 2 Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.
- 3 The Company's Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities. The Company's Gratuity Liability is entirely funded except LMR employees.
- 4 During the previous year transfer out of Liability ₹ 6.97 Crore and Plan Assets ₹ 1.34 Crore represents transfer to Gammon Engineers and Contractors Private Limited as at 30th June, 2016.
- 5 Salary escalation & attrition rate are considered as advised by the Company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.
- 6 Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.
- 7 In the absence of data of experience adjustments, the same is not disclosed.
- 8 The Company's Leave Encashment Liability is entirely unfunded.

9 Risk Factors / Assumptions

- a) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- b) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- c) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- d) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- e) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- f) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

16 Deferred Tax (Liabilities) / Assets (Net)

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

Deferred Tax Assets:

Since it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be Utilised, the deferred tax asset is not recognized in current year.

17 Other Non-Current Liabilities

Particulars	March 31, 2018	March 31, 2017
Client Advances	45.99	58.49
Advance received against Real Estate Joint Development	43.00	33.50
Unamortised Guarantee Commission	1.60	9.93
Total	90.59	101.92

18 Current Financial Liabilities - Borrowings

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

Note: The entire credit facilities of ₹ 971.16 Crore is recalled by the lenders and hence disclosed under current liabilities

- (i) Securities - Cash Credit from Consortium Bankers:
 - a) 1st pari-passu charge on the entire Current Assets, Loans and Advances, Long Term Trade Receivables and Other Assets of the Company.
 - b) 2nd pari-passu charge over the entire Fixed Assets (immovable and movable) of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
 - c) 2nd pari-passu charge on Gammon House.
- (ii) The rate of interest on above loan is linked to MI base rate + 175 bps to 225 bps.
Some of the loans are at spread below Bank base rate or Bank Prime lending rate or at Negotiable rates. The Spread range from 100 to 250 bps.
- (iii) Buyers Credit are secured by guarantee of consortium bankers.
- (iv) Short term loan from consortium Bankers :
 - a) BOB -Security - Short Term Loan V - INR
 - 1st Charge on investments, Loans & Advances, LT Receivables (claims) of Gammon India Limited Residual
 - 2nd charge on Gammon House
 - 2nd charge of Canara Bank on Dombivali Metropolitan Infra Housing Private Limited Land (only on RTL-1 portion)
 - Pledge on shares of Metropolitan Infra Housing Private Limited (Dombivali)



GAMMON INDIA LIMITED

- Pledge on shares of Deepmala Infra Private Limited (76%)
- Pledge on shares of Ansaldocaldaie Boilers India Private Limited (73%)
- Pledge on shares and corporate guarantee of Nikhita Estate Developers Private Limited (100%)
- Pledge on Promoters holding in Gammon India Limited
- Personal Guarantee of Mr. Abhijit Rajan
- Pledge on Gammon India Limited's holding in EPC
- Pledge on Gammon India Limited's holding in T&D
- Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

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

c) IDBI - STL

Primary Security

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

2nd pari passu charge on the entire fixed assets (immovable and movable) of Gammon India Limited excluding the fixed assets charged exclusively to Non Convertible Debenture holders

2nd pari passu charge on Gammon House

STL-I & II are allowed by way of interchangeability from the existing NFB limits for which the security has already been created

Collateral Security

Pledge of 16,27,94,100 unencumbered shares of Gammon Infrastructure Project Limited (GIPL) with duly executed Power of Attorney for sale of shares.

d) ICICI -STL

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

The OD facility shall be additionally collateralised by way of :

Exclusive pledge of 16,89,99,900 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 17.94% of the total paid up equity shares of GIPL. The same shall be Subject section 19 (2) & (3) of the Banking Regulation Act.

NDU- PoA over the remaining 16,89,99,900 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 17.94% of the total paid up equity shares of GIPL which shall be released in favor of IDBI Bank / Other Bank who shall be sanctioning the remaining OD facility.

(v) Facility overdrawn as at March 31, 2018:

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

Facility overdrawn as at March 31, 2017:

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

19 Current Financial Liabilities - Trade Payables

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

- (i) As per the information / intimation / documentation available with the Company, Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, have been identified by the Company to whom the Company owes dues on account of principal amount together with interest and accordingly additional disclosures under section 22 of The Micro small and Medium Enterprises Development Act 2006 have been made.
- (ii) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
- (iii) The balances of the trade payables are subject to confirmation and consequent reconciliation, if any.
- (iv) **Disclosure In accordance with Section 22 of The Micro, Small and Medium Enterprises Development Act 2006.**

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

20 Other Current Financial Liabilities

Particulars	March 31, 2018		March 31, 2017	
Current Maturities of Term Loan		-		449.98
Credit facilities recalled by lenders - Secured (Refer Security details in note 12 & 18)		3,894.14		-
Credit facilities recalled by lenders - Secured (For SPV)		860.61		-
Others - Overdue Principal (Refer Note (a) below)		-		280.84
Interest Accrued and Due (Refer Note (b) below)		641.66		427.07
Interest Accrued (Refer Note (d) below)		186.83		7.23
Unpaid Dividend (Refer Note (c) below)		0.58		0.64
Payable for Capital Goods		-		2.25
Other Payables				
- Related Party	151.38		113.59	
- Others	23.56		16.89	
		174.94		130.48
Total		5,758.76		1,298.49

- (a) The facilities from the lenders to SPV Companies were backed by the Company's Corporate Guarantees. Since the SPV companies could not make payment of the overdue amounts, the lenders have demanded the immediate payment of all overdue amount of loan and interest from the Company amounting to ₹ 860.62 Crore. The same is classified as current and disclosed as Current Liabilities and correspondingly recoverable from the SPV companies.

- (b) Principal Overdue includes -

March 2018: RTL- ₹ 316.57 Crore , NCD- ₹ 62.08 Crore, FITL- ₹ 16.61 Crore, PL- ₹ 281.89 Crore and WCTL- ₹ 80.65 Crore. (disclosed as part of credit facilities recalled)

March 2017: RTL- ₹ 124.99 Crore , NCD- ₹ 24.62 Crore, FITL- ₹ 6.78 Crore, PL- ₹ 108.95 Crore and WCTL- ₹ 15.50 Crore.



(c) The continuing default on Interest obligation is tabulated below:

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	34.40	14.39	75.33	176.32	300.45
PL	23.53	16.40	42.37	65.62	147.92
FITL	0.89	0.06	5.55	16.91	23.40
WCTL	18.80	11.17	40.43	32.78	103.19
NCD	7.33	7.49	14.91	31.60	61.34
STL	5.24	5.18	15.10	21.26	46.78
WC DL	0.18	0.24	0.98	0.62	2.02
Cash Credit	27.86	19.74	44.75	19.18	111.52
Total	118.24	74.68	239.42	364.28	796.62

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

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	51.61	33.58	64.07	42.55	191.81
PL	19.05	18.02	29.20	6.48	72.75
FITL	5.21	4.52	8.49	5.31	23.53
WCTL	13.70	10.73	20.29	2.05	46.78
NCD	9.32	7.00	15.29	-	31.62
STL	9.03	5.44	10.38	-	24.84
WC DL	3.97	1.87	3.10	0.60	9.54
Cash Credit	10.64	3.94	7.87	3.57	26.01
Total	122.52	85.10	158.69	60.57	426.88

(d) Unpaid dividend includes ₹ 0.32 Crore (P.Y March 2017: ₹ 0.37 Crore) to be transferred to the Investor Education & Protection Fund

(e) Interest accrued includes ₹ 174.94 Crore on account of NPA Interest accrued in the books

(f) Other Payable Related Party:

The amount of ₹ 107.16 Crore payable as at March 31, 2017 to GECPL relates to the payments made from the common pool of funds during the period from July 1, 2016 till the effective date towards obligations of Gammon India Limited out of money received on GECPL account. This amount has increased further to ₹ 138.88 Crore as at March 31, 2018. During the subsequent year till the date of signing of these financials the Company has paid an amount of ₹ 45.22 Crore. In respect of the balance amount GECPL has asked to earmarked the same against the assignment of specific claims and awards. Company has written to the clients for the assignment of the specific awards. No interest is accrued on the aforesaid amount.

21 Other Current Liabilities

Particulars	March 31, 2018	March 31, 2017
Client Advances	102.31	55.27
Duty & Taxes Payable	6.78	3.98
Others	0.01	-
Unamortised Guarantee	5.36	8.47
Total	114.46	67.72

22 Current Tax Liabilities

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

23 Revenue from Operations

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

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

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

Particulars	April 2017 -March 2018	April 2016 -March 2017
Contract revenue for the year	233.43	712.02
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	5,739.79	11,617.29
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	401.87	970.26
Advances received from contractees	102.90	105.94
Retention money	57.31	5.79
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,190.46	1,400.06
Gross amount due to customers for contract work	44.04	7.82

24 Other Income

Particulars	April 2017 -March 2018	April 2016 -March 2017
Interest Income on EIR on Financial Assets at amortised cost	18.52	265.98
Profit on Sale of Business (Refer note 36)	-	26.75
Miscellaneous Income	1.65	0.46
Excess provision written back	18.53	-
Excess Managerial Remuneration reversed (Refer note 6)	31.14	-
Profit on Sale of Assets	9.68	0.81
Profit on Sale of Investments	0.45	-
Gain on Fair Valuation of Current Investments	0.46	1.27
Corporate Guarantee Commission	11.44	12.01
Exchange Gain	12.71	-
Gain on remeasurement of Loan to Subsidiaries	7.79	0.89
Dividend on Current Investments	0.05	-
Total	112.42	308.17

25 Cost of Materials Consumed

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



26 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Work in Progress				
Opening				
- Construction	73.59	73.59	724.17	724.17
Less : Closing				
- Construction	(69.90)	(69.90)	(73.59)	(73.59)
Stock transfer on account of business transfer (Refer note 36)				
Work in Progress	-	-	(601.19)	-
Finished	-	-	-	(601.19)
Total		3.69		49.39

27 Employee Benefits

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

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

Similarly the Company's application for waiver of recovery of excess remuneration paid to its erstwhile Executive Director Mr. Himanshu Parikh for an aggregate amount of ₹ 0.60 Crore was also rejected by the Ministry of Corporate Affairs vide its letter dated 8th February, 2017. The Company made a representation letter to the Ministry on 11th September, 2017 to re-consider the application and grant the approval for the recovery of excess remuneration paid to Mr. Parikh for the period from 1st July, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013. The Company is awaiting a response from the ministry.

In view of the aforementioned facts the Company has shown ₹ 24.53 Crore receivable from managerial personnel.

28 Finance Cost

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

29 Depreciation & Amortisation

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

30 Other Expenses

Particulars	April 2017 -March 2018	April 2016 -March 2017
Plant Hire Charges	1.84	6.49
Consumption of Spares	1.49	7.95
Outward Freight	-	-
Power & Fuel	4.15	33.41
Fees & Consultations	11.70	12.01
Rent	1.63	10.76
Rates & Taxes (incl indirect taxes)	1.68	38.13
Travelling Expenses	1.70	5.87
Communication	0.02	0.58
Insurance	0.69	6.42
Repairs to Plant & Machinery	0.24	2.17
Repairs to Building	-	-
Other Repairs & Maintenance	0.05	2.12
Bank Charges & Guarantee Commission	1.86	3.94
Other Site Expenses	3.08	0.09
Sundry Expenses	1.93	2.61
Loss on Overseas Project	13.19	-
Sundry Balance Written Off	0.06	38.08
Bad Debts	8.89	20.94
Provision for Doubtful Debts and Advances	22.71	16.33
Provision for Risks & Contingency	-	17.80
Loss on Sale of Current Investments	-	0.25
Loss on Joint Venture	-	0.10
Foreign Exchange Loss (net)	-	59.14
Asset Written Off	-	12.44
Branch Auditors' Remuneration	-	0.09
Audit Fees	0.39	0.85
Total	77.30	298.57

(a) Remuneration to Statutory Auditors

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

(b) Remuneration to Branch Auditors

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

**31 Exceptional Items**

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

Notes related to Exceptional Items:

- i) One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali since the Balance Sheet date. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. Therefore the Company has made a provision for impairment of its investment in the subsidiary of ₹ 505.44 Crore net of the reversal of the provision of deferred tax liability recognised on transition date of ₹ 101.09 Crore. Further provision of ₹ 268.90 Crore has been made against its exposure as loan & interest receivable as on March 31, 2018.
- ii) One of the subsidiary ("Gammon Realty Limited) has sold its stake in its subsidiary ("Preeti Township Private Limited) since the Balance Sheet date. Pursuant thereto the Company has made a provision of ₹ 120 Crore against its exposure considering the value of its residuary assets.
- iii) The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is ₹ 324.68 Crore. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management has on a conservative basis made a provision of ₹ 100 Crore against its exposure based on internal estimates of the realizable value. The management is confident that there will be no further provision required towards impairment.
- iv) During the previous period, the Company sold 75% of its stake in TLL to the Investor at a loss of ₹ 20.92 Crore and on the balance 25% the Company has made provision for diminution in value of Investment of ₹ 6.98 Crore. During the current year considering the financial performance of the said TLL after the transfer of undertaking and infusion of investment by the investors the companies performance has improved necessitating the reversal of provision of diminution in the value of investments.
- v) The Company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited and Gactel Trunkeys Project Limited, the Companies through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is ₹153.49 Crore for the year ended March 31, 2018 (₹ 529.96 Crore for the year ended March 31, 2017). The impairment provision is made based on the market price of the said shares of GIPL.
During the previous year similarly the Company has made provisions towards the exposures in the form of investments and loans in Finest S.p.A., Italy, Gammon and Billimoria Limited, exposure towards FTM and Campo puma and other companies not in the same group after an evaluation of the possibility of recovery in the current business environment.
- vi) Since the Balance Sheet date the Court of Monza in respect of one of the step down Subsidiary SAE Powerlines S.r.l. (Held through ATSL Holdings BV) has declared the bankruptcy. The Company has made full provision against the receivables of ₹ 22.6 Crore, which is included in Provision for doubtful advances.
- vii) The exposure of the Company in Sofinter S.p.A. through two subsidiaries is ₹ 1112.34 Crore of which Gammon International BV is ₹ 826.14 Crore and Gammon Holding Mauritius Limited is ₹ 286.20 Crore. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is ₹ 125 Crore. However on the prudent basis Company has provided ₹ 350 Crore during the year against its exposure to GIBV.
- viii) The Company has foreclosed one of the projects under dispute amicably with the customer by booking a loss of ₹ 44.80 Crore on the said project which has been shown as exceptional item.

32 Tax Expense

Particulars	April 2017 -March 2018	April 2016 - March 2017
Income Tax Expense in the Statement of Profit and Loss Consists of:		
Current Tax	-	-
Excess Short Provision for Tax	-	2.93
Deferred tax	(32.55)	(5.73)
Income Tax Recognised in Statement of Profit or Loss	(32.55)	(2.80)

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A Current Tax

Accounting profit before income tax for 12 months	(2,013.85)	(1,662.72)
Enacted tax rates in India (%)	31.20%	34.61%
Computed expected tax expenses	(628.32)	(575.43)
Effect of non- deductible expenses	639.79	629.03
Effect of tax losses and deductible expenses	(10.91)	(53.60)
Net Tax Effects	0.56	-0.00

B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2018
Property, Plant and Equipment	(197.77)	83.61	-	(114.16)
Non Current Investments	(129.55)	-	-	(129.55)
Trade Receivable- Provision for Doubtful Debts	14.34	(14.34)	-	-
Disallowances u/s 43B	42.20	(42.20)	-	-
Employee Benefits	6.63	(6.63)	-	-
ICDS Adjustments	14.72	(14.72)	-	-
Remeasurement gain/(loss) on Defined Benefit Plans	1.14	-	(1.14)	0.00
Mar-17	(248.29)	5.73	(1.14)	(243.70)
Property, Plant and Equipment	(114.16)	32.54	-	(81.61)
Non Current Investments (*)	(129.55)	101.10	-	(28.45)
Trade Receivable- Provision for Doubtful Debts	-	-	-	-
Disallowances u/s 43B	-	-	-	-
Employee Benefits	-	-	-	-
ICDS Adjustments	-	-	-	-
Remeasurement gain/(loss) on defined benefit plans	0.00	-	-	-
Mar-18	(243.70)	133.64	-	(110.06)

(*) Adjusted in Exceptional Items

33 Earning Per Share

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

Particulars	April 2017 -March 2018	April 2016 - March 2017
Net Profit attributable to the Equity Share holders	(1981.30)	(1659.92)
O/s number of Equity Shares at the end of the year	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Basic	36,88,47,305	36,80,45,006
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,87,70,806
Earning Per Share – Basic (₹)	(53.72)	(45.10)
Earning Per Share – Diluted (₹)	(53.61)	(45.01)


Reconciliation of weighted number of outstanding during the year :

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

34 Contingent Liability

	Particulars	March 31, 2018	March 31, 2017
i	Liability on contracts remaining to be executed on Capital Account	-	1.68
ii	Corporate Guarantees and Counter Guarantees given to Bankers towards Guarantees given by them for Client of the Company and Company's share in the Joint Ventures and for loans to subsidiaries (net of recalled amount accounted as liabilities) <i>The above does not include the Corporate and Bank Guarantees which are in the process of being transferred in the name of GECPL under the Scheme (amounting to ₹ 2,394.65 Crore).</i>	1,002.79	2,197.16
iii	Disputed Sales Tax Liability for which the Company has gone into appeal	31.63	26.52
iv	Claims against the Company not acknowledged as debts	294.41	260.42
v	Disputed Excise Duty Liability	-	0.10
vi	Disputed Service Tax Liability	9.48	7.31
vii	Outstanding Letters of Credit Pending Acceptance	-	2.89
viii	In respect of Income Tax Matters of Company and its Joint Ventures	328.36	334.81
ix	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
x	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
xi	Other Matter	-	6.42
xii	Right to recompense in favor of CDR Lenders in accordance with the terms of MRA	504.96	504.96

xiii There is a disputed demand of UCO Bank pending since 1986, of USD 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.

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

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

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

35 Segment Reporting as per Ind AS 108 " Operating Segments"

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

Revenue of ₹ 89.99 Crore (PY: 180.77 Crore) arising from three (PY: two) major customer each contributing more than 10% of the total revenue of the Company.

36 Effect of BTA and Slump Exchange Scheme**A EPC Business:**

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

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

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

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

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

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

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

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

B Transmission and Distribution Business:

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

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



GAMMON INDIA LIMITED

The National Company Law Tribunal (NCLT) vide its Order dated 30th March, 2017 approved the Scheme. The Scheme came into operation on 19th April, 2017. On the Scheme becoming operational, the Transmission and Distribution Undertaking of the Company essentially comprising of the engineering, procurement and construction business of the Company in the power transmission and distribution sector, the tower testing facility located at Deoli, manufacturing facilities located at Baroda and Nagpur together with all the pre-qualifications, properties, assets, liabilities, debts, duties and obligations of the T&D Undertaking is transferred to TLL with effect from 1st January, 2016 during the previous year ended March 31, 2017.

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

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

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

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

37 Foreign & Domestic Venture

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

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

(b) The process of transferring the ownership of Sofinter in favor of the transferee company was completed during the year ended March 31, 2017 and the Group now owns 67.50% of the total equity capital of Sofinter through two of its wholly owned overseas subsidiaries. However to facilitate continued support on lines of credit, the Board of Sofinter S.p.A. has been reconstituted effective from November 2016 with majority vesting with the lending banks of Sofinter group.

In view of what is stated above, the Company contends that it is not able to exercise any influence on the said Sofinter although it holds 67.50% of the Equity. The CEO is also appointed by the Banks and the Bank nominees are controlling the day to day operations and management of the Group. The sole representative of the shareholders on the Board has no vested powers excepting that of the Legal Representative of the Company.

In view of what is stated above, the Company contends that it is not able to exercise any influence on the Group although it holds 67.5% shareholding in Sofinter S.p.A. and therefore the said Sofinter is neither accounted as a Subsidiary nor as an Associate at group level.

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

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

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

- (d) The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is ₹ 192.88 Crore (net of provisions of ₹ 230 Crore made). The Company had received a valuation report for \$ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the Company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the Financial Statements will be signed and released. The Company has already made a provision of ₹ 130 Crore in March 2017 against its exposure based on internal estimates of the realisable value and further provision of ₹ 100 Crore is made in March 2018.
- (e) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij BV, Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A. for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A., Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi of ₹ 25.72 Crore and has charged the same as an exceptional item. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV. The Company has made provision as risks and contingencies aggregating to ₹ 77.54 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said subsidiary for making investment into Sadelmi, in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets considering the net worth and operations of the said Sadelmi.
- (f) Since the Balance Sheet date the Court of Monza in respect of one of the step down Subsidiary SAE Powerlines S.r.l. (Held through ATSL Holdings BV) has declared the bankruptcy. The Company has made full provision against the receivables of ₹ 22.60 Crore, which is included in other expenses. The other exposure is fully provided for.

38 Material Uncertainty Relating to Going Concern

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. As on 31st March, 2018 the Company's current liabilities exceed the current assets by ₹ 5718.67 Crore. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy Code.

ICICI bank has invoked pledge of shares of Gammon Infrastructure Projects Limited which were pledged as security by one of the Company's wholly owned subsidiary towards recovery of its dues. As on 31st March, 2018 the Company's wholly owned subsidiary held 362,999,700 equity shares (38.54%) in GIPL.

The CDR lenders also invoked pledge of Company's holdings of 17.26% in Gammon Engineers and Contractors Private Limited and 17.38% holding in Transrail Lighting Limited for recovery of its dues apart from invoking the personal guarantee of the promoter Mr. Abhijit Rajan and the Corporate Guarantee given by a "promoter Group Company".



GAMMON INDIA LIMITED

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

The demerger of the transmission and distribution business and part of the Civil EPC business in the previous year has resulted in the reduction of CDR lenders exposure by ₹ 10,362 Crore including funded and non-funded exposures. After the carve out of businesses the total exposure of the lenders in the Company is ₹ 4,285.14 Crore (Fund based- ₹ 3,894.14 Crore (excluding interest) and Non-Fund Based - ₹ 391 Crore).

The Company's subsidiaries have sold 16,50,00,300 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of ₹ 66.52 Crore.

Post the Balance Sheet date, the Company has repaid term loan of Canara bank aggregating to ₹ 286 Crore (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited.

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

The Company has recently been in talks with an Investor who has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are;

- (I) The Investor upon satisfactory completion of the due diligence and conditions precedent (as may be specified in the Definitive Agreements), will invest INR 50 Crore as primary investment into Gammon for a minimum of 60% stake and management control.
- (II) Gammon India would be revived as a construction company primarily in the EPC business.
- (III) The claims from various EPC projects are around INR 3,600 Crore and will continue to remain in the Company.
- (IV) The Total Debt to be assumed= INR 500 Crore The assumed debt would be restructured with a new maturity and repayment profile having an IRR of 8%. To facilitate this restructuring and retire this restructured debt, the investor proposes that the following package of assets would be collateralized to the lenders:

Gammon House:

Gammon House asset will be developed and sold by entering into a development agreement with leading developers. For this a debt of INR 200 Crore will be repaid by the Investor over a period of 4 years at an IRR of 8%.

CDR lenders having exclusive charge on Gammon House will continue to retain the charge and ₹ 200 Crore will be paid to them. Alternatively Gammon House can be sold & entire proceeds can be given to the two lenders.

Apart from Gammon House the Company has other assets like claims, investments & other assets. The Investor expects to repay approx. ₹ 500 Crore over a period of 4 years to the lenders after deducting arbitration & legal costs.

The aforementioned proposal is subject to further negotiations between the Company, its lenders and the Investor.

The Company is also actively exploring various options for monetisation of various assets to repay the debt. The above action plan of the Company for repaying the debts and servicing the same is exposed to material uncertainties including the necessary value of the balance stake being available and realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments and also the acceptance of the Investors proposal by the lenders. The management is however hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status. Therefore in the view of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis.

39 Disclosure of Discontinuing operations as per Ind AS 105 “ Non-current Assets Held for Sale and Discontinued Operations”

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

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

41 Financial Instruments

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

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
A Financial Assets				
(i) <u>Amortised Cost:</u>				
Loans	1,993.25	2,024.64	1,993.25	2,024.64
Others	222.83	389.07	222.83	389.07
Trade receivables	339.71	355.32	339.71	355.32
Cash and cash equivalents	10.11	44.84	10.11	44.84
Bank Balance	3.05	6.95	3.05	6.95
(ii) <u>FVTPL</u>				
Mutual Funds & Equity Instrument	3.93	5.74	3.93	5.74
Total Financial Assets	2,572.88	2,826.56	2,572.88	2,826.56
Financial Liabilities				
(i) <u>Amortised Cost</u>				
Borrowings	-	3,141.31	-	3,141.31
Trade payables	-	208.48	-	208.48
Others	5,770.76	1,310.49	5,770.76	1,310.49
Total Financial Liabilities	5,770.76	4,660.28	5,770.76	4,660.28

(ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

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

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

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

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

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

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



The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

(iii) Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

(a) Market Risk :

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

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

Unhedge	March 31, 2018		March 31, 2017	
	Receivable	Payable	Receivable	Payable
Foreign Currency				
USD - US Dollar	24,84,08,008	-	24,77,92,191	2,963
EUR - Euro	4,70,82,339	1,83,059	4,61,92,613	1,83,059
AED - UAE Dirham	1,14,905	-	1,14,905	-
ETB - Ethiopian Birr	4,18,10,175	48,53,733	4,18,10,175	48,53,733

Receivable :- As at March 31, 2018- ₹ 2005.53 Crore , March 31, 2017 - ₹ 1937.82 Crore.

Payable : As at March 31, 2018- ₹ 1.48 Crore, March 31, 2017 - ₹ 2.65 Crore.

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

Receivable :- As at March 31, 2018 and March 31, 2017 is ₹ NIL

Payable : As at March 31, 2018- ₹ NIL, March 31, 2017 - ₹ 2.66 Crore.

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

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

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

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

Derivative Financial Instruments

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

(b) Credit Risk:

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

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

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



GAMMON INDIA LIMITED

- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

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

(c) Interest Rate Risk:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies Profit Before Tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit Before Tax
March 31, 2018	Plus 100 basis points	(38.94)
	Minus 100 basis points	38.94
March 31, 2017	Plus 100 basis points	(38.69)
	Minus 100 basis points	38.69

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(d) Liquidity Risk:

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

Working Capital Position of the Company:

Particulars	March 31, 2018	March 31, 2017
Cash and Cash Equivalent	10.11	44.84
Bank Balance	3.05	6.95
Current Investments in Mutual Funds and Shares	3.93	5.74
Inventory	123.82	146.27
Trade Receivable Current	132.00	-
Loans & Advances Current	8.65	15.63
Other Financial Assets Current	25.81	33.03
Total	307.37	252.46

Maturity profile of financial liabilities:

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

Particulars	Within One year	One - Five year	Total
As at March 31, 2018			
Long Term Borrowing	-	-	-
Short Term borrowings	-	-	-
Trade Payables	-	-	-
Other Financial Liabilities	5,758.76	12.00	5,770.76
Total	5,758.76	12.00	5,770.76

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

(e) Competition Risk:

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

(f) Input Cost Risk:

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

42 Recent Accounting Pronouncements

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

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the Financial Statements and expects no impact on Profit Before Tax.

Amendment to Ind AS 115:

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

The standard permits two possible methods:

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

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

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

43 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

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

Particulars	March 31, 2018	March 31, 2017
Gross Debt	3,894.14	3,872.13
Less:		
Cash and Cash Equivalent	10.11	44.84
Bank Balance	3.05	6.95
Marketable Securities -Liquid Mutual Funds	3.93	5.74
Net Debt (A)	3,877.05	3,814.60
Total Equity (B)	(1,337.52)	643.58
Gearing Ratio (A/B)	(2.90)	5.93



44 Significant Accounting Judgments, Estimates And Assumptions

The Financial Statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the separate Financial Statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Estimates and Assumptions

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

Impairment of Non-Financial Assets

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

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

45 Details of Rounded Off Amounts

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

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

Contingent Liability:

Contingent Liability on Partly Paid Shares

- 46** The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, Statement of significant accounting policies and the other explanatory notes forms an integral part of the Financial Statements of the Company for the year ended March 31, 2018.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants
Firm Registration No. 107023W

K N Padmanabhan

Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

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

Abhijit Rajan

Chairman
DIN No. 00177173

Ajit B. Desai

Chief Executive Officer
DIN No. 00105836

Anurag Choudhry

Director
DIN No. 00955456



ANNEXURE - 2 - Statement B

A Related Party Disclosure			
	<u>SUBSIDIARIES</u>		<u>ASSOCIATES</u>
1	Ansaldoaldai Boilers India Private Limited	1	Eversun Sparkle Maritime Services Private Limited
2	ATSL BV, Netherland	2	Modern Toll Roads Limited
3	ATSL Infrastructure Projects Limited	3	Finest S.p.A. Italy
4	Associated Transrail Structures Limited, Nigeria	4	Transrail Lighting Limited (TLL) (*)
5	Campo Puma Oriente S.A.	5	Gammon Engineers and Contractors Private Limited
6	Deepmala Infrastructure Private Limited	6	Gammon Infrastructure Projects Limited
7	Franco Tosi Hydro Private Limited	7	Birmitrapur Barkote Highway Private Limited
8	Franco Tosi Turbines Private Limited	8	Chitoor Infra Company Private Limited
9	Gactel Turnkey Projects Limited	9	Earthlink Infrastructure Projects Private Limited
10	Gammon & Billimoria Limited	10	Gammon Logistics Limited
11	Gammon Holdings (Mauritius) Limited	11	Gammon Projects Developers Limited
12	Gammon Holdings BV	12	Gammon Renewable Energy Infrastructure Limited
13	Gammon International BV	13	Gammon Renewable Energy Private Limited
14	Gammon International FZE	14	Gammon Road Infrastructure Limited
15	Gammon Power Limited	15	Gammon Seaport Infrastructure Limited
16	Gammon Realty Limited	16	Ghaggar Renewable Energy Private Limited
17	Gammon Retail Infrastructure Private Limited	17	Haryana Biomass Power Limited
18	Metropolitan Infrahousing Private Limited	18	Jaguar Projects Developers Limited
19	P.Van Eerd Beheersmaatschappaji BV	19	Lilac Infrastructure Developers Limited
20	Patna Water Supply Distribution Network Private Limited	20	Marine Projects Services Limited
21	SAE Transmission India Limited	21	Pravara Renewable Energy Limited
		22	Ras Cities And Townships Private Limited
	<u>STEPDOWN SUBSIDIARIES</u>	23	Satluj Renewable Energy Private Limited
1	Franco Tosi Meccanica S.p.A.	24	Sidhi Singrauli Road Project Limited
2	Gammon & Billimoria LLC	25	Segue Infrastructure Projects Private Limited
3	Gammon Italy S.r.l	26	Tada Infra Development Company Limited
4	Preeti Township Private Limited	27	Tangri Renewable Energy Private Limited
5	SAE Powerlines S.r.l	28	Tidong Hydro Power Limited
		29	Vijaywada Gundugolanu Road Projects Private Limited
	<u>JOINT VENTURE</u>	30	Vizag Seaport Private Limited
1	Gammon Encee Consortium	31	Yamuna Minor Minerals Private Limited
2	Gammon OJSC Mosmetrostroy	32	Yamunanagar Panchkula Highway Private Limited
3	Gammon OSE	33	Youngthang Power Ventures Limited
4	Gammon SEW	34	Cochin Bridge Infrastructure Company Limited
5	Gammon Srinivasa	35	Patna Highway Projects Limited
6	Haryana Bio Mass Power Limited	36	Rajahmundry Godavari Bridge Limited
7	Hyundai Gammon	37	Sikkim Hydro Power Ventures Limited
8	OSE Gammon	38	Indira Container Terminal Private Limited
9	Sofinter S.p.A.		<u>Key Managerial Personnel</u>
10	Gammon FECF JV, Nigeria	1	Mr Abhijit Rajan
11	Consortium of Jyoti Structure & GIL	2	Mr Rajul A. Bhansali
12	GIPL GIL	3	Mr D C Bagde
		4	Mr Ajit B. Desai
			<u>Independent Director</u>
		1	CC Dayal
		2	Naval Choudhary
		3	Urvashi Saxena
		4	Atul Kumar Shukla
		5	Chayan Bhattacharjee
*	for the previous year Transaction discloser of TLL is made under subsidiaries		<u>Relatives of Key Managerial Personnel</u>
		1	Mr Harshit Rajan

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Subcontracting Income	-	-	-	-	-
		(10.29)	(25.21)	-	-	(36.67)
	Patna Water Supply Distribution Network Private Limited	-	-	-	-	-
		(10.29)				(10.29)
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		-	(21.26)			(21.26)
	Gammon Singla	-	-	-	-	-
		-	(3.95)			(3.95)
	Subcontracting Expense	-	-	0.32	-	0.32
		-	-	-	-	-
	Transrail Lighting Limited (TLL)	-	-	0.32	-	0.32
		-	-	-	-	-
	Rajahmundry Expressway Limited	-	-	-	-	-
		-	-	-	-	-
	Guarantee Income	7.28	-	-	-	9.65
		(7.53)	-	-	-	(12.01)
	Gammon Holdings BV	2.48	-	-	-	2.48
		(2.02)	-	-	-	(2.02)
	Gammon International BV	2.58	-	-	-	2.58
		(1.97)	-	-	-	(1.97)
	Campo Puma Oriente S.A.	-	-	-	-	-
		(1.27)	-	-	-	(1.27)
	Ansaldo Caldaie Boilers India Private Limited	1.04	-	-	-	1.04
		-	-	-	-	-
	Franco Tosi Meccanica S.p.A.	-	-	-	-	-
		(1.09)	-	-	-	(1.09)
	SAE Power Lines S.r.l	1.18	-	-	-	1.18
		(1.18)	-	-	-	(1.18)
	Remeasurment Gain and Loss	1.33	-	-	-	1.33
		(0.87)	-	-	-	(0.87)
	Gactel Turnkey Projects Limited	-	-	-	-	-
		(0.61)	-	-	-	(0.61)
	Gammon Realty Limited	-	-	-	-	-
		(0.26)	-	-	-	(0.26)
	RAS Cities and Townships Private Limited	1.33	-	-	-	1.33
		-	-	-	-	-
	Purchase of Goods	-	-	10.58	-	10.58
		-	-	-	-	-
	Gammon Engineers and Contractors Private Limited			10.58		10.58
	Sale of Goods	-	-	2.08	-	2.08
		-	-			-
	Gammon Engineers and Contractors Private Limited			2.08		2.08
	Rendering / Receiving of Services	-	-	-	-	-
		-	(0.04)	-	-	(0.04)
	Gammon CMC	-	-	-	-	-
		-	(0.04)	-	-	(0.04)


GAMMON INDIA LIMITED

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Finance provided for Loans, Expenses & on a/c payments	27.10	-	18.99	-	52.02
		(349.82)	(2.97)	-	-	(459.95)
	Gammon International BV	9.50				
	Metropolitan Infrahousing Private Limited	17.60	-	-	-	17.60
		-	-	-	-	-
	Transrail Lighting Limited (TLL)	-	-	18.99		18.99
		-	-	-	-	-
	Patna Water Supply Distribution Network Private Limited	-	-	-	-	-
		(0.44)	-	-	-	(0.44)
	Campo Puma Oriente S.A.	-	-	-	-	-
		(349.38)	-	-	-	(349.38)
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		-	(2.97)	-	-	(2.97)
	Amount liquidated towards the finance provided	57.48	-	-	-	58.76
		(13.10)	(10.74)	-	-	(31.99)
	Gammon Power Limited	57.48	-	-	-	57.48
		-	-	-	-	-
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		-	(10.74)	-	-	(10.74)
	ATSL BV Netherland	-	-	-	-	-
		(7.94)	-	-	-	(7.94)
	Singla JV	-	-	-	-	-
		-	-	-	-	-
	SAE Powerlines S.r.l	-	-	-	-	-
		(5.16)	-	-	-	(5.16)
	Interest Income during the year	14.47	-	-	-	15.23
		(180.71)	-	-	-	(254.15)
	Deepmala Infrastructure Private Limited	-	-	-	-	-
		(27.85)	-	-	-	(27.85)
	Gammon Power Limited	-	-	-	-	-
		(17.12)	-	-	-	(17.12)
	Patna Water Supply Distribution Network Private Limited	4.62	-	-	-	4.62
		(4.51)	-	-	-	(4.51)
	Gammon International BV	-	-	-	-	-
		(27.09)	-	-	-	(27.09)
	Gammon Holding BV	-	-	-	-	-
		(38.71)	-	-	-	(38.71)
	Gammon International FZE	-	-	-	-	-
		-	-	-	-	-
	Gammon Holdings (Mauritius) Limited	9.85	-	-	-	9.85
		-	-	-	-	-
	Metropolitan Infrahousing Private Limited	-	-	-	-	-
		(65.43)	-	-	-	(65.43)
	Finance received for expenses & on a/c payments	10.60	-	45.95	-	58.83
		(0.02)	-	(107.16)	-	(0.02)
	RAS Cities and Townships Private Limited	10.6				10.60
		-				-
	Transrail Lighting Limited (TLL)	-	-	14.23	-	14.23

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
		-	-	-	-	-
	Gammon International FZE	-	-	-	-	-
		(0.02)	-	-	-	(0.02)
	Gammon Engineer and Contractors Private Limited	-	-	31.72	-	31.72
		-	-	(107.16)	-	(107.16)
	Amount liquidated towards the above finance	10.00	-	-	-	10.00
		(2.57)	-	-	-	(2.57)
	RAS Cities and Townships Private Limited	10.00				10.00
						-
	SAE Powerlines S.r.l	-	-	-	-	-
		(2.57)	-	-	-	(2.57)
	Interest Expenses during the year	0.02	-	-	-	0.02
		(0.74)	-	-	-	0.75
	Franco Tosi Turbines Private Limited	-	-	-	-	-
		(0.74)	-	-	-	(0.74)
	Gammon Road Infrastructure Limited	0.02	-	-	-	0.02
		-	-	-	-	-
	Contract Advance Received	(0.07)	-	-	-	0.07
		(0.07)	-	-	-	(0.07)
	SAE Powerlines S.r.l	-	-	-	-	-
		(0.07)	-	-	-	(0.07)
	Contract Advance Given / Refund of Advance	(0.43)	-	-	-	0.43
		(0.43)	-	-	-	(0.43)
	SAE Powerlines S.r.l	-	-	-	-	-
		(0.43)	-	-	-	(0.43)
	Guarantees and Collaterals Outstanding	1,428.68	-	-	-	1,662.77
		(2,058.64)	-	-	-	(2,574.39)
	Gammon Holdings BV	269.10	-	-	-	269.10
		(702.03)	-	-	-	(702.03)
	Gammon International BV	194.21	-	-	-	194.21
		(496.45)	-	-	-	(496.45)
	Gactel Turnkey Projects Limited	160.00	-	-	-	160.00
		(160.00)	-	-	-	(160.00)
	Metropolitan Infrahousing Private Limited	175.00	-	-	-	175.00
		(175.00)	-	-	-	(175.00)
	Ansaldocaldai Boilers India Private Limited	207.00	-	-	-	207.00
		(207.00)	-	-	-	(207.00)
	Franco Tosi Meccanica S.p.A.	191.82	-	-	-	191.82
		(225.83)	-	-	-	(225.83)
	SAE Powerlines S.r.l	231.56	-	-	-	231.56
		(92.32)	-	-	-	(92.32)
	Pledge of Shares (Number of Shares)	-	-	-	-	-
		(2.47)	-	-	-	(2.47)
	Gactel Turnkey Projects Limited	-	-	-	-	-
		(0.50)	-	-	-	(0.50)
	Ansaldocaldai Boilers India Private Limited	-	-	-	-	-
		(1.20)	-	-	-	(1.20)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		(0.77)	-	-	-	(0.77)



B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Key Managerial Personnel	-	-	-	1.36	1.36
	Managerial Paid	-	-	-	(5.26)	(5.26)
	Mr. Abhijit Rajan	-	-	-	-	-
	Mr. Digamber C. Bagde	-	-	-	(4.00)	(4.00)
	Mr. Rajul A. Bhansali	-	-	-	0.80	0.80
	Mr. Ajit B. Desai	-	-	-	(0.81)	(0.81)
	Director Sitting Fees and Commission	-	-	-	0.56	0.56
	Chandrasah C. Dayal	-	-	-	(0.45)	(0.45)
	Naval Choudhary	-	-	-	0.09	0.09
	Urvashi Saxena	-	-	-	(0.15)	(0.15)
	Atul Kumar Shukla	-	-	-	0.02	0.02
	Short-Term / Long-Term Benefits to KMP	-	-	-	(0.04)	(0.04)
	Mr. Abhijit Rajan	-	-	-	(0.83)	(0.83)
	Mr. Rajul A. Bhansali	-	-	-	-	-
	Mr. Ajit B. Desai	-	-	-	(0.76)	(0.76)
	Relatives of Key Managerial Personnel	-	-	-	(0.03)	(0.03)
	Remuneration Paid	-	-	-	(0.03)	(0.03)
	Mr Harshit Rajan	-	-	-	-	-
	Movement in Quasi Investment (Net)	-	-	-	(0.04)	(0.04)
	Gactel Turnkey Projects Limited	(1.65)	-	-	-	2.12
	Metropolitan Infrahousing Private Limited	(1.62)	-	-	-	(1.62)
	Outstanding Balances Receivables	(0.03)	-	-	-	(0.03)
	Loans & Advances	2,286.77	-	-	-	3,608.39
	Metropolitan Infrahousing Private Limited	(1,736.25)	-	-	-	(2,756.51)
	Gammon Holdings BV	549.41	-	-	-	549.41
	Gammon International BV	(531.81)	-	-	-	(531.81)
	Campo Puma Oriente S.A.	682.55	-	-	-	682.55
	SAE Powerlines S.r.l	(446.24)	-	-	-	(446.24)
		659.18	-	-	-	659.18
		(314.86)	-	-	-	(314.86)
		395.63	-	-	-	395.63
		(394.38)	-	-	-	(394.38)
		(48.96)	-	-	-	(48.96)

B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Loans and Guarantee o/s in the nature of Equity	154.12	-	-	-	234.61
		(154.12)	-	-	-	(234.61)
	Gammon Realty Limited	44.80	-	-	-	44.80
		(44.80)	-	-	-	(44.80)
	Deepmala Infrastructure Private Limited	62.09	-	-	-	62.09
		(62.09)	-	-	-	(62.09)
	Gammon Power Limited	47.23	-	-	-	47.23
		(47.23)	-	-	-	(47.23)
	Guarantee Obligation Outstanding	6.19	-	-	-	6.19
		(15.14)	-	-	-	(18.40)
	Gammon Holdings BV	0.55	-	-	-	0.55
		(3.04)	-	-	-	(3.04)
	Gammon International BV	0.38	-	-	-	0.38
		(2.96)	-	-	-	(2.96)
	SAE S.r.l	1.18	-	-	-	1.18
		(2.36)	-	-	-	(2.36)
	Ansaldo Caldaie Boilers Private Limited	1.55	-	-	-	1.55
		(2.59)	-	-	-	(2.59)
	Metropolitan Infrahousing Private Limited	1.31	-	-	-	1.31
		(2.19)	-	-	-	(2.19)
	GACTEL Turnkey Project Limited	1.20	-	-	-	1.20
		(2.00)	-	-	-	(2.00)
	Provision made for Doubtful Debts	1,235.81	-	-	-	1,736.97
		(407.96)	-	-	-	(439.83)
	Metropolitan Infrahousing Private Limited	268.90	-	-	-	268.90
		-	-	-	-	-
	Gammon Holdings BV	183.87	-	-	-	183.87
		(71.77)	-	-	-	(71.77)
	Gammon International BV	352.96	-	-	-	352.96
		-	-	-	-	-
	ATSL BV, Netherland	199.66	-	-	-	199.66
		(114.55)	-	-	-	(114.55)
	Campo Puma Oriente S.p.A.	230.41	-	-	-	230.41
		-	-	-	-	-
	SAE Powerlines S.r.l	-	-	-	-	-
		(221.64)	-	-	-	(221.64)
	Interest Receivable	257.92	-	-	-	412.92
		(284.84)	-	-	-	(372.18)
	Gammon Realty Limited	-	-	-	-	-
		(31.12)	-	-	-	(31.12)
	Deepmala Infrastructure Private Limited	38.35	-	-	-	38.35
		(38.34)	-	-	-	(38.34)
	Metropolitan Infrahousing Private Limited	63.15	-	-	-	63.15
		(63.15)	-	-	-	(63.15)
	Gammon Holdings BV	90.06	-	-	-	90.06
		(88.13)	-	-	-	(88.13)
	Gammon International BV	66.35	-	-	-	66.35



B	Nature of Transactions / Relationship / Major Parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
		(64.10)	-	-	-	(64.10)
	Trade & Other Receivable	195.06	772.09	-	-	1,063.56
		-	(778.84)	-	-	(903.32)
	SAE Power Lines S.r.l	195.06	-	-	-	195.06
		-	-	-	-	-
	Gammon Engineer and Contractors Private Limited	-	-	-	-	-
		-	-	-	-	-
	Gammon OJSC Mosmetrostroy	-	772.09	-	-	772.09
		-	(778.84)	-	-	(778.84)
	Outstanding Balances Payable					
	Trade & Others Payable	8.04	29.56	155.08	-	200.20
		(12.68)	(19.86)	(107.16)	-	(139.69)
	Transrail Lighting Limited (TLL)	-	-	7.64	-	7.64
		(12.68)	-	-	-	(12.68)
	Franco Tosi Meccanica S.p.A.	8.04	-	-	-	8.04
		-	-	-	-	-
	Gammon OJSC Mosmetrostroy	-	29.56	-	-	29.56
		-	(19.86)	-	-	(19.86)
	Gammon Engineer and Contractors Private Limited	-	-	147.44	-	147.44
		-	-	(107.16)	-	(107.16)
	Assets Transfer Under BTA & Scheme	-	-	-	-	-
		-	-	(3,218.07)	-	(3,218.07)
	Gammon Engineers and Contractors Private Limited	-	-	-	-	-
		-	-	(3,218.07)	-	(3,218.07)
	Liabilities Transfer Under BTA & Scheme	-	-	-	-	-
		-	-	(3,195.18)	-	(3,195.18)
	Gammon Engineers and Contractors Private Limited	-	-	-	-	-
		-	-	(3,195.18)	-	(3,195.18)
	Aggregate Consideration for Transfer of Business	-	-	-	-	-
		-	-	(49.65)	-	(49.65)
	Gammon Engineers and Contractors Private Limited	-	-	-	-	-
		-	-	(49.65)	-	(49.65)

(Previous Period figures are in brackets)

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

CONSOLIDATED
ACCOUNTS



INDEPENDENT AUDITOR'S REPORT

To the Members of

Gammon India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Gammon India Limited, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its Associates and Joint ventures (as defined in the Companies (Indian Accounting Standards) Rules, 2015, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income and consolidated cash flows of the Group Company including its Associates and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon. The respective Governing Bodies of the entities included in the Group and its Associates and Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our Qualified Audit Opinion on the Consolidated Ind AS Financial Statements

Basis of Qualified Opinion

- a. The accounts of one of the entities M/s Franco Tosi Meccanica S.p.A., Italy (FTM) in which the Holding Company owns 83.94% stake have not been audited since December 2011 for reasons mentioned in note 6.B.(ii) under Investments note which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court, partial completion of the composition agreement where the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. In the light of what is stated in the aforesaid note, the Holding Company does not have any control over the financial and operating decisions of the said FTM. Therefore the said FTM has not been consolidated in accordance with INDAS 110 – Consolidated Financial Statements. Further the management contends that considering the status as detailed in the above-referred note the entity operates under severe restrictions, which significantly impairs its access to variable returns. The said Subsidiary has therefore been accounted as Financial Instrument accounted on Fair Value through Other Comprehensive Income. However since the financial information and other records are not available the fair value could not be determined. The funded and non-funded exposure of the group to FTM net of eliminations is

₹ 556.78 Crore (net of provisions towards impairment of ₹ 422.40 Crore) as at 31st March 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favor 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 and the surplus after recovering the liability therefrom we are unable to quantify the possible further provision towards the exposure of the Group. We are also unable to determine whether the said entity carrying value is appropriate as FVTOCI and whether the effect on the consolidated loss of the Group for the year ended March 31, 2018 is appropriate.

- b. We invite attention to note no 11 (i), detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Holding Company has recognised further claims amounting to ₹ 140.35 Crore. The aggregate amount of claims outstanding as at March 31, 2018 is ₹ 912.36 Crore. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the consolidated Financial Statements for the year ended March 31, 2018.
- c. Trade receivables, inventories and loans and advances which includes an amount of ₹ 335.89 Crore in respect of disputes in seven projects of the Company. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favor of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure
- d. We invite attention to note no 12(d) relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of ₹ 100 Crore against the exposure of ₹ 324.68 Crore in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated Financial Statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of ₹ 832.99 Crore (net of provision).
- e. The Financial Statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared Financial Statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered, as follows
 - i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financials statement for the year 31st December 2017 has been not received. There are no audited Financial Statements after 31st December 2011.
 - ii. M/s SAE Powerlines S.r.l, Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.l, wholly owned subsidiary of the Companies whose Financial Statements for the year December 31 2017 has been not received.
 - iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose Financial Statements reflects total assets of ₹ 1,087.36 Crore and total revenues of ₹ 109.06 Crore.
 - iv. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose Financial Statements reflect Total Assets of ₹ 160.30 Crore, Revenue of ₹ NIL Crore for the year ended March 31, 2018, the groups share in the Revenue being ₹ NIL Crore. The JV is accounted on equity method.

Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those Financial Statements are subject to audit and consequent effect, if any.

- f. The auditors of four subsidiaries of the Company have qualified their auditors' report as follows:
 - i. Ansaldo Caldaie Boilers India Private Limited
 - In respect to the investment and other exposure of the Company in Ansaldo GB Engineering Private Limited aggregating to ₹ 20 Crore, the management has indicated a possible resolution plan due to which in the opinion no impairment will be required presently. In the absence of definitive resolution plan, we are unable to opine whether any provision towards impairment is required towards the exposure of the Company in the said Ansaldo GB Engineering Private Limited.
 - ACBI 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 RBI vide its letter dated August 16, 2018 has asked the company to refund the money. The company has applied to RBI asking them to reconsider their directive for reasons detailed in the aforesaid note. RBI has not responded on the matter till date. The company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.



GAMMON INDIA LIMITED

ii. G & B Contracting LLC

- Included in accounts and other receivables is an amount of AED 2.7 million (₹ 4.77 Crore (Previous Year AED 2.7 million ₹ 4.76 Crore)), which due to the Company as a sub-contractor. Since the company has back to back terms with its customer i.e. the main contractor, the recoverability of the amount is dependent on the successful outcome of the customers' dispute with the main client, a matter which could potentially be referred to arbitration.

In view of the foregoing, we were unable to satisfy ourselves as to the extent of the recoverability of the receivables of AED 2.7 million (₹ 4.77 Crore (Previous Year AED 2.7 million ₹ 4.76 Crore)) and are of the view that a substantial portion thereof could be impaired

iii. Gammon & Billimoria Limited

- On account of sticky advances, interest on advances given is not provided in books of accounts. Interest provision not made is of ₹ 9.62 Crore.
- Interest is not paid provided on Loans outstanding in the name of Bebanco Developers Limited in view of financial loss. Company appreciates and acknowledges the right of Bebanco Developers Limited for the interest of ₹ 4.38 Crore not provided in the books as and when the financial position of the company improves.

Consequent effects of two qualifications are as under:

1. On account of non-provision of interest profits would go up by ₹ 9.61 Crore
2. On account of non-provision of interest on amount advance profit would go down by ₹ 4.38 Crore

Net effects profit would go up by ₹ 5.23 Crore

The above would impact the consolidated Financial Statement by non-provision of ₹ 4.38 Crore towards the loan of Bebanco Developers Limited and to that extent consolidated profit is higher by ₹ 4.38 Crore.

iv. Patna Water Supply Private Limited

The company has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of ₹ 65.85 Crore. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court by the Company, pending the outcome, the amount encashed net of the unadjusted advance received from the client has been shown as current and considered good based on the legal advice received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their bankers net of advances have been shown under Current Liabilities. In view thereof we are unable to state whether the same is good and recoverable pending the outcome of the decision.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate Financial Statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph a to f, the aforesaid consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS under section 133, of the consolidated financial position of the Group as at March 31, 2018, their consolidated loss including other comprehensive income, their consolidated statement of cash flows and their consolidated statement of changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

We draw attention to the following material uncertainty related to going concern included in the notes on the consolidated Financial Statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated Financial Statements of the Group, and reproduced by us as under

a. In respect of Holding Company

- Without qualifying our opinion, we invite attention to the note no 44 relating to the present financial situation of the Group detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders have recalled all the loans and their present excess of Current Liabilities over Current Assets is ₹ 5718.67 Crore. The Holding Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. Further due to the issues detailed in the note 44 the Holding Company is continuously delayed in the preparation of the Financial Statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Holding Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. However the Company is actively responding to these matters before the NCLT. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 44 including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption.

b. In respect of Subsidiaries in the following cases the auditors' have carried a paragraph relating to going concern which is extracted from the Independent Auditors' Report of the respective component detailed below:

- **G & B Contracting L.L.C**

This Financials statement are prepared on a going concern basis which assumes that the company will continue to operate as going concern for the foreseeable future, during the year ended 31 March 2018, the company earned profit of AED 0.06 Crore (₹ 1.08 Crore) [2017: loss of AED 0.19 Crore (₹ 3.52 Crore)] but as that date, the company had accumulated losses amounting to AED 4.39 Crore (₹ 77.75 Crore) [2017: AED 4.56 Crore (₹ 80.27 Crore)] which exceeded the share capital. Also as at the reporting date, the company had deficiency of assets in the amount of AED 3.89 Crore (₹ 68.79 Crore) [2017: AED 4.05 Crore (₹ 71.42 Crore)]. To support the continuance of the Company's operations, the shareholders have confirmed their willingness to continue the operations and provide enough funds to meet the liabilities as the fall due.

We draw attention to above note to the Financial Statements which explain why the Financial Statements are prepared on a going concern basis.

- **Ansaldo Caldaie Boilers India Private Limited**

The company is facing difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the company's ability to continue as a going concern. Our report is not qualified on this matter.

- **ATSL Holding BV**

As at March 31, 2018 Current liabilities exceed current assets by Euro 1.44 Crore (₹ 116.25 Crore), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements.

- **Gammon Holding BV**

As on 31st March, 2018, current liabilities exceed current assets by Euro 5.30 Crore (₹ 427.35 Crore). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A. which in turn depends upon the value of non-core assets of the said Franco Tosi Meccanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements.

- **Gammon International BV**

As on 31st March, 2018, current liabilities exceed current assets by Euro 5.92 Crore (₹ 477.77 Crore). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account

- **Gammon International FZE**

As on 31st March, 2018, current liabilities exceed current assets by AED 1.60 Crore (₹ 28.35 Crore). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account

- **Pvan Eerd Beheersmaatschappij BV**

As on 31st March, 2018, current liabilities exceed current assets by Euro 1.21 Crore (₹ 97.62 Crore). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi S.p.A., which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and



liabilities in these Financial Statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters related to Emphasis of Matter included in the audit report issued on the consolidated Financial Statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated Financial Statements of the Group, and reproduced by us as under

- a) We draw attention to Note no 7A(a)(i) & 7A(a)(ii) relating to recoverability of an amount of ₹114.22 Crore as at March 31, 2018 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favor in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of ₹7.56 Crore where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favor of the company.
- b) We draw attention to Note 7A(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 54.72 Crore. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

Other Matters

- a) We did not audit the Financial Statements and other financial information, in respect of 19 subsidiaries, whose Ind AS Financial Statements reflect total assets of ₹ 3,470.90 Crore as at March 31, 2018, total revenues of ₹ 505.75 Crore and net cash flow amounting to ₹ 17.46 Crore for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated Financial Statements. The consolidated Financial Statements also includes the Group's share of net profit of ₹ 1.31 Crore in respect of 1 associates and 2 joint ventures for the year ended March 31, 2018, as considered in the consolidated Financial Statements, whose Financial Statements have not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates in India, is based solely on the reports of the other auditors. One subsidiary located outside India whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Company's management has converted the Financial Statements of the subsidiary from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.
- b) We did not audit the Financial Statements of 1 subsidiary, whose Financial Statements reflect total assets of ₹ 1,087.36 Crore as at March 31, 2018, total revenues of ₹ 109.06 Crore and net cash out flow amounting to ₹ 7.12 Crore for the year ended on that date, as considered in the preparation of the consolidated Financial Statements. We also did not audit the Financial Statements of 1 joint ventures whose Financial Statements reflect total assets of ₹ 160.30 Crore and total revenue of ₹ Nil Crore, the Company's share of loss in such joint ventures accounted under equity method being ₹ 0.06 Crore. These Financial Statements are unaudited and have been furnished to us by the Management including the application of the INDAS accounting standards. Our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint ventures, is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section 143 of the Act, based on our audit and on consideration of reports of the other auditors of subsidiaries, joint venture and associate as noted in other matters paragraph, we report, to the extent applicable, that:
 - (a) We have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph above, obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS Financial Statements.
 - (b) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.
- (d) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.
- (e) The matters described in paragraphs under the Basis for Qualified Opinion, Material Uncertainty Relating to Going Concern and Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, joint ventures and associates incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act except for the following:
- (i) In case of holding company all the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act except for Mr. Chayan Bhattacharjee
 - (ii) Mr. Babubhai Patel in case of Metropolitan Infrahousing Private Limited.
 - (iii) Mr. Babubhai Patel in case of Preeti Townships Private Limited
 - (iv) Mr. Naval Chaudhary in case of Gammon Transmission Limited
 - (v) In case of Ansaldo Caldaie Boilers India Private Limited the company has not received any representation letter from its directors as on March 31, 2018 relating to eligibility of directorship under section 164(2) of the Act. Based on the information available from Ministry of Corporate Affairs Portal, Mr. Ramesh Patel is being disqualified from being appointed as a director in terms of section 164(2) w.e.f November 2016 and with respect to Ms. Barbara Ellen Lefebvre and Mr. Jagdish Chunilal Sheth, both these directors DIN is deactivated due to non-filing of DIR-3.
 - (vi) Mr Abhijit Rajan in case of Gammon Infrastructure Projects Limited one of the associate of the Company.
 - (vii) Mr Naval Chaudhary in case of Transrail Lighting Limited one of the associate of the Company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its Subsidiary Companies, associate companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Financial Statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the Other matter paragraph:
- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group its associate and joint venture. Refer Note 39 to the Consolidated Ind AS Financial Statements.
 - ii. The Group its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts for which provisions have not been made during the year ended March 31, 2018.
 - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company amounting to ₹ 0.32 Crore, however there are no amount which are required to be transferred, to the Investor Education and Protection Fund by its subsidiary companies, associates and joint ventures incorporated in India.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: February 7, 2019



Annexure - A

To the Independent Auditors' Report on the Consolidated INDAS Financial Statements of Gammon India Limited **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS Financial Statements of Gammon India Limited ("herein after referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as Group), its associate and its joint ventures as at the year ended March 31, 2018, we have audited the internal financial controls with reference to Financial Statements of the Holding Company and its 13 subsidiary companies, 4 joint ventures and 3 associates (together referred to as 'covered entities' in this report) which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained along with the audit reports of the covered entities not audited by us, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these consolidated Ind AS Financial Statements of Holding Company, its subsidiaries, associate companies and joint venture, as aforesaid.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to these Consolidated Ind AS Financial Statements.

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

Basis of Qualified Opinion

According to the information and explanation given to us and based on the report issued by the other auditors on internal financial controls with reference to these consolidated Ind AS Financial Statements in case of its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, the following material weaknesses has been identified in the operating effectiveness internal financial control with reference to these consolidated Ind AS Financial Statements as at March 31, 2018:

- a) Holding Company;
 - i. The Holding Company has laid down internal financial controls with reference to Financial Statements; however, its implementation and effectiveness in certain areas are affected due to severe manpower issues affecting timely preparation of consolidated Financial Statements.
 - ii. Our test of transactions revealed instances of control weaknesses which have inter-alia resulted from manpower and liquidity issues.
 - iii. Internal Audit carried out by the Holding Company was not adequate considering the size and operations of the Company and was required to be more extensive with timely follow up and actions to correct the issues promptly. The internal audit has also revealed weaknesses in the systems and processes.
- b) Other covered entities;
 - i. We did not audit the internal financial controls system with reference to Ind AS Financial Statements in so far as it relates to a subsidiary company, which is company covered under the Act, whose Financial Statement reflect total assets of ₹ 1,087.36 Crore as at 31 March 2018, total revenues of ₹ 109.06 Crore and net cash inflows of ₹ 712.41 Crore for the year ended on that date, as considered in these consolidated Financial Statements. The consolidated Financial Statements also include the Group's share of net loss (including other comprehensive income) of ₹ 0.06 Crore for the year ended 31 March 2018, in respect of a joint ventures, which are companies covered under the Act, whose internal financial controls system with reference to Ind AS Financial Statements are unaudited and our report on the adequacy and operating effectiveness of internal financial controls system with reference to Ind AS Financial Statements is based solely on representation provided by the management. In our opinion and according to the information and explanations given to us by the management, these Financial Statements are material to the Group.

Qualified Opinion

In view of what is stated in our basis of Qualified Opinion we cannot state that the Company has, in all material respects, an adequate internal financial controls system with reference to these consolidated Ind AS Financial Statements and such internal financial controls with reference to these consolidated Ind AS Financial Statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

- (a) Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements in so far as it relates to standalone Financial Statements of 12 subsidiaries, 1 joint venture and 1 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
- (b) In respect of one of the associate the auditor have stated the following;

Due to Change in the management and subsequent changes in the relevant software and changes in control, we have extended our review of Internal financial controls with reference to Financial Statements beyond the financial year to enable us to form an opinion on the effectiveness of the Internal financial control with reference to Financial Statements.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: February 7, 2019



Consolidated Balance Sheet as at 31, March 2018

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

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
NON-CURRENT ASSET			
(a) Property, plant and equipment	2A	459.34	707.58
(b) Capital work-in-progress	3	10.38	105.45
(c) Investment Property		-	-
(d) Intangible Asset	2B	0.18	1,918.15
(e) Goodwill on Consolidation	4	147.42	622.55
(f) Intangible Assets under development	5	-	723.42
(g) Financial assets			
(i) Investments	6	1,053.26	968.07
(ii) Trade receivable	7	256.76	1,356.43
(iii) Loans	8	237.05	350.79
(iv) Others financial assets	9	54.19	153.90
(h) Deferred tax assets (net)	10	0.36	74.02
(i) Other non-current assets	11	1,346.05	1,351.06
TOTAL NON-CURRENT ASSETS		3,564.99	8,331.42
CURRENT ASSETS			
(a) Inventories	12	1,801.47	2,423.77
(b) Financial assets			
(i) Investments	6	3.92	153.13
(ii) Trade receivables	7	199.04	500.97
(iii) Cash and cash equivalents	13	33.55	105.93
(iv) Bank balances	13	4.66	10.03
(v) Loans	8	67.86	132.66
(vi) Others financial assets	9	27.09	37.20
(c) Current tax assets (net)		-	-
(d) Other current assets	11	84.35	112.80
TOTAL CURRENT ASSETS		2,221.94	3,476.49
TOTAL ASSETS		5,786.93	11,807.91
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	74.11	74.11
(b) Other equity	15	(2,263.48)	(473.64)
Equity attributable to owners of the Company		(2,189.37)	(399.53)
(c) Non-controlling interests	16	(87.12)	243.81
TOTAL EQUITY		(2,276.49)	(155.72)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	17	116.28	5,587.38
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	18	-	-
- Total outstanding dues to other than Micro and Small Enterprises	18	34.53	30.40
(iii) Other financial liabilities	19	0.00	730.17
(b) Provisions	20	3.64	33.76
(c) Deferred tax liabilities (net)	10	110.36	300.81
(d) Other non-current liabilities	21	224.13	670.06
TOTAL NON-CURRENT LIABILITIES		488.94	7,352.58
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	699.86	1,378.70
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	18	0.30	0.65
- Total outstanding dues to other than Micro and Small Enterprises	18	249.70	389.33
(iii) Other financial liabilities	23	6,208.79	2,379.00
(b) Other current liabilities	24	245.35	251.35
(c) Provisions	20	162.05	181.89
(d) Current tax liabilities (net)	25	8.44	30.13
TOTAL CURRENT LIABILITIES		7,574.48	4,611.05
TOTAL EQUITY AND LIABILITIES		5,786.93	11,807.91

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements.

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

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

Abhijit Rajan
Chairman
DIN No. 00177173

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Anurag Choudhry
Director
DIN No. 00955456

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

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

Sr No	Particulars	Note No.	April 2017- March 2018	April 2016 - March 2017
I	Revenue from Operations	26	704.13	1,667.62
II	Other Income	27	329.66	121.20
III	Total Income (I +II)		1,033.79	1,788.82
IV	Expenses			
	Cost of material consumed	28	225.29	370.55
	Purchases of stock-in-trade	29	2.00	8.18
	Changes in inventories of finished goods, work-in progress and stock-in-trade	30	16.45	71.07
	Subcontracting Expenses	31	188.62	442.55
	Employee benefits expense	32	38.59	155.31
	Finance Costs	33	782.81	874.97
	Depreciation & amortization expenses	34	46.39	90.44
	Other expenses	35	113.66	594.27
	Total Expenses		1,413.81	2,607.34
V	Profit/(Loss) before exceptional items and tax(III- IV)		(380.02)	(818.52)
VI	Exceptional items Expense / (Income)	36	1,225.98	291.98
VII	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax		(1,606.00)	(1,110.50)
	Share of profit / (loss) of associates and joint ventures		(21.76)	(26.41)
VIII	Profit/(loss) before tax		(1,627.76)	(1,136.91)
IX	Profit/(Loss) from continuing operations		(1,627.76)	(1,089.01)
X	Tax expenses			
	Current Tax		6.79	22.30
	Excess / Short Provision of Earlier years		2.58	2.93
	Deferred Tax Liability / (asset)		(15.67)	(8.36)
	Total tax expenses		(6.31)	16.87
XI	Profit/(Loss) for the period from continuing operations (IX-X)		(1,621.45)	(1,105.88)
XII	Profit/(Loss) from discontinued Operations			(47.90)
XIII	Tax expenses			
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	-
	Deferred Tax Liability / (asset)		-	-
	Total tax expenses		-	-
XIV	Profit/(Loss) from Discontinued Operations after Tax (XII-XIII)		-	(47.90)
XV	PROFIT FOR THE YEAR (XI) + (XIV)		(1,621.45)	(1,153.78)
XVI	Other Comprehensive Income:			
A	Items that will not be reclassified to profit or loss:			
	- Remeasurements of the defined benefit plans [net of tax]		0.19	(3.02)
B	Items that will be reclassified to profit or loss			
	- Exchange differences through OCI		(127.60)	66.48
	- Net gain/ (loss) on fair value of equity instruments through OCI		(90.53)	401.18
	Other Comprehensive Income for the year (A+B)		(217.95)	464.64
XVII	Total Comprehensive Income / (Loss) For The Period (XV +XVI)		(1,839.40)	(689.14)
	Profit for the year attributable to:			
	- Owners of the Company		(1,573.86)	(1,086.46)
	- Non- Controlling interest		(47.60)	(67.32)
	Other Comprehensive Income attributable to:			
	- Owners of the Company		(217.96)	464.63
	- Non- Controlling interest		0.01	0.01
	Total Comprehensive Income attributable to:			
	- Owners of the Company		(1,791.81)	(621.82)
	- Non- Controlling interest		(47.59)	(67.31)
XVIII	Earnings per equity share (FV: ₹ 2 each)	38		
	Basic		(42.67)	(29.52)
	Diluted		(42.59)	(29.46)

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

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

Abhijit Rajan
Chairman
DIN No. 00177173

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Anurag Choudhry
Director
DIN No. 00955456



Consolidated Cash Flow Statement for the year ended 31 March 2018

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

Particulars		April 2017- March 2018		April 2016 - March 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax		(1,606.00)		(1,110.50)
	Adjustments for :				
	Depreciation	46.39		90.44	
	Interest on deferred liability payment	0.00		37.08	
	Interest Expenses and Other Finance Cost	781.66		837.89	
	(Profit) / Loss on Sale of Assets	(9.66)		(10.98)	
	(Profit) / Loss on Sale of Investments	(0.90)		(6.39)	
	(Profit) / Loss on Sale of Business	0.00		(16.31)	
	Income recognised towards corporate guarantee	(0.49)		(1.76)	
	Dividend Income	(0.05)		(0.00)	
	Excess Managerial Remuneration reversed	(31.14)		0.00	
	Provision for Doubtful Debts and Advances	4.77		16.61	
	Provision for Risks & Contingency	0.00		12.08	
	Foreign Exchange Loss / (Gain)	(239.29)		152.71	
	Bad Debts	12.64		20.94	
	Interest Income	(14.26)		(68.03)	
	Exceptional Items	1225.98		291.98	
	Loss from Subsidiary till divestment	30.65		-	
	Sundry Balances Written off	3.72		40.50	
	Asset written off	0.00		12.44	
	Sundry Balances Written Back	(19.63)		(10.37)	
	Transfer to Non Controlling Interest	35.76		-	
	Share of NCI in profits/(losses) in Other Equity	1.27		-	
	Amortisation of grant	(1.39)	1826.03	(3.42)	1395.43
	Operating Profit Before Working Capital Changes		220.03		284.93
	Trade Receivables	(62.42)		(868.37)	
	Inventories	89.97		(98.36)	
	Other financial and non financial Asset	(66.00)		835.15	
	Trade Payables and Provision	(17.09)		(72.24)	
	Other financial and non financial liabilities	62.16		126.16	
			6.61		(77.66)
	CASH GENERATED FROM THE OPERATIONS		226.64		207.27
	Direct Taxes Paid		17.01		38.14
	Net Cash from Operating Activities		209.62		169.13
B	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of Fixed Assets	(33.62)		(237.63)	
	Sale of Fixed Assets	20.99		34.89	
	Purchase of Current Investments	0.00		(445.01)	
	Advance for Purchase of Shares	0.00		(37.50)	
	Sale of Subsidiary, Joint Ventures & Associates	66.52		0.00	
	Sale of Current Investments	2.72		319.03	
	Dividend received	0.05		(0.00)	
	Other bank balance	2.30		325.03	
	Loans Given to Subsidiaries, Associates and Others	21.29		(31.49)	
	Refund Received from Subsidiaries, Associates and Others	0.00		25.72	
	Interest Received	24.14		53.09	
	Net Cash from Investment Activities		104.40		6.13

Consolidated Cash Flow Statement for the year ended 31 March 2018

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

Particulars	April 2017- March 2018	April 2016 - March 2017
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	0.00	4.91
Repayment of deferred payment liabilities	0.00	(27.26)
Interest paid	(255.35)	(384.55)
(Repayment)/ Proceeds from Long term Borrowings	0.00	184.61
(Repayment)/ Proceeds from Short term Borrowings	(98.01)	(60.33)
Net Cash from Financing Activities	(353.36)	(282.62)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(39.34)	(107.36)
Opening Balance	105.93	250.54
Less: Cash and Cash Equivalent transferred on demerger of Business/ divestment of Subsidiary	33.05	37.25
Closing Balance	33.55	105.93
NET INCREASE IN CASH AND CASH EQUIVALENTS	(39.34)	(107.36)
Components of Cash and Cash Equivalents		
Cash on Hand	0.19	0.94
Balances with Bank	33.36	104.99
Total Balance	33.55	105.93

Note: Figure in brackets denote outflows.

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements.

As per our report of even date

For Nayan Parikh & Co.Chartered Accountants
Firm Registration No. 107023W**K N Padmanabhan**Partner
M.No. 36410
Mumbai, Dated : February 7, 2019For and on behalf of the Board of Directors
Gammon India Limited**Abhijit Rajan**Chairman
DIN No. 00177173**Ajit B. Desai**Chief Executive Officer
DIN No. 00105836**Anurag Choudhry**Director
DIN No. 00955456



Notes to Financial Statements for the year ended March 31, 2018

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

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

A Equity Share Capital

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

B Other Equity

Particulars	Reserves & Surplus											Other Comprehensive Income			
	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Promoters Contribution	Treasury Shares	Share Options Outstanding Account	Special Contingency Reserve	Share Forfeiture of Subsidiary	Other Reserves of Joint Venture & Associates	Net gain/(loss) on fair value of equity instruments	Gain/(loss) on exchange fluctuations	Total
Balance as at 31st March 2016	(2,155.80)	105.00	11.53	1,587.54	81.00	363.20	100.00	(1.69)	0.05	0.17	0.81	20.50	14.10	20.98	147.39
Profit for the year	(1,153.78)														(1,153.77)
Share allotted during the year				4.08											4.08
Fair Valuation of Investment carried at FVTOCI													401.18		401.18
Exchange difference through OCI														66.48	66.48
Re-measurement of net defined benefit plans	(3.02)														(3.02)
Share of Capital Reserves of JV and Associates												(0.21)			(0.21)
Other Adjustments															-
Share of Non Controlling Interest	67.30														67.30
Other Adjustments	(3.28)	-	0.20	-	-	-	-	-	-	-	-	-	-	-	(3.08)
Balance as at 31 March 2017	(3,248.58)	105.00	11.73	1,591.62	81.00	363.20	100.00	(1.69)	0.05	0.17	0.81	20.29	415.28	87.46	(473.64)
Profit for the year	(1,621.46)														(1,621.46)
Fair Valuation of Investment carried at FVTOCI													(90.53)		(90.53)
Exchange difference through OCI														(127.60)	(127.60)
Re-measurement of net defined benefit plans	0.19														0.19
Share of Capital Reserves of JV and Associates															-
On Divestment of Subsidiaries	(0.33)			(329.42)		(0.14)			(0.05)		(0.81)	330.76			(0.00)
Share of Non Controlling Interest	47.58														47.58
Other Adjustments	2.18	-	(0.20)	-	-	-	-	-	-	0.00	-	-	-	-	1.98
Balance as at 31 March 2018	4,820.42	105.00	11.53	1,262.20	81.00	363.06	100.00	(1.69)	(0.00)	0.17	0.00	351.05	324.75	(40.14)	(2,263.49)

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

(a) Securities premium reserve

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

(b) Debenture Redemption Reserve

In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11.02.2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. In accordance with the Companies (Share Capital and Debenture) Rules, 2014 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. The Company has however not set aside or earmarked liquid assets of ₹ 43.40 Crore (PY: ₹ 5.44 Crore) being 15% of the amount of Debenture due for redemption as at March 2018 as required by the aforesaid Circular in view of the financial crunch faced by the Company. Since the entire facility is recalled by the lenders the entire amount of Non Convertible Debenture is considered as current and 15% of earmarked fund is calculated on the entire amount

(c) Capital Reserve

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

(d) Promoters Contribution

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

(e) Treasury Shares

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

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants
Firm Registration No. 107023W

K N Padmanabhan

Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

For and on behalf of the Board of Directors

Gammon India Limited

Abhijit Rajan

Chairman
DIN No. 00177173

Ajit B. Desai

Chief Executive Officer
DIN No. 00105836

Anurag Choudhry

Director
DIN No. 00955456



Summary of significant accounting policies and other explanatory information to the consolidated Financial Statements for the year ended March 31, 2018.

A. CORPORATE INFORMATION

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

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

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

B. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the Financial Statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

These Financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

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

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

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

b) Principles of Consolidation

(i) The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The Financial Statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2018 except for the Financial Statements of SAE, ATSL Nigeria, Gammon Italy S.r.l., Finest S.p.A. and Campo Puma Oriente whose Financial Statements were prepared for the period ended December 31, 2016.

(ii) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and Balance Sheet, respectively.

(iii) Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

- (iv) "Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.
- Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Financial Statements under the appropriate headings.
 - Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated Balance Sheet.
- v) On account of this items appearing in the Consolidated Financial Statements of GIPL primarily relating to Intangible Assets, Intangible Assets Under Development, Project SPV loans, Government grants, and other material balances have become nil during the year on account of non-consolidation of GIPL on a line by line basis during the year.

C. The following entities are considered in the Consolidated Financial Statements listed below:

Sr. no.	Name of Entity	Nature of Relationship	March 2018		March 2017	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
1.	Gammon India Limited	Parent			-	-
2.	Gammon Infrastructure Projects Limited	Subsidiary / Associates	38.54%	38.54%	58.44%	58.44%
3.	Cochin Bridge Infrastructure Company Limited ('CBICL')	Subsidiary			97.66%	57.07%
4.	Chittoor Infra Company Private Limited ('CICPL')	Subsidiary			100.00%	58.44%
5.	Earthlink Infrastructure Projects Private Limited ('EIPPL')	Subsidiary			100.00%	58.44%
6.	Gammon Logistics Limited ('GLL')	Subsidiary			100.00%	58.44%
7.	Gammon Projects Developers Limited ('GPDL')	Subsidiary			100.00%	58.44%
8.	Gammon Renewable Energy Infrastructure Projects Limited ('GREIL')	Subsidiary			100.00%	58.44%
9.	Gammon Road Infrastructure Limited ('GRIL')	Subsidiary			100.00%	58.44%
10.	Gammon Seaport Infrastructure Limited ('GSIL')	Subsidiary			100.00%	58.44%
11.	Ghaggar Renewable Energy Private Limited ('GREPL')	Subsidiary			100.00%	58.44%
12.	Haryana Biomass Power Limited ('HBPL')	Subsidiary			100.00%	58.44%
13.	Jaguar Projects Developers Limited ('JPDL')	Subsidiary			100.00%	58.44%
14.	Lilac Infraprojects Developers Limited ('LIDL')	Subsidiary			100.00%	58.44%
15.	Marine Project Services Limited ('MPSL')	Subsidiary			100.00%	58.44%
16.	Patna Highway Projects Limited ('PHPL')	Subsidiary			100.00%	58.44%
17.	Pravara Renewable Energy Limited ('PREL')	Subsidiary			100.00%	58.44%
18.	Ras Cities and Townships Private Limited ('RCTPL')	Subsidiary			100.00%	58.44%
19.	Rajahmundry Godavari Bridge Limited ('RGBL')	Subsidiary			71.43%	41.74%
20.	Satluj Renewable Energy Private Limited ('SREPL')	Subsidiary			100.00%	58.44%
21.	Sikkim Hydro Power Ventures Limited ('SHPVL')	Subsidiary			100.00%	58.44%
22.	Segue Infrastructure Projects Private Limited ('SIPPL')	Subsidiary			100.00%	58.44%
23.	Tada Infra Development Company Limited ('TIDCL')	Subsidiary			100.00%	58.44%
24.	Tangri Renewable Energy Private Limited ('TREPL')	Subsidiary			100.00%	58.44%
25.	Tidong Hydro Power Limited ('THPL')	Subsidiary			51.00%	29.80%
26.	Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	Subsidiary			100.00%	58.44%
27.	Vizag Seaport Private Limited ('VSPL')	Subsidiary			73.76%	43.11%
28.	Yamuna Minor Minerals Private Limited ('YMMPL')	Subsidiary			100.00%	58.44%
29.	Youngthang Power Ventures Limited ('YPVL')	Subsidiary			100.00%	58.44%
30.	Birmitrapur Barkote Highway Private Limited ('BBHPL')	Subsidiary			100.00%	58.44%
31.	Sidhi Singrauli Road Project Limited ('SSRPL')	Subsidiary			100.00%	58.44%
32.	Yamunanagar Panchkula Highway Private Limited ('YPHPL')	Subsidiary			100.00%	58.44%



Sr. no.	Name of Entity	Nature of Relationship	March 2018		March 2017	
			Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
33.	ATSL Infrastructure Projects Limited	Subsidiary	51.00%	69.85%	100.00%	79.64%
34.	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary	100.00%	100.00%	100.00%	100.00%
35.	Gammon & Billimoria Limited. ('GB')	Subsidiary	50.94%	50.94%	50.94%	50.94%
36.	G & B Contracting LLC ('GBLLC')	Subsidiary	49.00%	24.96%	49.00%	24.96%
37.	Gammon International FZE ('GIFZE')	Subsidiary	100.00%	100.00%	100.00%	100.00%
38.	P.Van EerdBeheersmaatschappaji BV Netherlands ('PVAN')	Subsidiary	100.00%	100.00%	100.00%	100.00%
39.	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary	51.00%	70.52%	51.00%	70.52%
40.	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary	99.00%	99.00%	99.00%	99.00%
41.	Gammon Power Limited. ('GPL')	Subsidiary	90.00%	100.00%	90.00%	100.00%
42.	ATSL Holding BV Netherlands	Subsidiary	100.00%	100.00%	100.00%	100.00%
43.	SAE Powerlines S.r.l (Subsidiary of ATSL Holdings BV)	Subsidiary	100.00%	100.00%	100.00%	100.00%
44.	Associated Transrail Structures Limited., Nigeria	Subsidiary	100.00%	100.00%	100.00%	100.00%
45.	Gammon Realty Limited. ('GRL')	Subsidiary	75.06%	75.06%	75.06%	75.06%
46.	Gammon Holdings BV, Netherlands('GHBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%
47.	Franco Tosi Meccanica S.p.A. (Refer Note 1(a)(ii))	Subsidiary	-	-	-	-
48.	Gammon Italy S.r.l	Subsidiary	100.00%	100.00%	100.00%	100.00%
49.	Gammon International BV, Netherlands('GIBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%
50.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary	84.16%	84.16%	84.16%	84.16%
51.	Gammon Transmission Limited('GTL')	Subsidiary	100.00%	100.00%	100.00%	100.00%
52.	Gammon Real Estate Developers Private Limited (GREDPL)	Subsidiary	100.00%	100.00%	100.00%	100.00%
53.	Preeti Townships Private Limited	Subsidiary	60.00%	45.04%	60.00%	45.04%
54.	Ansaldoaldiae Boilers India Private Limited ('ACB')	Subsidiary	73.40%	85.37%	73.40%	85.37%
55.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary	100.00%	100.00%	100.00%	100.00%
56.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary	73.99%	73.99%	73.99%	73.99%
57.	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	Joint Venture			10.12%	5.91%
58.	Indira Container Terminal Private Limited ('ICTPL')	Joint Venture			50.00%	29.22%
59.	SEZ Adityapur Limited ('SEZAL')	Joint Venture			38.00%	22.21%
60.	GIPL - GIL JV	Joint Venture	5.00%	41.61%	100.00%	60.52%
61.	Gammon Encee Rail (Consortium) (GEC)	Joint Venture			51.00%	51.00%
62.	Gammon - Cons - Tensaccia - JV('GCT')	Joint Venture			60.00%	60.00%
63.	Gammon - OjscMosmetrostroy - JV('GOM')	Joint Venture	51.00%	51.00%	51.00%	51.00%
64.	Ansaldoaldiae-GB Engineering Private Limited. ('ACGB')	Joint Venture	50.00%	36.70%	50.00%	36.70%
65.	Gammon SEW('GSEW')	Joint Venture	90.00%	90.00%	90.00%	90.00%
66.	Gammon CMC JV('CMC')	Joint Venture			50.00%	50.00%
67.	GAMMON-SPSCPLJOINT VENTURE	Joint Venture			55.00%	55.00%
68.	Campo Puma Oriente S.A.	Subsidiary	73.76%	66.39%	73.76%	66.39%
69.	ESMSPL	Associates			30.9%	18.13%
70.	MTL	Associates			49.00%	28.75%
71.	Finest S.p.A.	Associates	50.00%	50.00%	50.00%	50.00%
72.	Sofinter S.p.A.	Subsidiary	67.50%	67.50%	67.50%	67.50%
73.	Transrail Lighting Limited (TLL)	Associates	25.00%	25.00%	25.00%	25.00%
74.	Gammon Engineers and Contractors Private Limited. (GECPL)	Associates	25.00%	25.00%	25.00%	25.00%

D. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest Financial Statements, prior to the acquisition, after making necessary adjustments for material events between the date of such Financial Statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully

E. Summary of other significant accounting policies**a) Use of estimates**

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statement in the period in which changes are made and if material, their effects are disclosed in the notes to the Financial Statements.

b) Current and non-current classification

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

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from Construction Contracts:

Long-term contracts including joint ventures are progressively evaluated at the end of each accounting period. On contracts under execution, which have reasonably progressed, revenue is recognized by applying percentage of completion method after providing for foreseeable losses, if any.. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any are fully provided for in the respective accounting period, irrespective of stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of



GAMMON INDIA LIMITED

the contract cannot be ascertained reliably and at realizable value thereafter. Claims are accounted as income in the year of acceptance by client. Additional claims (including for escalation), which in the opinion of the management are recoverable on the contract, are recognized at the time of evaluating the job.

Turnover

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

Operation and Maintenance income:

Revenue on Operation and Maintenance contracts are recognized over the period of the contract as per the terms of the contract.

Service Concession Arrangements

In accordance with the principal laid down in Appendix A to the Ind AS 11, revenue from Construction service are recognized in exchange for grant of tolling rights, accounted at the fair value of service rendered on Cost plus margin.

Tolling Income

Tolling Income is recognised on usage of recovery of the usage charge thereon based on the notified toll rates by the Grantor.

Developer fees & other advisory services

Revenue on Developer Fees is recognized on an accrual basis.

Revenue from power projects

Revenue from sale of electricity and steam are recognised when the generated units are wheeled to the user and the metered units are billed at the contracted rates.

Revenue from Port Operations

“Revenue from integrated terminal services, berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharfage, barge freight and other miscellaneous charges is recognized on an accrual basis as per the terms of the contract with the customers as the related services are performed and is measured at fair value of the consideration received or receivable.

Earnings in excess of billing are classified as unbilled revenue while billings in excess of cost and earnings are classified as deferred revenue.”

Government Grants

Grants from the Government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant / subsidy will be received.

Capital Grant

As per Ind AS 20 “ Accounting for Government grants and disclosure of Government Assistance “ and Ind AS 109” Financial Instruments “, the Grant received from grantor satisfies the Income approach criteria and therefore the Group has amortised the Grant received based on traffic count to Profit and Loss account every year.”

Interest income:

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

Dividend Income:

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

Financial guarantee income

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

Lease income

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

Income from insurance claim

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

Annuity Income

Revenue from Operations and Maintenance including major maintenance are accrued on the basis of estimated cost plus margin and the amount receivable is treated as financial asset. Revenue from financial asset is accrued in accordance with Interest EIR of the annuity receipt.

d) Joint Ventures

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

e) Employee benefits

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

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/ period on projected Unit Credit Method.

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

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

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

Long-term employee benefits

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

Termination benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the Balance Sheet date are discounted to their present value.

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

f) Property, plant and equipment and depreciation/amortization

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



GAMMON INDIA LIMITED

- Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the Balance Sheet date.
- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.
- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case maybe. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

g) Leased assets

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

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

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

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

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

h) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

i) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure.

The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial

recognition, the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

k) Impairment of Non-financial Assets

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

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

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

The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

l) Equity investment

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

m) Cash and cash equivalents

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

n) Inventories

Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable.

Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average method

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

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

Work In Progress – Real Estate reflects value of land, material inputs and project expenses.

Bought Out and Stock in Transit are valued at lower of cost and Net realisable value.

Other -Scrap Material are valued at realisable value.

o) Foreign currency transactions

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.



The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

The exchange gain or loss on conversion of the Financial Statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

p) Taxes on income

Current Income Tax

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

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone Financial Statement for financial reporting purposes at the reporting date.

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

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

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

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

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

MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

q) Earnings per share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are not recognized for future operating losses. Provisions are reviewed at each Balance Sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

Contingent liabilities and Contingent Assets

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

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

Onerous contracts

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

s) Employee Share – based payment plans ('ESOP')

The Company accounts for the benefits of Employee share based payment plan in accordance with Ind AS 102 "Share Based Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in Ind AS 101 first time adoption.

t) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

u) Financial instruments

Financial assets

I. Initial recognition and measurement

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



GAMMON INDIA LIMITED

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

II. Subsequent measurement

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

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

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

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

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

A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

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

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

III. Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

IV. Impairment of financial assets

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

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

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

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

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

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

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

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

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

Financial liabilities

I. Initial recognition and measurement

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

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

II. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

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

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



GAMMON INDIA LIMITED

Financial guarantee contracts

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

Derecognition

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

III. Offsetting of financial instruments

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

IV. Derivative financial instruments

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

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

v) Exceptional Items

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

w) Trade Payables & Trade Receivables

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

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

Property Plant and Equipment

Note 2A

Tangible Assets

(₹ in Crore)

Particulars	Freehold Land	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK								
As at 1st April 2016	502.11	19.79	154.23	1,581.83	96.39	27.38	35.56	2,417.29
Additions	-	-	-	20.85	1.10	0.54	0.05	22.54
Disposals/Adjustments	-	-	-	(58.77)	(15.38)	(1.33)	(0.20)	(75.68)
Foreign Translation Adjustments	-	-	(0.03)	(0.46)	(0.04)	(0.12)	(0.05)	(0.71)
Transfer under Scheme and BTA (Refer Note 42)	(108.97)	-	(63.42)	(1,197.72)	(57.12)	(7.04)	(29.47)	(1,463.75)
As at 31st March 2017	393.14	19.79	90.78	345.73	24.95	19.43	5.89	899.70
Additions	-	-	0.36	1.45	-	0.40	0.18	2.39
Disposals/Adjustments	-	-	-	11.82	(0.15)	-	-	11.66
Foreign Translation Adjustments	-	-	0.00	0.08	0.00	0.01	0.01	0.10
On account of decrease in stake in subsidiary*	-	(19.79)	(47.06)	(196.47)	(1.48)	(3.84)	(0.73)	(269.37)
Other Adjustment	-	-	(1.59)	(14.23)	(18.40)	(9.94)	-	(44.15)
As at 31st March 2018	393.14	0.00	42.49	148.38	4.92	6.05	5.34	600.33
DEPRECIATION								
As at 1st April 2016	-	0.87	41.13	741.43	80.75	24.29	29.77	918.24
Additions	-	-	3.32	46.48	3.07	2.03	0.46	55.35
Disposals/Adjustments	-	-	-	(18.62)	(14.31)	(1.25)	(0.07)	(34.26)
Foreign Translation Adjustments	-	-	(0.03)	(0.44)	(0.07)	(0.12)	(0.05)	(0.70)
Transfer under Scheme and BTA (Refer Note 42)	-	-	(11.16)	(655.42)	(46.23)	(6.55)	(25.08)	(744.43)
On account of proportion change (Revaluation)	-	-	(0.00)	(1.71)	(0.12)	(0.11)	(0.14)	(2.08)
As at 31st March 2017	-	0.87	33.26	111.71	23.09	18.29	4.90	192.12
Charge for the Year	-	-	1.70	17.89	0.49	0.37	0.26	20.71
Disposals/Adjustments	-	-	-	1.02	(0.15)	-	-	0.87
Foreign Translation Adjustments	-	-	0.00	0.07	0.00	0.00	0.01	0.08
On account of decrease in stake in subsidiary*	-	(0.87)	(3.44)	(19.43)	(1.36)	(3.27)	(0.35)	(28.72)
On account of proportion change (Revaluation)	-	-	(0.07)	(1.48)	(0.10)	(0.10)	(0.03)	(1.78)
Other Adjustment	-	-	(1.33)	(13.43)	(17.70)	(9.83)	-	(42.30)
As at 31st March 2018	-	-	30.13	96.35	4.26	5.46	4.78	140.99
NET BLOCK								
As at 31st March 2017	393.14	18.92	57.52	234.02	1.86	1.14	0.99	707.58
As at 31st March 2018	393.14	0.00	12.36	52.03	0.66	0.59	0.57	459.34



Note 2B

Intangible Assets

Particulars	Tower Design	Computer Software	BOT Concession Rights	Technical Know-how	Toll Concession Rights	Total
GROSS BLOCK						
As at 1st April 2016	0.03	5.68	237.02	3.20	1,753.65	1,999.58
Additions	-	-	4.05	-	0.28	4.33
Disposals/Adjustments	-	-	(3.10)	-	-	(3.10)
Foreign Translation Adjustments	(0.00)	(0.02)	-	-	-	(0.02)
Transfer under Scheme and BTA (Refer Note 42)	-	(1.14)	-	-	-	(1.14)
As at 31st March 2017	0.03	4.52	237.97	3.20	1,753.93	1,999.65
Additions	-	0.18	-	-	-	0.18
Disposals/Adjustments	-	-	-	-	-	-
Foreign Translation Adjustments	-	0.00	-	-	-	0.00
On account of decrease in stake in subsidiary*	-	(0.23)	(237.97)	-	(1,753.93)	(1,992.13)
Other Adjustment	(0.03)	(1.15)	-	-	-	(1.18)
As at 31st March 2018	(0.00)	3.32	-	3.20	-	6.53
AMORTISATION						
As at 1st April 2016	-	5.49	18.68	3.20	19.97	47.35
Additions	-	0.10	14.02	-	21.37	35.49
Disposals/Adjustments	-	-	(0.22)	-	-	(0.22)
Foreign Translation Adjustments	-	(0.02)	-	-	-	(0.02)
Transfer under Scheme and BTA (Refer Note 42)	-	(1.09)	-	-	-	(1.09)
As at 31st March 2017	-	4.49	32.49	3.20	41.34	81.52
Charge for the Year	-	0.02	18.48	-	7.19	25.69
Disposals/Adjustments	-	-	-	-	-	-
Foreign Translation Adjustments	-	-	-	-	-	-
On account of decrease in stake in subsidiary*	-	(0.21)	(50.97)	-	(48.53)	(99.71)
Other Adjustment	-	(1.15)	-	-	-	(1.15)
As at 31st March 2018	-	3.15	(0.00)	3.20	0.00	6.35
NET BLOCK						
As at 31st March 2017	0.03	0.04	205.49	-	1,712.59	1,918.15
As at 31st March 2018	(0.00)	0.18	0.00	-	(0.00)	0.18

(*) Note: GIPL was subsidiary in the previous year and due to decrease in stake and control over the company the same is considered as an associate in the current year and therefore the assets on divestment of stake is shown as decrease of stake during the year.

3 Capital Work in Progress

Particulars	March 31, 2018		March 31, 2017	
Residential Flats under construction	10.38		20.05	
Engineering , Procurement and construction Cost	-		41.96	
Project Expenses	-		0.49	
Developers Fees	-		0.17	
Finance Cost	-		18.41	
Other Expenses	-	10.38	28.09	109.17
Less: Capital Work in Progress capitalised			-	(3.72)
Total		10.38		105.45

4 Goodwill/ Capital Reserves on Consolidation

Particulars	March 31, 2018		March 31, 2017	
Goodwill on Consolidation	699.33		699.33	
Less: Goodwill / Capital Reserve of divested subsidiaries	(87.00)	612.33	0.00	699.33
Less Provision for Impairment of Goodwill		(464.91)		(76.78)
Total		147.42		622.55
Provision for Impairment of Goodwill Consists of:-				
Goodwill of acquisition of-				
SAE Powerlines S.r.l		18.78		18.78
Gammon Infrastructure Limited		-		58.00
Metropolitan Infrahousing Private Limited		446.13		-
Total		464.91		76.78

5 Intangible Assets under development

Particulars	March 31, 2018		March 31, 2017	
Contract expenditure - Engineering, Procurement & Construction (EPC)	-		576.77	
Concession fees	-		-	
Developer's fees	-		39.81	
Borrowing Cost	-		97.70	
Depreciation	-		0.13	
Others Expenses	-	-	17.09	731.49
Less: Miscellaneous Income	-		4.09	
Less: Capitalised During the year	-		3.99	
Less: Written off as exceptional Item	-		-	
Less: Transferred to Project expenses pending Settlement	-		-	
	-	-	-	8.07
Total		-		723.42

6. Investments

Financial Assets

	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current	
A Investment valued at Cost, fully paid (Net of Provisions)				
Investment in Equity shares (Accounted under Equity method)				
1 In Associate in India	186.04	60.47	-	-
2 In Associate Outside India	1.08	1.08	-	-
3 In Joint Venture in India	13.28	51.05	-	-
4 In Joint Venture Outside India	(230.50)	(230.50)	-	-
5 In Others in India	0.46	0.02	-	-
6 In Others Outside India	-	-	-	-
B Investment in Equity shares Carried at Fair value through OCI, fully paid up				
1 Entity Outside India (Refer Note B (i) and (ii))	1,082.37	1,027.91	-	-
C Investment in Government Securities	0.55	0.55	-	-
D Investment in Partnership	0.00	0.00	-	-



		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
E	Consideration Receivable pursuant to Scheme	-	53.13	-	-
F	Optionally fully Convertible Debenture (OFCD)	-	4.37	-	-
G	Other Investments (At Fair value through P&L)				
1	Equity Shares	-	-	1.73	3.65
2	Liquid Mutual Funds	-	-	2.19	149.48
3	Trade investment in Joint Venture Entity	-	-	-	-
	Total	1,053.27	968.07	3.92	153.13
	Disclosure:				
1	Investment carried at Cost	(29.10)	(59.84)		
3	Investment carried at FVTOCI	1,082.37	1,027.91		
4	Investment carried at FVTPL	-	-	3.92	153.13
	Total	1,053.27	968.07	3.92	153.13

I Details of Investments

Non Current Investments

Particulars	March 31, 2018		March 31, 2017	
	Nos	Amount	Nos	Amount
A Investment in Equity shares as per equity method (Fully paid-up unless otherwise stated)				
1 In Associate in India				
Transrail Lighting Limited	87,50,000	73.10	77,50,000	38.74
Gammon Engineers & Contractors Private Limited	1,42,85,714	63.14	24,00,000	20.62
Gammon Infrastructure Projects Limited (Refer note (a) below)	36,29,99,700	109.54	-	-
Eversun Sparkle Maritime Services Private Limited	-	-	21,43,950	1.65
Modern Tollroads Limited	-	-	24,470	0.02
		245.79		61.02
Less: Provision for impairment of carrying value				
Eversun Sparkle Maritime Services Private Limited		-		(0.56)
Gammon Infrastructure Projects Limited		(59.75)		
Total		186.04		60.47

(a) During the year, consequent to sale of shares of GIPL (erstwhile Subsidiary) by the group the said GIPL has become an associate and accordingly has disclosed as associate in the current year, as required by the standard the said GIPL is accounted at cost for the first time is reclassified at the fair value on the date of reclassification.

2 In Associate Outside India

Finest S.p.A., Italy	EUR 1	7,80,000	20.60	7,80,000	20.60
Less: Provision for impairment of carrying value					
Finest S.p.A., Italy			(19.52)		(19.52)
Total			1.08		1.08

3 In Joint Venture in India

Ansaldo GB-Engineering Private Limited	2,00,00,000	13.28	2,00,00,000	15.40
Blue Water Iron Ore Terminal Private Limited	-	-	30,51,808	3.05
Indira Container Terminal Private Limited	-	-	2,43,75,840	(1.90)
Sez Adityapur Limited	-	-	19,000	0.02
Quasi Equity at Cost				
Indira Container Terminal Private Limited		-		37.54
		13.28		54.12
Less: Provision for impairment of carrying value				
Blue Water Iron Ore Terminal Private Limited		-		(3.05)
Sez Adityapur Limited		-		(0.02)
		13.28		51.05

4 In Joint Venture Outside India

Campo Puma Oriente S.A.	USD 1	6,441	(230.50)	6,441	(230.50)
	Total		(230.50)		(230.50)

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

The accounts of a subsidiary M/s Campo Puma Oriente S.A. (CPO) have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, during the year under review IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is ₹ 60.35 Crore (net of provisions made). The gross carrying value of the investment is ₹ 422.88 Crore (PY: ₹ 420.85 Crore) and the provision for impairment is ₹ 230 Crore (PY: ₹ 130 Crore). The Company has joint management in the said CPO with its partner.

Under the previous IGAAP, CPO was being accounted as a subsidiary with the partner's share being accounted as minority interest. Under the Ind As, since the said Campo Puma is a jointly controlled entity, the same is accounted under equity method from the transition date.

For the purpose of local regulatory requirements the said Campo has effected changes in the financials for the year ended December 31, 2015 since it submitted unaudited number for the purpose of consolidation. The adjustments made were primarily write back of partner balances to recoup the losses in the Joint venture. The Management of Gammon India Limited, for the purpose of preparing financials for the purposes of consolidation have not considered such adjustments as the losses have been accounted in consolidated Financial Statement from the joint venture.

The company had received a valuation report for \$ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, Nevertheless in order to validate this assessment as well as upsides if any in the valuation, the management recently commissioned an independent expert's service to examine the current condition on the field with emphasis on the production potential, the interventions therefore and capex required to enhance the oil flow from each individual well. The Report is now received which confirms potential enhancement of 2400 barrels per day from the current level of 250 barrels at an estimated capex of \$5m. The Company is exploring funding options for the same which is critical to its success. The Report notwithstanding, the Company has prudentially made a provision of ₹ 230 Crore towards its exposure based on internal estimates of realizable value.

The management is confident that there will be no further provision required towards impairment. The provision made of ₹ 230 Crore is being retained against the equity value and loan exposure of the said CPO in these Financial Statements.

The partner in the Joint Venture has filed a suit against the Company in the Court of Oklahoma, USA, inter-alia, for purportedly failing to fund its share of cash calls amounting to \$4.4m, due to which it has overpaid its share and is claiming reimbursement. The Company has contested this claim and furthermore has issued a Notice of Breach against the partner and the claims and counterclaims will finally be settled through a combination of court process and arbitration. The hearings are expected to commence in due course on completion of both parties respective responses. The Financial Statements of CPO S.A. will therefore be signed and released only after the cases are resolved.

The Statutory Auditors have continued to qualify their report since the Financial Statements are unaudited. The management however believes that there will not be material differences between the financials considered and the financial pursuant to the audit being completed of the said CPO.


GAMMON INDIA LIMITED
5 Investment in equity instruments -Others- Indian

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)					
Airscrew (India) Limited (₹ 5 paid up) #	100	200	0.00	200	0.00
Alpine Environmental Engineers Limited #	100	204	0.00	204	0.00
Bhagirathi Bridge Construction Company Limited #	100	300	0.00	300	0.00
Modern Flats Limited (Unquoted) #	10	2,040	0.00	2,040	0.00
Neptune Tower Properties Private Limited #	10		-		-
Plamach Turnkeys Limited #	100	600	0.01	600	0.01
Shah Gammon Limited #	100	835	0.01	835	0.01
STFA Piling (India) Limited (Fully Provided) #	10	2,17,321	0.22	2,17,321	0.22
Indian Highways Management Company Limited			0.01		0.01
Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44		-
Tidong Hydro Power Limited	10	25,500	0.03		-
Indira Container Terminal Private Limited	10	2,64,07,160	26.41		
			27.12		0.24
Less: Transfer of Beneficial Interest in SPV's in lieu of Deposit received			(26.43)		-
			0.69		0.24
Less: Provision for impairment of carrying value					
Air Screw India Limited			(0.00)		(0.00)
Bhagirathi Bcc Limited			(0.00)		(0.00)
Shah Gammon Limited			(0.01)		(0.01)
STFA Piling India Limited			(0.22)		(0.22)
			0.46		0.02

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

6 Investment in equity instruments -Others- Foreign

Particulars	March 31, 2018		March 31, 2017	
	Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)				
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 # (under Liquidation) (Fully Provided)	1,142	0.18	1,142	0.18
		0.18		0.18
Less: Provision for impairment of carrying value				
Gammon Mideast Limited		(0.18)		(0.18)
Total		-		-

B Investment in Equity Shares Valued carried at FVTOCI

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
In Associate Outside India					
Sofinter S.p.A.	Euro 0.76		988.81	7,86,82,127	1,003.97
Franco Tosi Meccanica S.p.A.			411.29		353.26
			1,400.10		1,357.23
Less: Provision for impairment of carrying value					
Franco Tosi Meccanica S.p.A.			(317.73)		(329.32)
Total			1,082.37		1,027.91

(i) Sofinter:

The process of transferring the ownership of Sofinter in favor of the transferee company was completed during the year ended March 31, 2017 and the Group now owns 67.50% of the total equity capital of Sofinter through two of its wholly owned overseas subsidiaries. However to facilitate continued support on lines of credit, the Board of Sofinter S.p.A. has been reconstituted effective from November 2016 with majority vesting with the lending banks of Sofinter group.

In view of what is stated above, the Company contends that it is not able to exercise any influence on the said Sofinter although it holds 67.50% of the Equity. The CEO is also appointed by the Banks and the Bank nominees are controlling the day to day operations and management of the Group. The sole representative of the shareholders on the Board has no vested powers excepting that of the Legal Representative of the Company.

In view of what is stated above, the Company contends that it is not able to exercise any influence on the Group although it holds 67.5% shareholding in Sofinter S.p.A. and therefore the said Sofinter is neither accounted as a Subsidiary nor as an Associate. The Company has accounted the said Investment at Fair Value through Other Comprehensive Income from the transition date by making the election as required by the Standards.

The Company has obtained valuation report from third party Independent Valuer in this regard and has accounted for the changes in the fair value of the Sofinter Investment through Other Comprehensive Income.

(ii) Francotosi Meccanica S.p.A. (FTM)

The Board of Francotosi Meccanica S.p.A. (FTM) filed on May 30th 2013 with the court of Milan (and with the Companies Registry) a "preliminary" request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts ("concordato preventivo"), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 No 267 – further amended in September 2012 in light of acute financial stress being faced by the Company due to several extraneous reasons. The said application was admitted by the Court on 7 June 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations. Thereafter the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. has already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. However the liabilities to be discharged against the surplus on disposal (net of tax) has not been made available by the commissioner. However in light of the ongoing procedure the Commissioner has not released any Financial Statements of the Company to date and it is expected that this will not be released until the entire process is complete.

On account of the above facts and the absence of Financial Statements of the said FTM, FTM functions under severe long term restrictions which impair its ability to transfer funds to its parent. Further the parent does not have any control whatsoever as the entire control lies with the commissioner and the parent does not have access to information also. The Management of the Company and the Board of FTM have no say in the matter and have no access to records which are with the Commissioner. Therefore, in accordance with INDAS 110 – Consolidated Financial Statements, in the absence of control, the said FTM is excluded from Consolidation. This was also done under the previous IGAAP as per para 11(b) of AS-21 – Consolidated Financial Statements from the period ended 30th September 2014. There is also no influence that can be exercised by the Group despite having 83.94% of the Share holding.

The investment in the equity shares has been shown as financial asset accounted on fair Value through Other Comprehensive Income (FVTOCI). The groups funded and non funded exposure towards FTM is ₹ 309 Crore net of provisions towards impairment made and the losses already accounted in the past. Since no information is available from the commissioner, the fair value changes cannot be identified and the investment is carried without further fair value changes.

Despite the factors stated above the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM and no further provision for diminution in the value is required.


GAMMON INDIA LIMITED
C Government Securities

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Unquoted					
Government Securities Lodged with Contractees as Deposit :					
Sardar Sarovar Narmada Nigam Limited - Bonds			0.30		0.30
Others			0.12		0.12
Government Securities Others : (Indira Vikas Patras and National Savings Certificates)			0.12		0.12
Total			0.55		0.55

D Investment in Partnership Firm

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Unquoted					
Gammon Shah (fully provided for)			0.00		0.00
Less: Provision for impairment of carrying value					
Gammon Shah			(0.00)		(0.00)
Total			0.00		0.00

E Consideration Receivable pursuant to Scheme

Particulars	March 31, 2018		March 31, 2017	
	Amount		Amount	
Equity Shares receivable from Gammon Engineers and Contractors Private Limited (Refer note 42A)		-		41.60
Equity Shares receivable from Transrail Lighting limited (Refer note 42B)		-		11.53
Total		-		53.13

F Investment in Optionally Fully Convertible Debenture

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
In Associate in India					
Transrail Lighting Limited			-		4.37
Total			-		4.37

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

G Current Investments:-
Investment in Shares and Mutual Funds

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

Particulars	Face Value	March 31, 2018		March 31, 2017	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
2 Mutual funds					
SBI Dynamic Bond Fund		6,67,967	1.42	6,67,967	1.38
HDFC Balanced Fund		20,553	0.30	20,553	0.27
ICICI Liquid Plan		18,478	0.47	18,478	0.44
HDFC Floating Rate Income Fund		2,048	0.00	2,048	0.00
Reliance Liquid Fund - Treasury Plan - Growth		-	-	64,932	25.76
Canera Robeco Saving Fund - Regular Growth		-	-	1,76,75,762	45.06
Principal Low Duration Fund - Regular Plan Growth		-	-	2,96,589	76.57
Total			2.19		149.48
Total current investments			3.92		153.13
Total Non - Current and Current Investments			1,206.40		968.07
Aggregate amount of quoted investments			3.92		153.13
Market Value of Quoted Investment			3.92		153.13
Aggregate amount of unquoted investments			1,202.47		814.94

E Other Notes

- (a) The Group has pledged the Equity Shares of the following Companies -
- 10,49,940 Transrail Lighting Limited
 - 141,85,714 Gammon Engineers & Contractors Private Limited
- (b) Post Balance Sheet date out of total pledge shares of Gammon Engineers and Contractors Private Limited, 1,11,57,273 equity shares have been invoked by the Lenders.
- Similarly in the case of Transrail Lighting Limited 8,20,059 equity shares pledged have been invoked by the Lenders.

7 Financial Assets - Trade Receivables

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Trade Receivables : (At amortised cost) (Unsecured, considered good unless otherwise stated)				
Considered good	257.57	199.37	1,357.36	501.32
Considered Doubtful	-	2.57	0.28	2.57
Provision for Doubtful debts	-	(2.57)	(0.28)	(2.57)
	257.57	199.37	1,357.36	501.32
Less: Expected credit loss	0.80	0.33	0.93	0.35
Total	256.76	199.04	1,356.43	500.97

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

- (i) The Company in evaluating its jobs has considered an amount of ₹ 7.56 Crore relating to the likelihood of the claim materializing in favor of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.
- (ii) In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favor, the Company has recognized income to the extent of ₹114.22 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.
- (iii) There are disputes in seven projects of the Company. The total exposure against these projects is ₹ 335.89 Crore consisting of receivable of ₹ 164.29 Crore, inventory 38.72 Crore and other receivables ₹ 132.88 Crore.



GAMMON INDIA LIMITED

The Company is pursuing legal recourse / negotiations for settling the disputes in favor of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

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

(b) Expected Credit Loss

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

B Subsidiary, Associates and Joint Venture:

1 GIPL (for the previous year):

(i) Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss since the amounts are receivable from its SPV and there are no experience of losses on receivable in the past . The only case of provision is due to termination of contract with NHAI which has a separate receivable and not in normal course of business.

(ii) Financial Asset as per Service Concession Agreement

One of the subsidiaries of the Group entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. The project has obtained pre-COD on September 1, 2016 and accordingly first annuity of ₹ 94.60 Crore is accrued during the year ended March 31, 2017. In respect of the project on annuity basis of the Company, GIPL has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, GIPL has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. GIPL will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. GIPL expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. GIPL has also applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the GIPL in the SPV is ₹ 1182.70 Crore.

- (iii) Trade Receivables includes ₹155.03 Crore in respect of two of its project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

2 G&B Contracting L.L.C, Dubai

In case of one of the Subsidiary G & B Contracting LLC ('GBLLC') in Dubai amount is due from a Debtor of GBLLC which includes retention money aggregating to AED 27,38,700 (₹ 4.82 Crore) previous year AED 27,38,700 (₹ 4.93 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.

3 ACBI

ACBI had entered in to revised contract with Nagai Power Private Limited (NPPL) dated 29/7/2016. As per the Revised contract ACBI will only supply the Boilers and spare parts to NPPL for a total Contract Value of ₹ 73.04 Crore and recoverability of total amount of ₹ 35.84 Crore from NPPL which is based on stages of work done by the Company. The said contract also confirms the amounts due as aforesaid.

During the current year the Company has completed substantial portion of Contract value. However there is still balance outstanding of ₹ 31.95 Crore as at March 31, 2018. Out of the total ₹ 18.30 Crore is received subsequently and the balance of ₹ 13.66 Crore is still pending to be received by the Company.

The Management is hopeful of recovery of the amount and is holding Corporate Guarantee from the Customer for the same.

C Movement in the expected credit loss allowance

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	1.49	0.35	2.16	1.85
Reversal on account of Transfer of Business	-	-	(0.16)	(1.86)
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.69)	(0.02)	(0.51)	0.36
Net movement in expected credit loss allowance on Other receivables calculated at lifetime expected credit losses	-	-	-	-
Provision at the end of the period	0.80	0.33	1.49	0.35

8 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	148.81	0.79	244.88	1.74
Considered Doubtful	335.61	-	223.60	0.00
Provision for Doubtful Loans	(335.61)	-	(223.60)	0.00
Deposits				
Considered Good	5.93	6.04	7.97	8.52
Considered Doubtful	-	3.60	-	3.60
Provision for Doubtful deposits	-	(3.60)	-	(3.60)
Other Loans and Advances				
Considered Good	82.31	61.03	97.94	122.40
Considered Doubtful	33.22	4.94	54.48	4.94
Provision for Doubtful Loans	(33.22)	(4.94)	(54.48)	(4.94)
Total	237.05	67.86	350.79	132.66

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

	March 31, 2018	March 31, 2017
Details of Related parties : Non Current	Amount O/s	Amount O/s
Considered good:		
Campo Puma Oriente S.A.	146.74	244.73
OSE Gammon Joint Venture	-	0.15
RAS Cities and Township Private Limited	2.00	-
Hareda Projects Limited	0.07	-
Total	148.81	244.88
Considered doubtful:		
Franco Tosi Meccanica S.p.A.	104.67	93.08
Campo Puma Oriente S.A.	230.42	130.00
Finest S.p.A.	0.52	0.52
Total	335.61	223.60



	March 31, 2018	March 31, 2017
Details of Related parties : Current	Amount O/s	Amount O/s
Considered good:		
Gammon Engineers Contracts Private Limited	-	0.87
Campo Puma Oriente S.A.	-	0.49
Transrail Ligting Limited	0.03	0.21
Franco Tosi Turbines Private Limited	-	0.11
GAMMON SEW JV'	0.09	0.07
GGJV	(0.01)	(0.00)
Franco Tosi Meccanica S.p.A.	0.11	-
Rajahmundry Godavari Bridge Limited	0.35	-
Tidong Hydro Power Limited	0.02	-
SAE Transmission India Limited	0.20	-
Total	0.79	1.74

(ii) Investment by the loanee in the shares of the Company

None of the loanees have, per se, made investments in the shares of the company

9 Other Financial Assets (at amortised cost)

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	35.93	0.62	40.91	10.92
Considered Doubtful	1.25	-	-	2.63
Less : Provision for Doubtful Interest	(1.25)	-	-	(2.63)
Insurance claim receivable	-	-	-	5.20
Other Receivable (Refer Note (ii) below)	18.82	1.94	18.82	21.08
Less: Expected credit Loss	(0.56)	-	(0.56)	-
Advance for Purchase of Equity Shares	-	-	49.06	-
Other Bank Balances not due within 12 months	-	-	44.37	-
Share Application Money paid	-	-	1.30	-
Excess Managerial Remuneration Receivable	-	24.53	-	-
Total	54.19	27.09	153.90	37.20

(i) Pursuant to the rejection of the waiver of recovery of managerial remuneration by the Members in General Meeting, the Company has reversed the managerial remuneration of the Chairman and Managing Director and another Executive Director aggregating to ₹ 31.13 Crore and has shown the net recoverable amount (after reversal of unpaid salary) of ₹ 24.53 Crore as excess managerial remuneration receivable.

(ii) The amount of ₹ 18.82 Crore represent the amount receivable from Nagai on account of bank Guarantee encashment.

(iii) During the previous year Insurance Claim includes amounting to ₹ 5.20 Crore. made by one of the subsidiaries, although subject to confirmation from the Insurance Company is good and receivable. The Management is of the firm view that the claim will eventually be received. The Management contends that whole amount is receivable.

10 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2018		March 31, 2017	
Deferred Tax Liability:				
Property, Plant and Equipment	81.90		173.01	
Non Current Investments- Fair Value changes	28.46	110.36	129.55	302.55
Deferred Tax Asset:				
Tax Disallowances	-		1.74	
Others	-	-	-	1.74
Net Deferred tax Liability		110.36		300.81

Particulars	March 31, 2018		March 31, 2017	
	Deferred Tax Asset:			
Property, Plant and Equipment	0.34		47.82	
Tax Disallowances	0.02		47.31	
Provision for replacement cost	-		5.11	
Mat Credit Entitlement	-		32.06	
Other	-	0.36	-	132.30
Deferred Tax Liability:				
Property, Plant and Equipment	-		58.09	
Non Current Investments	-	-	0.18	58.28
Net Deferred tax Assets		0.36		74.02

11 Other Assets

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Capital Advances	15.00	-	0.25	-
Unbilled Revenue (Refer note below)	912.36	-	871.01	-
Prepaid Expenses	(0.00)	1.06	0.77	5.26
Prepaid Upfront fees	-	1.28	12.19	1.28
Advance to Creditors/Subcontractors	10.20	53.44	14.76	72.73
Staff Advances	-	0.89	-	1.03
Accrued income	-	-	-	-
Balance with Tax Authority	7.10	20.41	15.19	14.00
Advance Tax Net of Provision	401.38	-	426.96	-
Others	-	7.28	9.92	18.50
Total	1,346.05	84.35	1,351.06	112.80

i) Unbilled Revenue:

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

12 Inventories

Particulars	March 31, 2018	March 31, 2017
Raw Material	1.48	19.60
Material at Construction Site	33.09	54.95
Stores and Spares	0.05	4.18
Work In Progress:		
Construction-Work In Progress	87.05	153.38
Real Estate- Work In Progress	1,545.95	2,027.04
Manufacturing -Work In Progress	1.22	13.35
Finished goods	2.20	0.20
Completed Flats	130.43	151.07
Total	1,801.47	2,423.77



a) Inventory Valuation Policy

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

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

Particulars	March 31, 2018		March 31, 2017	
	Balance at the beginning of the year		2,027.04	
Add : expenses incurred during the year and directly charged to the project				
Cost of freehold land	-		-	
Residential flat under construction	3.07		0.04	
Cost of Material Consumed	266.36		35.50	
Finance Costs	62.30		142.56	
Other Expenses	0.71	332.45	7.35	185.45
Less : Cost of Shops Sold	(71.24)		(46.13)	
Less : Cost of Unsold Completed Units Inventory	(283.03)		(151.07)	
Less: Impairment of land value	(459.26)	(813.54)	-	(197.20)
Closing Balance		1,545.95		2,027.04

c) Project Development (Real estate WIP) includes expenses incurred under the following broad heads

Particulars	March 31, 2018		March 31, 2017	
	Cost of Leasehold Land		343.56	
Cost of Freehold land		777.78		777.78
Land Development Expenses		506.24		236.82
Finance Cost		895.92		833.62
Other Expenses		40.82		40.11
Less : Cost of Shops Sold		(125.03)		(53.78)
Less : Cost of Unsold Completed Units Inventory - Shops		(434.10)		(151.07)
Less: Impairment of land value		(459.26)		-
Total		1,545.95		2,027.04

d) The Group's exposure to a real estate project being carried out in one of the subsidiary company in Bhopal is ₹ 932.99 Crore (PY: ₹ 998.38 Crore as at March 31, 2017). Due to slow down in the real estate market, one of the subsidiary company ("Deepmala Infrastructure Private Limited") developing a real estate project in Bhopal is facing problems in its project development and sale. During the year the management has on a conservative basis made a provision of ₹ 100 Crore in against its project development inventory based on internal estimates of the realizable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment. The provision for the year has been shown as exceptional item.

e) The impairment of value of land is done on the basis of expected realisation and the land is carried at the net realisable vale in the case of one of the subsidiaries of the Company. The aggregate write down of the vale on this account is ₹ 359.26 Crore.

13 Cash and Bank Balance

Particulars	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Cash on Hand	0.19	0.94
Balances with Bank	33.36	104.99
Total	33.55	105.93
Other Bank Balances		
Unpaid dividend	0.58	0.64
Other Bank Balance	2.00	2.00
Bank deposits (on margin account)	2.08	7.39
Total	4.66	10.03

(a) Other Bank Balances

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

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

14 Equity Share Capital

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

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital :				
Equity Shares of ₹ 2/- each	74,71,00,00,000	14,942.00	74,71,00,00,000	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	30,00,000	105.00	30,00,000	105.00
Issued, Subscribed and Fully Paid up Capital :				
Issued Capital				
Equity Shares of ₹ 2/- each, fully paid	37,04,27,845	74.09	37,04,27,845	74.09
Subscribed and Fully Paid up Capital				
Equity Shares of ₹ 2/- each, fully paid	36,88,47,305	73.77	36,88,47,305	73.77
Share Forfeiture Account				
Money received in respect of Right shares of ₹ 10/- each forfeited	1,70,948	0.34	1,70,948	0.34
Total		74.11		74.11

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

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

(b) Reconciliation of Number of Shares Outstanding

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

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


(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2018		March 31, 2017	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,97,74,612	10.76%	3,97,74,612	10.76%
Punjab National Bank	2,42,09,101	6.55%	2,42,09,101	6.55%
Syndicate Bank	2,26,96,508	6.14%	2,26,96,508	6.14%
Bank Of Baroda	2,21,04,507	5.99%	2,21,04,507	5.99%
Allahabad Bank	1,95,82,216	5.30%	1,95,82,216	5.30%

(d) Terms / rights attached to equity shares

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

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

15 Other Equity

Particulars	March 31, 2018	March 31, 2017
Capital Redemption Reserve	105.00	105.00
Capital Reserve	11.53	11.73
Securities Premium Account	1,262.20	1,591.62
Debenture Redemption Reserves	81.00	81.00
Employee Stock Options Outstanding	0.00	0.05
General Reserve	363.06	363.20
Special Contingency/ Statutory reserve	0.17	0.17
Retained earnings	(4,820.41)	(3,248.57)
Perpetual Promoter Contribution	100.00	100.00
Treasury Shares	(1.69)	(1.69)
Share Forfeiture of Subsidiary	0.00	0.81
Other Reserve of JV and Associates	351.05	20.29
Other Comprehensive Income:		
Foreign Currency Translation Reserve	(40.14)	87.46
Net gain/ (loss) on fair value of equity instruments	324.75	415.28
Total	(2,263.48)	(473.64)

16 Non-controlling interests

Particulars	March 31, 2018		March 31, 2017	
Balance, beginning of the period		243.81		308.64
Share of NCI in profits/(losses) for the current period	(47.60)		67.30	
Share of NCI in profits/(losses) in Other Equity for the current period	1.27		2.48	
(Decrease) in minority's share on account of subsidiaries divested	(284.60)		-	
Capital grant transferred to / (from) NCI on divestment of subsidiaries	-	(330.93)	-	(64.83)
Total		(87.12)		243.81

17 Non Current Financial Liabilities - Borrowings

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current Maturities	Non Current	Current Maturities
Non Convertible Debentures				
Placed with Banks and Financial Institutions	-	-	228.45	36.28
Term Loans				
Priority Loan	-	-	346.43	157.67
Rupee Term Loan RTL	-	-	1,186.33	186.46
Funded Interest Term Loan (FITL)	-	-	48.80	8.93
Working Capital Term Loan (WCTL)	-	-	382.16	60.64
Loan taken for Public Private Partnership				
Term Loan from Banks	-	-	2,428.74	53.01
Term Loan from Financial Institutions	-	-	121.14	-
Term Loan from Other	-	-	-	1.17
Loan taken for Foreign Companies				
Term Loan from Banks	-	-	262.98	498.59
Loan taken - Other Companies				
From Banks	67.72	79.76	529.72	4.84
From Others	48.56	-	52.63	-
Non Convertible Debentures (secured by mortgage of immovable property)	-	175.00	-	175.00
Borrowings - Related Parties - Group Companies	-	-	-	-
Total	116.28	254.76	5,587.38	1,182.60
The above amount includes				
Secured Borrowings	67.72	254.76	5,401.88	743.54
Unsecured Borrowings	48.56		185.50	439.06

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

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

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

Foreign SPV's:

During the current year the Bankers has issued notice to the Holding Company who has guaranteed the repayments, for immediate discharge of its USD loan amount. In view of financial difficulties of Holding Company the said amount has not been discharged and therefore the entire amount has been shown as current liabilities.

Bank Loan balances are as per Bank advice available with the Company and no bank confirmations are available on the record

(i) Loan taken by Holding Company

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



GAMMON INDIA LIMITED

Key features of the CDR proposal are as follows :

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

(b) Securities for Term Loans and NCD :

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

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

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

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

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

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

Working Capital Term Loan (WCTL) -

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

Priority Loan -

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

Non Convertible Debentures (NCD) and FITL thereon -

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

Funded Interest Term Loan (FITL) -

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

(c) Interest on Term Loans -

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

Non Convertible Debentures

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

(d) Repayment Term

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

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

- a) Pledge of entire unencumbered Equity Shares (present and future) of GIL held by Promoters subject to section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered Equity Shares as and when such shares are released by the respective existing lender
- b) Personal guarantee of Mr Abhijit Rajan, Chairman & Managing Director.
- c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the Joint Venture agreement with developer.
- d) Corporate Guarantee provided by Nikhita Estate Developers Private Limited ("promoter entity")

e) Pledge over the following shares -

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



GAMMON INDIA LIMITED

- (f) The Company had pursuant to the Shareholders approval in May, 2015, issued Unsecured Zero Coupon Compulsorily Convertible Debentures (“CCD’s”) of upto ₹ 100 Crore to the promoters against their contribution made to the Company’s Corporate Debt Restructuring (“CDR”) package. However no allotment was made, since the in-principle approval for allotment was awaited from BSE Limited

On 26th April, 2016, BSE has directed the Company to modify the “relevant date” adopted by the Company for the pricing of the CCD’s and seek shareholders approval afresh. The amount contributed by the Promoters continues to remain as debt in the Company.

(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 November 1, 2015. However, the commercial operations of the project were delayed on account of reasons not attributable to the subsidiary. These delays led to cost and time overruns for which the subsidiary was required to restructure the project loan availed from a consortium of lenders. As the subsidiary is not able to service its debt obligations the lenders have 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 yrs. The continuing delays has resulted in the lenders classifying the asset as a non performing asset. These delays has resulted in defaults in payment of loan instalments by the JV. However, both the JV and MbPT have initiated discussions in reviving the project by restructuring the same. The entire process is likely to be completed by the end of the next financial year. In the interim, MbPT has granted permission to the JV to use its completed berths for commencing RORO operations for one year on trial basis. A part of the revenue earned from these operations is being used to meet the lenders obligations. Considering the steps initiated by the JV and MbPT and as the loans have not yet been recalled by the lenders the JV continues to disclose the loans under long term borrowings as a non current liability.

The above mentioned long-term loans carry an interest rate which is at a spread above/below the bank’s base rate or bank prime lending rate or G-sec rate or at a negotiated rate. The spread ranges from 50 to 300 basis points. In case of a consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof.

Loans from others, carries interest rates in the range of 11% p.a. to 15% p.a.

(iii) Investment Spv’s (GIBV, GHBV, PVAN, ATSL BV , GHM)

The Loan is secured by charge over DSRA A/c of the Company. The Parent Company has also pledged its entire shareholding of the Company with the Bank and also provided Corporate Guarantee.

During the previous year Term Loan from ICICI Bank has been resheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale doesnot occur or the proceeds are insufficient, the same is repayable by the parent Company in quaterly installments from 1 April 2015. The applicable interest rate is equal to 3 months LIBOR plus 275 bps for GIBV and PVAN, and 3 months LIBOR plus 250 bps for GHBV & ATSL BV. Interest & installment is due and paid on Quaterly basis. The interest rate will increase by 100 bps for GIBV and PVAN while 125 bps for GHBV and ATSL BV, if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV’s.

During the previous year Term Loan from ICICI Bank, UK PLC has been resheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale doesnot occur or the proceeds are insufficient, the same is repayable by the parent Company in quaterly installments from 1 April 2015. The applicable interest rate is equal to 3 months EUROLIBOR plus 360 bps for GIBV, Interest & installment is due and paid on Quaterly basis. The interest rate will increase by 100 bps if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV’s.

During the year ICICI bank Canada has encashed the Bank Guarantee of the parent but has not appropriated the encashment against the loan amount. However the Company has protested the non appropriation and adjusted the same in its books against the loan amount.

(iv) Others**(1) ACBI**

- (a) The Company has entered into Corporate Debt Restructuring package with IDBI Bank with effect from 01st April, 2014. vide sanction letter dated 30th June'2014

Key features of the CDR proposal are as follows :

- Reschedulement of existing Term Loans (RTL) of ₹ 675 lacs 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 ₹ 375 lacs. This loan is further split into two loans a) ₹ 281 lacs and b) ₹ 94 lacs.
- Conversion of various irregular in working capital limits into Working Capital Term Loan (WCTL).
- IDBI shall have the right to recompense the relief/sacrifices/waivers extended.

(b) Securities for Term Loans :**Rupee Term Loan (RTL)**

- 1) 1st charge by way of hypothecation over all the stocks and book debts and other current assets present and future except for the specifically charged assets , if any.
- 2) 1st charge over all the fixed assets of the Company both present and future.
- 3) Corporate Guarantee of Gammon India Limited.

Working Capital Term Loan (WCTL) -

- 1) 1st charge by way of hypothecation over all the stocks and book debts and other current assets present and future except for the specifically charged assets , if any.
- 2) 1 st charge over all the fixed assets of the Company both present and future.

(c) Interest on Term Loans -

The above mention term loans carry an interest rate which is @MCLR Rate + 310 bps payable on 1st day of each month. Currently IDBI bank's Base Bank Rate is at 12.40% p.a.

(d) Repayment Term

Type of Loan	Repayment Schedule
RTL - 1	Repayable in 32 quarterly installments commencing from May 1, 2016 after monotorium period of 2 years as mentioned below : a) 31 installments of ₹ 0.21 Crore each ; b) 32nd installment of ₹ 0.24 Crore
RTL - 2 (a)	Repayable in 12 quarterly installments commencing from May 1, 2016 after monotorium period of 1 year as mentioned below : a) 11 installments of ₹ 0.23 Crore each ; b) 12th installment of ₹ 0.28 Crore
RTL - 2 (b)	Repayable in 12 quarterly installments commencing from May 1, 2016 after monotorium period of 1 year as mentioned below : a) 11 installments of ₹ 0.08 Crore each ; b) 12th installment of ₹ 0.06 Crore
WCTL	Repayable in 32 quarterly installments commencing from May 1, 2016 after monotorium period of 2 years as mentioned below : a) 31 installments of ₹ 0.69 Crore each ; b) 32nd installment of ₹ 0.61 Crore

(2) GTPL

- (a) The Term Loan for GACTEL is Secured by Hypothecation of Current Assets and Fixed Assets and negative Lien on 75% of land at Bhopal and construction thereon standing in the name of Deepmala Infrastructure Private Limited. - Fellow Subsidiary and Corporate Guarantee of Gammon India Limited, the Holding Company.

(b) Interest on Term Loans -

Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards



GAMMON INDIA LIMITED

(3) DIPL

(a) 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.)

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

(4) METRO

Non Convertible Debenture

The Debentures of the aggregate nominal value of ₹100 Crore will be redeemed at the end of 38 months from the deemed date of allotment viz., 13-09-2011, by way of Bullet payment, with yield on Redemption @ 14.52% p.a.

The Debentures of the aggregate nominal value of ₹75 Crore will be redeemed at the end of 38 months from the deemed date of allotment viz., 30-01-2012, by way of Bullet payment, with yield on Redemption @ 14.52% p.a.

Debentures are to be secured by:

The first legal Registered Mortgage and Charge on the Maharashtra Immovable Property and if required Separately by creating first pari passu mortgage and/or charge on the Company's Underlying Assets of the nature of the land admeasuring about 180 acres situate lying and being at Dombivili, subject to maintaining minimum security/assets cover of 1.25 times as acceptable to the Trustees. (ii) Unconditional and irrevocable guarantee from Gammon India Limited for all amounts due under this facility.

Any other security as may be acceptable by the Debenture Trustee with the prior consent of the majority debenture holders to maintain security cover.

(v) Pledge of Shares

The equity shares held by the Company and / or GIL in a Subsidiary and /or Joint Venture Company of the Group are pledged with respective lenders or consortium of lenders for the individual secured loan availed by the said Subsidiary and / or Joint Venture Company from their respective lenders or consortium of lenders.

Company Name	Rate	Number of Equity Shares Pledged	
		As At 31st Mar 2018	As At 31st Mar 2017
Andhra Expressway Limited ('AEL')	₹ 10/-	-	-
Birmiltrapur Barkote Highway Private Limited ('BBHPL')	₹ 10/-	-	2,600
Cochin Bridge Infrastructure Company Limited ('CBICL')	₹ 10/-	-	16,64,019
Gorakhpur Infrastructure Company Limited ('GICL')	₹ 10/-	-	-
Kosi Bridge Infrastructure Company Limited ('KBICL')	₹ 10/-	-	-
Mumbai Nasik Expressway Limited ('MNEL')	₹ 10/-	-	-
Patna Buxar Highways Limited ('PBHL')	₹ 10/-	-	-
Pataliputra Highways Limited ('PHL')	₹ 100/-	-	-
Patna Highway Projects Limited ('PHPL')	₹ 10/-	-	59,40,000
Rajahmundry Expressway Limited ('REL')	₹ 10/-	-	-
Rajahmundry Godavari Bridge Limited ('RGBL')	₹ 10/-	-	14,05,19,039
Sidhi Singrauli Road Project Limited ('SSRPL')	₹ 10/-	-	16,36,13,200
Sikkim Hydro Power Ventures Limited ('SHPVL')	₹ 10/-	-	3,19,95,331
Vizag Seaport Private Limited ('VSPL')	₹ 10/-	-	6,37,70,015
Indira Container Terminal Private Limited ('ICTPL')	₹ 10/-	-	1,65,00,000
Gammon Holdings BV, Netherlands ('GHBV')	€ 100	180	180
Gammon International BV, Netherlands ('GIBV')	€ 100	180	180
P.Van Eerd Beheersmaatschappaji BV, Netherlands ('PVAN')	€ 454	35	35
ATSL Holding BV, Netherlands	€ 100	180	180
GACTEL Turnkey Projects Limited. ('GACTEL')	₹ 10/-	50,49,940	50,49,940
Deepmala Infrastructure Private Limited ('DIPL')	₹ 10/-	5,100	2,300
Transrail Lighting Limited. ('TLL')	₹ 10/-	10,49,940	3,09,99,940
Ansaldocaldaie Boilers India Private Limited ('ACB')	₹ 10/-	3,65,00,000	1,20,00,000
Gammon Infrastructure Projects Limited	₹ 2/-	36,29,99,700	43,02,86,305
Gammon Holdings (Mauritius) Limited	\$ 1	15,000	15,000
Gammon Engineers & Contractors Private Limited	₹ 10/-	1,41,85,714	-
TOTAL		41,98,05,969	90,23,58,264

(vi) Maturity profile of Term Loans and NCD

Period	March 31, 2018	March 31, 2017
Credit Facility recalled by Lenders	4,679.56	-
Principal Overdue	-	280.84
With in 1 years	254.76	1,704.79
1 to 5 years	67.72	2,528.71
beyond 5 years	-	2,483.85
TOTAL	5,002.04	6,998.19

(vii) The Bankers have given effect to the Novation Agreement since the Balance Sheet date in the second fortnight of May 2017.

(viii) Details of continuing defaults in serving principal repayments are as follows:**As at March 31, 2018:**

The entire credit facilities of Hoding Company and its Foreign SPV's are recalled by the lenders and hence the entire credit facility is shown as default. Total amount credit facility recalled is ₹ 4,679.56 which is shown in current liabilities.

As at March 31, 2017	1 - 90 days	91 to 180 days	181 to 365 days	365 days & above	Total Amount
GIL	106.02	52.84	90.48	31.50	280.84
GIPL Group	2.37	-	-	-	2.37
ATSL Holding BV	-	-	39.86	84.06	123.93
PVAN	4.47	-	13.40	23.80	41.67
GHBV	-	-	39.86	84.06	123.93
GIBV	19.21	-	56.07	97.07	172.35
Total	132.07	52.84	239.68	320.50	745.09

(viii) The above information of default is disclosed only to the extent of information available for the respective Group Companies Financial Statement.

18 Financial Liabilities - Trade Payable

Particulars	March 31, 2018		March 31, 2017	
	Non-Current	Current	Non-Current	Current
Trade Payables				
- MSME	-	0.30	-	0.65
- Others	34.53	249.70	30.40	389.33
Total	34.53	250.00	30.40	389.98

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

(ii) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor

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

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

Particulars	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.44	0.75
Principal amount due	0.30	0.65
Interest due on the above	0.14	0.10
The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
Principal amount paid beyond appointed day	-	-
Interest paid thereon	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest under MSME Act where payment has been made beyond appointed day during the year.	0.30	0.65
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.14	0.10



19 Other financial liabilities- Non Current

Particulars	March 31, 2018	March 31, 2017
Margin Money Received	-	1.00
Deferred Payment liability	-	728.76
Interest Accrued But Not Due	0.00	0.42
	0.00	730.17

20 Provisions

Particulars	March 31, 2018		March 31, 2017	
	Non-Current	Current	Non-Current	Current
Employee Benefits:				
Provision for Gratuity				
- Indian Companies	0.05	0.35	0.81	0.54
- Foreign Companies	3.21	-	11.70	-
Provision for Leave Encashment	0.38	1.62	2.43	2.16
Others:				
Provision for Project Obligations	-	-	14.94	1.14
Periodic Maintenance	-	-	3.88	-
Provision for Risk and Contingencies	-	160.08	-	178.06
Total	3.64	162.05	33.76	181.89

(a) Disclosure under Ind AS 37 “ Provisions, Contingent Liabilities and Contingent Assets”

(i) Provision for Project Obligations :

Provision made by GIPL for Obligation on Sale of Subsidiaries in previous year ended March 31, 2017

Provision for Project Obligations is on account of provision made towards obligations to the purchaser of equity shares of SPV's towards project related expenditure.

Particulars	Opening	Addition	Finance Cost on outstanding provision	Utilisation	Closing
Provision for Project Obligations					
Current Year (as at March 2018)	16.07			(16.07)	0.00
Previous Year (as at March 2017)	15.77	1.75	0.02	(1.46)	16.07

(ii) Provision for periodic maintenance

In accordance with PDA entered by one of the subsidiaries with Karkhana, at the end of 25 years after commercial operation the subsidiary is required to incur the expenditure to bring the plant back to its normal working condition which will result in decommissioning Obligation on the part of the subsidiary maximum upto ₹ 200 lacs. Accordingly, the subsidiary has created provision for the said expenditure to be incurred in future in accordance with Ind AS 16 “Property Plant and Equipment”.

Disclosure under Ind AS 37 “ Provisions, Contingent Liabilities and Contingent Assets”

Particulars	Opening	Addition	Finance Cost on outstanding provision	Utilisation	Closing
Provision for periodic maintenance					
Current Year (as at March 2018)	3.88	-	-	-	3.88
Previous Year (as at March 2017)	-	3.88	-	-	3.88

(iii) Provision for Risk and Contingencies

Provision made by the Company for Obligation on Sale of Subsidiaries in previous year ended March 31, 2018.

Particulars	Opening	Addition	Finance Cost on outstanding provision	Utilisation	Closing
Provision for Risk and Contingencies					
Current Year (as at March 2018)	178.06	0.32	-	(18.30)	160.08
Previous Year (as at March 2017)	71.67	112.08	-	(5.68)	178.06

During the previous period out of total addition in provisions during the year- ₹ 100 Crore is against FTM exposure which is shown under exceptional item.

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

Table Showing Change in the Present Value of Projected Benefit Obligation	As at March 31, 2018	As at March 31, 2017
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.16	0.40
Net Interest Cost	0.03	0.25
Actuarial (Gains)/Losses	0.28	(0.14)
Expenses Recognized	0.46	0.51
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.19)	(3.04)
Return on Plan Assets, Excluding Interest Income	0.02	0.02
Net (Income)/Expense For the Period Recognized in OCI	(0.17)	(3.02)
Balance Sheet Reconciliation		
Opening Net Liability	1.35	7.47
Expenses Recognized in Statement of Profit or Loss	0.37	0.62
Expenses Recognized in OCI	(0.17)	0.74
Net Liability/(Asset) Transfer Out	(0.92)	(5.62)
Benefit Paid Directly by the Employer	(0.02)	(0.11)
Employer Contribution	(0.21)	(1.75)
Net Liability/(Asset) Recognized in the Balance Sheet	0.40	1.35
Category of Assets		
Insurance fund	0.48	0.80
Total	0.48	0.80

Assumptions	2017-18	2016-17
Expected Return on Plan Assets	7.09%-8.86%	7.09%-8.86%
Rate of Discounting	7.09%-8.86%	7.09%-8.86%
Rate of Salary Increase	4.00%-5.00%	4.00%-5.00%
Rate of Employee Turnover	30% for LMR, 10% and 2% for HO-3%	30% for LMR, 10% and 2% for HO-3%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.



Sensitivity Analysis	2017-18	2016-17
Projected Benefit Obligation on Current Assumptions	0.56	1.16
Delta Effect of +1% Change in Rate of Discounting	(0.02)	(0.04)
Delta Effect of -1% Change in Rate of Discounting	0.02	0.05
Delta Effect of +1% Change in Rate of Salary Increase	0.02	0.05
Delta Effect of -1% Change in Rate of Salary Increase	(0.02)	(0.05)
Delta Effect of +1% Change in Rate of Employee Turnover	0.00	0.01
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	(0.01)

Note :

- 1 Gratuity is payable as per company's scheme as detailed in the report.
- 2 Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.
- 3 The Company's Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities. The Company's Gratuity Liability is entirely funded except LMR employees.
- 4 During the previous year transfer out of Liability ₹ 6.97 Crore and Plan Assets ₹ 1.34 Crore represents transfer to Gammon Engineers and Contractors Private Limited as at 30-06-2016.
- 5 Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.
- 6 Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.
- 7 In the absence of data of experience adjustments, the same is not disclosed.
- 8 The Company's Leave Encashment Liability is entirely unfunded.

9 Risk Factors / Assumptions

- a) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- b) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- c) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- d) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- e) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- f) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

21 Other Non-Current Liabilities

Particulars	March 31, 2018	March 31, 2017
Client Advances	180.88	223.76
Financial Guarantee Liability	0.24	1.27
Others liability	43.00	48.89
Government grants/ Deferred Revenue(*)	-	396.14
Total	224.13	670.06

(*) The Government grant has become nil on account of the disposal of the subsidiary GIPL from whose financials the above balance were extracted

22 Current Financial Liabilities - Borrowings

The borrowings are analysed as follows :

Particulars	March 31, 2018	March 31, 2017
Loans Repayable on Demand :		
Cash Credit	450.78	1,040.96
Other Loans and Advances :		
Buyers Credit	-	2.66
Bill Discounting	-	-
Others	249.08	335.08
TOTAL	699.86	1,378.70
The above amount includes		
Secured Borrowings	450.78	1,040.96
Unsecured Borrowings	249.08	337.74

Note: The entire short term credit facilities of ₹ 971.16 Crore of holding company is recalled by the lenders and hence disclosed under current liabilities.

A Holding Company**(i) Securities - Cash Credit from Consortium Bankers :**

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

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

Some of the loans are at spread below Bank base rate or Bank Prime lending rate or at Negotiable rates. The Spread range from 100 to 250 bps.

(iii) Buyers Credit are secured by guarantee of consortium bankers.**(iv) Short term loan from consortium Bankers :****a) BOB -Security - Short Term Loan V - INR**

1st Charge on investments, Loans & Advances, LT Receivables (claims) of Gammon India Limited Residual

2nd charge on Gammon House

2nd charge of Canara Bank on Dombivali Metropolitan Infra Housing Private Limited Land (only on RTL-1 portion)

Pledge on shares of Metropolitan Infra Housing Private Limited (Dombivali)

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

Pledge on shares of Ansaldoaldaie Boilers India Private Limited (73%)

Pledge on shares and corporate guarantee of Nikhita Estate Developers Private Limited (100%)

Pledge on Promoters holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Pledge on Gammon India Limited's holding in EPC

Pledge on Gammon India Limited's holding T&D

Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

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

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

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



GAMMON INDIA LIMITED

pledge on shares of AnsaldoCaldaie Boilers India Private Limited (73%)

Pledge on shares and corporate guarantee of Nikhita Estate Developers Private Limited (100%)

pledge on Promoter's holding in Gammon India Limited

Personal Guarantee of Mr. Abhijit Rajan

Other contractual comforts and undertakings taken at the time of CDR

c) IDBI - STL

Primary Security

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

2nd pari passu charge on the entire fixed assets (immovable and movable) of Gammon India Limited excluding the fixed assets charged exclusively to Non Convertible Debenture holders

2nd pari passu charge on Gammon House

STL-I & II are allowed by way of interchangeability from the existing NFB limits for which the security has already been created

Collateral Security

Pledge of 16,27,94,100 unencumbered shares of Gammon Infrastructure Project Limited (GIPL) with duly executed Power of Attorney for sale of shares.

d) ICICI -STL

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

The OD facility shall be additionally collateralised by way of :

Exclusive pledge of 16,89,99,900 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 17.94% of the total paid up equity shares of GIPL. The same shall be Subject section 19 (2) & (3) of the Banking Regulation Act.

NDU- PoA over the remaining 16,89,99,900 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 17.94% of the total paid up equity shares of GIPL which shall be released in favor of IDBI Bank / Other Bank who shall be sanctioning the remaining OD facility

(v) Facility overdrawn as at March 31, 2018:

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

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

Facility overdrawn as at March 31, 2017:

Facility	₹ in Crore	Default period
Cash credit other than BG encashment	188.84	> 365 days
Cash credit - BG encashment	399.26	> 365 days
Total	588.10	

B Others

Pravara Renewable Energy Limited

Cash credit from banks are against first charge on inventory, receivables, fuel stock and other current assets and second charge on fixed assets the Company

Cash credit from Central Bank of India carries an interest of MCLR (1 year) plus spread of 345 basis points.

Cash Credit from Corporation Bank carries an interest of Base rate plus spread of 230 basis points. Further if Company is paying higher Rate of Interest (ROI) to Central Bank of India then same ROI will apply to term loan from Corporation Bank as well.

Vizag Seaport Private Limited

Working capital loan from bank is secured by way of parri passu first charge on the movable properties, receivables and assignments including all receivables and intangibles, subject to prior charge on specific movable assets in favor of the Company's bankers both present and future, of the Company. Also secured by way of assignment of all project contracts (including license agreement, documents, insurance policies relating to all assets of the project, rights, titles, permits/ approvals, clearances and interests of the Company). Charge on all the company's bank accounts, including but not limited to the Trust & Retention Account (TRA) and the Debt Service Reserve Account and each of the other accounts required to be created by the company under any project document or contract.

The loan is repayable on demand. However, the cash credit limit will be repaid in equal periodic bimonthly reduction in drawing power, i.e., INR 1.67 Crore every two months. Interest is charged at 13.15% - 13.20% p.a during the period. The loan was entirely repaid during the period.

ACBI**(b) Securities - Cash Credit from IDBI Bank :**

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

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

Unconditional and irrevocable Corporate Guarantee of Gammon India Limited.

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

- (c) The Company has not defaulted in repayments of dues outstanding to the lender as on March 31, 2017.
- (d) The Company has taken loan from Its holding company on which interest is payable @9% p.a on monthly basis. However the Company has not paid interest amounting to ₹ 0.56 Crore (PY : ₹ 0.33 Crore) as on the date of Balance Sheet. In view of the financial difficulty faced by the Company , the management has decided to seek for waiver of interest from Gammon India Limited and accordingly no interest is provided from current year. However consent of Gammon India Limited to the waiver is pending receipt. The amount of interest for which waiver is sought is ₹ 0.14 Crore.
- (e) The Company has taken interest free loan from Gammon Realty Limited and the same is repayable on demad.
- (f) Loan from Driya Limited is granted for shorter period of maximum one year with 14 days notice for renewal by either party. If no notice is given for the first period of one year, the loan will automatically be renewed for subsequent periods of one year. The interest rate is Fixed at 1% p.a.

23 Other Current Financial Liabilities

Particulars	March 31, 2018	March 31, 2017
Current Maturities - Term Loan	79.76	971.32
Current Maturities- Non Convertible debentures	175.00	211.28
Others - Overdue Principal (Refer Note (a) below)	-	280.84
Credit Facilities Recalled by Lenders - Secured Including Foreign SPV Companies	4,679.56	-
Interest Accrued and Due (Refer Note (e) below)	831.47	647.51
Interest Accrued	263.88	90.02
Unpaid Dividend (Refer Note (d) below)	0.58	0.64
Payable for Capital Goods	-	4.83
Other Payables	-	-
- Related Party	151.18	122.69
- Others	27.36	49.87
Total	6,208.79	2,379.00

(a) Principal Overdue includes - Holding Company

March 2018: RTL- ₹ 316.57 Crore , NCD- ₹ 62.08 Crore, FITL- ₹ 16.61 Crore, PL- ₹ 281.89 Crore and WCTL- ₹ 80.65 Crore. (disclosed as part of credit facilities recalled)

March 2017: RTL- ₹ 124.99 Crore , NCD- ₹ 24.62 Crore, FITL- ₹ 6.78 Crore, PL- ₹ 108.95 Crore and WCTL- ₹ 15.50 Crore.



GAMMON INDIA LIMITED

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

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL (Including overdrawn facilities)	118.24	74.68	239.42	364.28	796.62
ATSL Holding BV	1.87	-	5.04	4.08	10.99
PVAN	1.50	-	2.77	11.85	16.12
GHBV	4.48	-	12.04	32.51	49.02
GIBV	-	5.93	16.53	37.39	59.84
GIL	126.09	80.61	275.79	450.11	932.59

The continuing default on Interest obligation is tabulated below:

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL	122.52	85.10	158.69	60.57	426.88
GIPL Group	27.80	-	-	0.19	27.99
ATSL Holding BV	7.34	-	9.53	12.37	29.24
PVAN	2.46	1.10	2.29	5.96	11.81
GHBV	7.34	-	10.07	18.73	36.15
GIBV	9.45	-	12.35	25.36	47.16
GIL	176.91	86.20	192.93	123.18	579.22

(c) The above information of default is disclosed only to the extent of information available for the respective Group Companies Financial Statement.

(d) Unpaid dividend includes ₹ 0.32 Crore (P.Y March 2017: ₹ 0.37 Crore) to be transferred to the Investor Education & Protection Fund

(e) Interest accrued includes ₹ 174.94 Crore on account of interest accrued on NPA accounts in the books of Holding Company.

(f) **Other Payable Related Party:**

The amount of ₹ 107.16 Crore payable as at March 31, 2017 to GECPL relates to the payments made from the common pool of funds during the period from July 1, 2016 till the effective date towards obligations of Gammon India Limited out of money received on GECPL account. This amount has increased further to ₹ 138.88 Crore as at March 31, 2018. During the subsequent year till the date of signing of these financials the Company has paid an amount of ₹ 45.22 Crore. In respect of the balance amount GECPL has asked to earmarked the same against the assignment of specific claims and awards. Company has written to the clients for the assignment of the specific awards. No interest is accrued on the aforesaid amount.

24 Other Current Liabilities

Particulars	March 31, 2018	March 31, 2017
Client Advances	127.39	109.41
Duty & Taxes Payable	13.37	36.60
Unamortised Guarantee	0.49	0.11
Advance Received against Land (refer note (ii) below)	70.00	70.00
Share Application Money Pending allotment (refer note (i) below)	16.64	16.64
Other Payables	17.47	18.58
Total	245.35	251.35

(i) ACBI 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 January 29, 2014 directed the company to refund the said amounts to Ansaldo Caldaie S.p.A. The company has subsequently applied to RBI vide letter dated 28th February 2014 to convert the share application money as ECB Loan which has also been approved by the Board of Ansaldo Caldaie S.p.A. However on 25 June 14 RBI had turned down the companies request to convert the share application money in to loan and directed to allot the share or refund the money within one year. Since Ansaldo S.p.A. was unable to increase its holding in the company in the absence of equivalent contribution from the holding company, it has irrevocably waived its right to be allotted further equity shares and has also waived its right to received a refund of the advance share application money vide its letter dated 18th May 2015 Submitted to Reserve Bank of India. The appropriate effects of the said amount will be given on receiving final approval from Reserve Bank of India.

The Company has received letter from RBI dated August 16 , 2018 directing the Company to refund the excess Share Application money received from Ansaldo Caldaie S.p.A. with in 15 days of receipt of the letter falling which will constitute as continuing violation and action under FEMA, 1999 will be taken including the referring to Directorate of Enforcement.

With reference to above the Company has replied to RBI stating various reasons which includes:

- No viability of the Company to generate current and future revenue.
- No sufficient network of the Company for repayment (₹ 23.27 Crore negative as at March 31, 2017)
- Cashflow from the current projects of the Company is limited to pending dues of completed projects and towards lenders against Principal and interest.
- Gammon India Limited the holding Company is referred to NCLT and hence is unable to extend and kind of financial support.

The management is hopeful of a favourable response to its reply granting its permission not to allot shares and permit non-refund of the amount.

- (ii) One of the Subsidiaries has sold its part and parcel of land to Runwal Residency Private Limited. An advance of ₹ 70 Cr has been received on 30th September 2014. The company has filed suit against Runwal Residency Private Limited for the recovery of balance consideration.

The said subsidiary has filed suit which got resolved and the company has sold its part portion of land to Runwal Residency Private Limited. The balance consideration has been received in the month of August, 2018 and same is utilised for repayment of Non-convertible Debentures and Inter Corporate Deposit of Gammon India Limited.

25 Current Tax Liabilities

Particulars	March 31, 2018	March 31, 2017
Provision for taxation (net of taxes paid)	8.44	30.13
Total	8.44	30.13

26 Revenue from Operations

Particulars	April 2017 -March 2018	April 2016 -March 2017
Revenue from Operations:		
Sale of Services	583.96	1,292.24
Sale of Products	61.45	191.68
Other Operating revenue	58.72	183.69
Total	704.13	1,667.62

Breakup of Revenue from Operations:

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Sale of Services:				
Contract Revenue	487.24		1,061.53	
Toll revenue	20.21		84.11	
Operating and Maintenance Income	2.64		-	
Service concession revenue	0.78		4.17	
Revenue from port operations	69.00		130.23	
Change of Scope	4.08	583.96	12.19	1,292.24
Sale of Products:				
Revenue from power projects	20.15		55.84	
Sale of Products	41.29	61.45	135.85	191.68
Other Operating revenue:				
Finance Income - Annuity Project	42.47		125.46	
Rent Income	3.63			
Sale of Scrap	7.90		1.99	
Miscellaneous Operating Income	1.51		6.43	
Sundry Balances Written Back	3.21	58.72	49.81	183.69
Total		704.13		1,667.62

- (i) In accordance with the principles in Appendix A to Ind AS 11 relating to accounting for Service Concession Agreements, the Group has started recognizing construction revenue in its Statement of Profit & Loss. The construction service being rendered for eventual BPS/tolling operations to be carried out by the SPV itself, the management has recognized the same at cost plus margin.



(ii) In accordance with the principles laid down in Appendix A of Ind AS 11, the PPP concession agreement of the company with NHA gets recognised as Financial Asset. The Finance income above is recognised on the basis of EIR of the project cash flows.

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

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

Particulars	April 2017 to March 18	April 2016 to March 17
Contract revenue for the year	487.24	1,061.53
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	6,383.45	12,477.32
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	472.81	1,098.81
Advances received from contractees	121.43	121.75
Retention money	62.10	11.11
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,250.43	1,246.65
Gross amount due to customers for contract work	46.38	10.22

(iv) **Disclosures as required by Appendix B of Ind AS 11 relating to “Service Concession Arrangements: Disclosures”**

i) **Description of the Arrangement along with salient features of the project: GIPL Group for the previous year.**

Sidhi Singrauli Road Project Limited is incorporated under the Companies Act, 1956, on April 24, 2012, as a subsidiary of Gammon Infrastructure Projects Limited to provide, to undertake and carry on the business of four laning of Sidhi Singrauli section of National Highway No.75E from km. 83/4 to km 195/8 in the State of Madhya Pradesh on design, build, finance, operate and transfer basis.

Vijayawada Gundugolanu Road Project Private Limited one of the SPV of the Group has undertaken to carry on the project of Six laning of Vijayawada – Gundugolanu section of NH-5 from km 1076.48 to km 1022.48 including six lane Hanuman Junction Bypass (Length 6.72 km) and four lane Vijayawada Bypass (Length 47.88 km) [Total Length: 103.59 km] in the state of Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on Design Built Finance Operate and Transfer ‘DBFOT’ basis (“Project”). In terms of the Concession, the SPV is required to pay additional concession fees for collecting the toll on the four lane project. The SPV is also required to convert the four lanes into six lanes. The SPV in exchange for the construction and maintainance of the road acquires the right to collect toll from the user of the facility and the Grantor controls the toll rates under the Concession agreement. The collection of the revenue will depend upon the traffic on the facility and also the rates determined by the grantor. The Concession is granted for a total period of 30 years The tolling rates are re-set at regular intervals based on the changes in the wholesale price index. The traffic projections are based on the traffic study before the grant of the concession.

Patna Highways Projects Limited one of the SPV of the Group has entered into a Concession Agreement (“the Contract”) with the National Highways Authority of India (‘NHA’) for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer (‘BOT’) Annuity basis. In respect of the project on annuity basis of the SPV, The SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled “Service Concession Arrangement” with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the Company has recognized “Trade Receivables” being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. Thus, the SPV is recognizing construction revenue and financial income as per the “Financial Asset Model” of Appendix A to Ind AS 11

Vizag Seaport Private Limited one of the SPV of the Group has entered into a license agreement (“the Agreement”) with Visakhapatnam Port Trust (VPT) for construction and license out equipment operation management and maintenance of two multi purpose berths EQ 8 and EQ 9 in the northern arm of inner harbour at Visakhapatnam Port for handling Coal, Lime Stone, Rock Phosphate, Sulphur and other bulk cargo or General cargoes or container or liquid bulk cargo (non-hazardous) on Build, Operate and Transfer (BOT) basis for the period of 30 year concession (including construction period of two years). The license agreement with VPT was signed on 28 November 2001 for a period of 30 years The premature termination is permitted only upon the happening of force majeure events or upon the parties defaulting on their respective obligations.

ii) Obligations of Operations and maintenance

The SPV's of the Group are required to carry out operations and maintenance on the berth / road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals

In case of one of the SPV i.e. SSRPL, since the Construction of the Road is under progress there is no current Obligation of Operation and Maintenance of the Road . However as per Concession Agreement with MPRDC the Company is required to carry out operations and maintenance on the road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals after the Completion of Construction activity and receipt of Commercial Operation Date Certificate

In case of one of the SPV i.e. VSPL, the SPV is entitled to collect the revenues from operating and maintenance of the project berths from user during the licensing period. The Company is required to pay the royalty to VPT at 17.111% of certain gross revenues on monthly basis during the licensing period. Having regard to the terms of the arrangement, the right to receive the revenues has been classified as an intangible assets/intangible assets under development (i.e. "Service concession assets") under the head intangible assets. The SPV has recognized the following service concession revenue and development costs for increase in capacity:

Vizag Seaport Private Limited one of the SPV of the Group is required to handover the vacant and peaceful possession of project berths at the end of the license period and transfer all its rights, titles and interests in the assets comprised in the project facilities and services as specified in the license agreement to VPT at terminal value specified in the agreement.

The SPV at its own cost has to replace the equipment well ahead of the due dates as per the equipment replacement plan given at the Agreement. The SPV at its own cost, promptly and diligently repair, replace or restore any of the project facilities and services or part thereof which may be lost, damaged or destroyed.

iii) Changes to the Concession during the period

No changes in the arrangement of SPVs with the grantor have occurred during the accounting period except listed below.

In case of one of the SPV i.e. VGRPPL, the SPV has received a notice of termination from NHAI on August 26, 2016. Consequently NHAI took possession of the toll plaza and tolling was suspended by the SPV. Accordingly, the SPV suspended amortization of the Intangible Asset from that date and also stopped accruing interest liability on the deferred payment liability from that date.

Subsequently, as a result of the efforts of the SPV and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Pursuant to the requirements stipulated by NHAI the Company has entered into a binding agreement with Hinduja Realty Ventures for a committed equity participation of 49% in the Project as and when their conditions are satisfied. With the committed equity participation by the Hinduja Realty Ventures, bankers have expressed their willingness to give their respective sanctions , which are under final stages of approval for financial closure of this Project. The management is hopeful of the financial closure of the project and the project being revived.

In case of one of the SPV i.e. PHPL, the SPV has cost overrun on account of issues beyond its scope and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. The SPV has applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the SPV.

iv) Classification of the Concession

The Group has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a Tolling / berth arrangement resulting in recognition of an Intangible Asset. Revenue is recognised during the construction period as revenue from construction services with the corresponding debit to Intangible assets under development. Revenue is recognised on cost plus margin basis.

In case of one of the SPV i.e. PHPL where the SPV is receiving annuity from the grantor, has classified the arrangement as a Financial Asset resulting in recognition of an Financial Asset. Revenue is recognised during the construction period as revenue from construction services as well as financial income.

v) Recognition of Construction services revenue and costs:

The Group has applied INDAS 11 "Service Concession Arrangement" retrospectively and has recognised margin on Construction activity and the same is debited to Intangible Assets and credited to Reserve and Surplus on the transition date.


GAMMON INDIA LIMITED

- vi) The Company has recognised the following Revenue and costs from construction services covered under Service Concession Agreement

	12 months period ended March 31, 2017
Construction Revenue (including change of Scope)	235.78
Construction Cost	232.53
Finance Income	125.46
Finance Cost	111.10

Note: The above disclosure is part of disclosure requirement of Ind AS 11 and has been separately disclosed to comply with Appendix A of Ind AS 11

27 Other Income

Particulars	April 2017 -March 2018	April 2016 -March 2017
Interest Income on amortised cost	14.26	68.03
Profit on Sale of Business	-	16.31
Miscellaneous Income	11.47	3.69
Foreign Exchange Gain	239.29	-
Excess provision written back	19.63	10.37
Excess Managerial remuneration reversed	31.14	-
Profit on Sale of Assets	9.68	11.00
Profit on Sale of Investments	0.95	3.61
Unrealised Gain on Fair Valuation of Current Investments	1.31	3.02
Corporate Guarantee Commission	0.49	1.76
Amortisation of grant	1.39	3.42
Dividend Income	0.05	0.00
Total	329.66	121.20

28 Cost of Materials Consumed

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Opening Stock	71.02		291.89	
Add : Purchases	194.64	265.66	367.46	659.35
Less : Transferred under Business transfer	-		217.79	
Less : On account of divestment of Subsidiary	5.80		-	
Less : Closing Stock	34.57	40.37	71.02	288.81
Total		225.29		370.55

29 Purchase of Stock in Trade

Particulars	April 2017 -March 2018	April 2016 -March 2017
Traded Item - Brought Out Material	2.00	8.18
Total	2.00	8.18

30 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Work in progress:				
Opening Stock - Construction Work In Progress	170.42		832.68	
Less: Transfer on account of Divestment	(65.36)	105.06	-	832.68
Less :				
Closing Stock - Construction Work In Progress	(88.26)		(170.42)	
Closing Stock - Manufacturing	-	(88.26)	-	(170.42)
Finished goods:				
Opening Stock - Manufacturing Finished Goods	0.17		10.16	
Less :				
On account of Divestment of Subsidiary	(0.51)		-	
Closing Stock - Manufacturing Finished Goods	-	(0.35)	(0.16)	10.00
Stock Transfer on account of Business Transfer/ divested subsidiary		-		(601.19)
Total		16.45		71.07

31 Subcontracting Expenses

Particulars	April 2017 -March 2018	April 2016 -March 2017
Subcontracting Expenses	188.62	442.55
	188.62	442.55

32 Employee Benefits

Particulars	April 2017 -March 2018	April 2016 -March 2017
Salaries, Bonus, Perquisites etc.	29.92	131.88
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	2.43	12.34
Staff Welfare Expenses	6.22	10.89
Other Expenses	0.02	0.19
Total	38.59	155.31

(a) In case of holding Company:

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

Similarly the Company's application for waiver of recovery of excess remuneration paid to its erstwhile Executive Director Mr. Himanshu Parikh for an aggregate amount of ₹ 0.60 Crore was also rejected by the Ministry of Corporate Affairs vide its letter dated 8th February, 2017. The Company made a representation letter to the Ministry on 11th September, 2017 to re-consider the application and grant the approval for the recovery of excess remuneration paid to Mr. Parikh for the period from 1st July, 2011 to 31st March, 2012 and 1st April, 2012 to 31st March, 2013. The Company is awaiting a response from the ministry.

In view of the aforementioned facts the Company has shown ₹ 24.53 Crore receivable from managerial personnel.

(b) In case of Subsidiary Company (GIPL): for previous year:

During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of ₹ 2.04 Crore and ₹ 1.84 Crore respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (Ministry) for approval of waiver of recovery of such excess remuneration. One of the Company's applications had been partially allowed and the Ministry has rejected the others, with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 3.88 Crore. Pending the same no adjustments have been made to the Financial Statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 1.09 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.

33 Finance Cost

Particulars	April 2017 -March 2018	April 2016 -March 2017
Interest Expense on amortised cost	779.86	824.58
Interest on deferred liability payments	1.15	37.08
Other Borrowing Costs	1.79	13.31
Total	782.81	874.97



34 Depreciation & Amortisation

Particulars	April 2017 -March 2018	April 2016 -March 2017
Depreciation	20.69	55.28
Amortisation	25.69	35.16
Total	46.39	90.44

35 Other Expenses

Particulars	April 2017 -March 2018	April 2016 -March 2017
Plant Hire Charges	2.91	7.67
Consumption of Spares	1.92	8.61
Outward Freight	0.05	1.18
Power & Fuel	5.83	39.29
Fees & Consultations	15.92	23.98
Rent	3.62	20.69
Rates & Taxes (incl indirect taxes)	3.45	41.35
Travelling Expenses	3.12	9.47
Communication	0.36	1.69
Insurance	1.67	9.85
Repairs to Plant & Machinery	0.61	2.26
Other Repairs & Maintenance	2.22	2.26
Bank Charges & Guarantee Commission	3.12	4.70
Other Site Expenses	6.90	40.20
Sundry Expenses	24.84	40.99
Sundry Balance Written Off	3.72	40.50
Bad debts	12.64	20.94
Provision for Doubtful Debts and Advances	4.77	16.61
Provision for Risks & Contingency	-	12.08
Loss on sale of Current Investments	0.07	0.25
Loss on Sale of Assets	0.02	0.02
Foreign Exchange Loss	-	144.39
Asset written off	-	12.44
Remuneration to Statutory auditors	0.47	1.58
Branch Auditors' Remuneration	-	0.09
Component Auditors Remuneration	0.10	0.43
Other (none of the which is more than 1% of the Operating revenue)	15.33	90.74
Total	113.66	594.27

Remuneration to Auditors of the Company and its Components

Particulars	April 2017 -March 2018		April 2016 -March 2017	
Remuneration to Company Auditor				
Statutory audit & Limited Review	0.35		0.68	
Audit of Components	0.08		0.47	
Attestation and Certification	0.04	0.47	0.43	1.58
Remuneration to Branch Auditors				
Statutory audit & Limited Review	-		0.09	
Other Services	-	-	-	0.09

36 Exceptional Items

Particulars	April 2017 -March 2018	April 2016 - March 2017
Impairment of insurance claim	1.85	-
Claim Recovery from Trade receivable	-	(14.90)
Impairment provisions of Investments , Goodwill and Loans and Receivables	1,179.33	309.29
Project Claim Received	-	(2.41)
Loss on Foreclosure of projects	44.80	-
Total	1,225.98	291.98

i) Breakup of Exceptional Items:

	March 31, 2018	March 31, 2017
Towards loans & Carrying Value of Investments of Finest S.p.A.	-	21.29
Towards loans of Campo Puma Oriente	100.00	130.00
Towards loans & Carrying Value of Investments of FTM	-	100.00
Towards Goodwill of Metropolitan Infrahousing Private Limited (net of Deferred tax)	345.04	-
Towards Impairment of Land of Metropolitan Infrahousing Private Limited	359.26	-
Towards Impairment of Project Developments of Deepmala Infrastructure Private Limited	100.00	-
Towards Impairment of Net Assets in SAE	82.77	-
Towards Impairment of GIPL Shares	59.75	-
Towards Loss of Control of divestment of subsidiary	126.69	-
Towards Sale of Investment in associates	5.82	-
Towards Goodwill of GIPL	-	58.00
Claim Recovery from Trade receivable	-	-14.90
Loss on Foreclosure of Jobs	44.80	-
Project Claim Received	-	-2.41
Impairment of insurance claim	1.85	-
Total	1,225.98	291.98

- ii) One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali since the Balance Sheet date. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. therefore the company has made provision for impairment of goodwill and written down carrying amount of property development (inventory) on the basis of aforesaid transaction
- ii) The Group's exposure to a real estate project being carried out in one of the subsidiary company in Bhopal is ₹ 933.99 Crore (PY: ₹ 998.38 Crore as at March 31, 2017). Due to slow down in the real estate market, one of the subsidiary company ("Deepmala Infrastructure Private Limited") developing a real estate project in Bhopal is facing problems in its project development and sale. During the year the management has on a conservative basis made a provision of ₹ 100 Crore in against its project development inventory based on internal estimates of the realizable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment.
- iii) The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited and Gactel Trunkeys Project Limited, the companies through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The impairment provision is made based on the market price of the said shares of GIPL.
- iv) The Company has made provisions towards the exposures in the form of investment in joint venture - Campo puma and associates namely Finest S.p.A. after an evaluation of the possibility of recovery in the current business environment.
- v) Since the Balance Sheet date the Court of Monza in respect of one of the step down Subsidiary SAE Powerlines S.r.l. (Held through ATSL Holdings BV) has declared the bankruptcy. The company has provided for entire exposure in the net assets of the aforesaid subsidiary.
- vi) The Company has foreclosed one of the projects under dispute amicably with the customer by booking a loss of ₹ 44.80 Crore on the said project which has been shown as exceptional item.
- vii) In 2017 the Group has recovered amounts from Clients of amounts previously written off of ₹ 14.90 Crore and has also recovered ₹ 2.41 Crore out of arbitration which was not recognised earlier.



37 Tax Expense

Particulars	April 2017 - March 2018	April 2016 - March 2017
Income tax expense in the statement of profit and loss consists of:		
Current Tax	6.79	22.30
Excess short provision for tax	2.58	2.93
Deferred tax	(15.67)	(8.36)
Income tax recognised in statement of profit or loss	(6.31)	16.88

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A Current Tax

	April 2017 - March 2018	April 2016 - March 2017
Accounting profit before income tax	(1,164.45)	(1,136.90)
Less Non Taxable Profit/(Loss)	1,186.72	(1,222.14)
Taxable Profit/(Loss)	22.27	(2,359.04)
Enacted tax rates in India (%)	26.81%	34.61%
Enacted tax rates in Foreign (%)	27.50%	27.50%
Computed expected tax expenses	5.97	27.61
Effect of non- deductible expenses	0.75	1.02
Effects of deductible Expenses/ exempt income	(0.24)	(0.01)
Non taxable effect	-	(6.07)
Set off of brought forward losses	(1.88)	(2.00)
Effect of Ind-AS impact	2.04	1.72
Other	0.07	0.02
Income tax expenses - Net as per normal provision	6.71	22.30
Tax As per MAT provision	0.08	-
Total Tax	6.79	22.30

B Deferred Tax

Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	On account of Loss of Control / Others	Closing Balance
Property, Plant and Equipment	(237.95)	54.67	-	-	(183.28)
Non Current Investments	(129.71)	(0.02)	-	-	(129.73)
Employee Benefits	15.58	(14.40)	-	-	1.18
Provision for replacement cost	4.15	0.96	-	-	5.11
Accumulated Losses	25.91	(0.32)	-	-	25.59
Trade Receivable- Provision for doubtful debts	37.37	(19.04)	-	-	18.33
Disallowances u/s 43B	11.44	(11.44)	-	-	-
ICDS Adjustments	14.72	(14.72)	-	-	-
Tax Disallowance	3.97	(0.03)	-	-	3.94
Mat Credit Entitlement	19.35	12.71	-	-	32.06
Other	0.02	(0.02)	-	-	(0.00)
Remeasurement gain/(loss) on defined benefit plans	1.14	-	(1.14)	-	-
As at March 31, 2017	(234.01)	8.36	(1.14)	-	(226.79)
Property, Plant and Equipment	(183.28)	32.77	-	68.94	(81.57)
Non Current Investments (*)	(129.73)	101.27	-	-	(28.46)
Employee Benefits	1.18	(0.24)	-	(0.91)	0.03
Provision for replacement cost	5.11	-	-	(5.11)	-
Accumulated Losses	25.59	-	-	(25.59)	-
Trade Receivable- Provision for doubtful debts	18.33	(18.33)	-	-	-
Tax Disallowance	3.94	-	-	(3.94)	0.00
Mat Credit Entitlement	32.06	6.34	-	(38.40)	-
Other	(0.00)	(4.87)	-	4.87	-
As at March 31, 2018	(226.79)	116.94	-	(0.14)	(110.00)

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

38A Earning Per Share

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

Particulars	April 2017 - March 2018	April 2016 - March 2017
Net Profit attributable to the Equity Share holders	(1573.86)	(1,086.46)
O/s number of Equity Shares at the end of the year	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Basic	36,88,47,305	36,80,45,006
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,87,70,806
Earning Per Share – Basic (₹)	(42.67)	(29.52)
Earning Per Share – Diluted (₹)	(42.59)	(29.46)

Reconciliation of weighted number of outstanding during the year :

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

38B Employees Stock Options Scheme ('ESOP'):-

During the financial period ending Dec'13 the Company had instituted an ESOP Scheme "GIPL ESOP 2013", approved by the shareholders vide their resolution dated September 20, 2013, as per which the Board of Directors of the Company granted 6,160,000 equity-settled stock options to the eligible employees. Pursuant to the ESOP Scheme each options entitles an employee to subscribe to 1 equity share of ₹ 2 each of the Company at an exercise price of ₹ 2 per share upon expiry of the respective vesting period which ranges from one to four years commencing from October 1, 2014.

The details of ESOP's granted under the aforesaid ESOPs Schemes are summarized herein under :

Particulars	Period ended Mar'17
Grant Date	23-Sep-13
Market Price considered (Rupees)	6.80
Exercise Price of Options granted during the period (Rs)	2.00
Options outstanding at the beginning of the period	2,40,000
Options granted during the period	-
Options lapsed /forfeited during the period	-
Options vested during the period	1,20,000
Options granted and vesting outstanding at the end of the period	1,20,000

Of the aforesaid vested options of 1,20,000 (March 16: 36,30,000 option) , 60,000 options (March 16: 35,70,000 options) were exercised and allotment made against the same.

The Company has used intrinsic value method for valuation of options by reducing the exercise price from the market value. However if the compensation cost would have been determined using the alternative approach to value options at fair value, the Company's net loss would have been changed to amounts indicated below:

Particulars	Period ended Mar'17
Net loss as reported	(450.73)
Add: Stock based compensation expense included in the reported income	0.02
Less: Stock based compensation expenses determined using fair value of options	0.02
Net profit / (loss) (adjusted)	(450.73)
Basic earnings per share as reported	(12.22)
Basic earnings per share (adjusted)	(12.22)
Diluted earnings per share as reported	(12.20)
Diluted earnings per share (adjusted)*	(12.20)
Weighted average number of equity shares at the end of the period	36,88,47,305
Weighted average number of shares considered for diluted earnings per share	36,95,73,105



GAMMON INDIA LIMITED

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options are as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	23-Sep-14	23-Sep-13	23-Sep-13	23-Sep-13
Vesting date	1-Oct-14	1-Oct-15	1-Oct-16	1-Oct-17
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

39A Contingent Liability

Particulars	March 31, 2018	March 31, 2017
i Liability on contracts remaining to be executed on Capital Account	696.83	491.43
ii The capital commitments in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.	-	2,888.47
iii Corporate Guarantees and Counter Guarantees given to Bankers towards Guarantees given by them for Client of the Company and Company's share in the Joint Ventures.	540.67	1,036.96
The above does not include the Corporate and Bank guarantees which are in the process of being transferred in the name of GECPL under the Scheme (amounting to ₹ 2394.65 Crore).		
iv Corporate Guarantees and Counter Guarantees given to Bankers by a step down subsidiaries and Joint ventures for their projects	-	60.19
v Counter Guarantees given to the bankers for SPV (including counter guarantees given to the bankers for the guarantees given by them on our behalf	-	242.03
vi Bank Guarantees (in ordinary course of business)	1.41	192.52
vii Disputed Sales Tax Liability for which the Company has gone into appeal	43.38	37.46
viii Claims against the Company not acknowledged as debts	294.41	287.95
ix Disputed Excise Duty Liability	-	0.10
x Disputed Service Tax Liability	9.48	7.31
xi Outstanding Letters of Credit Pending Acceptance	-	2.89
xii In respect of Income Tax Matters of Company and its Joint Ventures	330.54	356.59
xiii Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
xiv Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
xv Other Matter	-	6.42
xvi Right to recompense in favor of CDR Lenders in accordance with the terms of MRA	504.96	504.96
xvii Disputed Property Tax Liability	-	1.93
xviii Contingent Liabilities on account of Associates (restricted to the carrying value of investments)	245.79	59.36

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

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

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

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

xxiii At the reporting date the company is co-defendant to a claim for damages amounting to AED 600,000 relating to a project. The agreement does not consider that any liability will arise for the company because the damage arose from work carried out by a subcontractor (also a co-defendant) who, under the terms of the subcontract agreement, would be ultimately liable.

Subsequent to the reporting date on 18th July 2018, the company received a final judgment in favor of the plaintiff wherein the company and its co-defendant are required to pay AED 399000 jointly. The company intends to initiate separate proceedings to recover from the subcontractor in the subsequent year.

39B Other Commitments

Particulars	March 31, 2018	March 31, 2017
Export obligations	-	22.90
Other Commitments:		
- Share of equity commitment in SPV's		587.29
- Buyback / purchase of shares of subsidiaries	-	53.00
Total	-	663.19

40 Notes relating to Subsidiary - GIPL for previous year:

Vijayawada Gundugolanu Road Project Private Limited one of the SPVs of GIPL had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of GIPL efforts and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Though GIPL have not fulfilled the condition of revocation of termination notice by NHAI i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group, GIPL is still engaged with NHAI for a mutual and amicable settlement. The exposure of the company in the SPV is ₹ 160.62 Crore (funded and non-funded).

41 In respect of the GIPL and its SPV projects, there are legal issues, arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matter. These issues are commonly encountered in the Infrastructure business and the management is confident of a favorable resolution in due course. Following are the details of such issues:

- (a) One of the SPVs of the group is engaged in a bridge project at Cochin, the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. GIPL has also in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court vide order dated 20.10.2016, granted extension of 3 months from March 28, 2017 to settle the matter. Exposure of the Group in the SPV is ₹ 26.31 Crore (funded and non-funded).
- (b) The hydro power project of one of the SPVs of the group at Himachal Pradesh is stalled due to local agitation relating to environment issues. The matter with State Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the GIPL Group in the SPV is ₹ 67.89 Crore.
- (c) In one of the joint venture of the GIPL group at Indira Container terminal at Mumbai, the project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter with the MBPT was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the lenders. The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Refusal (ROFR) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the Balance Sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Group in the SPV is ₹ 735.91 Crore (funded and non-funded).
- (d) One of the SPV of the GIPL Group has commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The exposure of the Group in the SPV is ₹ 1052.75 Crore (funded and non-funded).
- (e) In respect of another project on annuity basis of one of the SPVs of the Group, the SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective



period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the SPV has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the group in the SPV is ₹ 283.88 Crore.

- (f) GIPL has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). GIPL was required to pay the entire outstanding by September 30, 2017. GIPL has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. The management is hopeful of receiving the extension and / or non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results

42 A EPC Business transferred to GECPL in the previous year:

- i) The Company as part of the restructuring exercise to carve out the Civil Engineering business of the Company in two phases i.e by way of a slump sale through a Business Transfer Agreement between the Company and Gammon Engineers and Contractors Private Limited ("GECPL") , then a wholly owned subsidiary of the Company and secondly by way of a slump exchange through a Scheme of Arrangement ("Scheme") between the Company and GECPL and its respective shareholders and creditors.
- ii) The Civil EPC business essentially comprises of Civil Engineering, Procurement and Construction business carried on by the Company in roads, hydro-power, nuclear power, tunnels, bridges, etc. as a going concern, which shall include all the pre-qualifications, properties, rights and powers and all debts, liabilities, duties and obligations comprised in/and pertaining to the Civil EPC business which includes the portions being transferred under the BTA and the balance portions being transferred under the scheme.
- iii) The Business Transfer Arrangement (BTA) was entered into on 21st July,2016 for transferring certain identified business forming part of the EPC business into the said GECPL to speed up the process of transfer of the business. The BTA and the Scheme were within the overall restructuring exercise of transferring the entire Civil EPC business into a separate Company with the objective of inviting strategic investor. The Company and GECPL also entered into an Investment cum Shareholders Agreement on 21st July, 2016 with G P Group of Thailand to acquire 75% stake in GECPL for a consideration of ₹ 150.01 Crore wherein the civil EPC Business together with its associates and affiliates will acquire 75% controlling interest and the balance 25% will be with the Company.
- iv) The approvals for the BTA from the lenders were finally received only in March 2017 and the BTA transaction was completed on March 21, 2017. The National Company Law Tribunal (NCLT) in its hearing held on March 22, 2017 also approved the Scheme of Arrangement and the Order became operational from 31st March,2017
- v) In terms of the Scheme of Arrangement and also the BTA, the Civil EPC business of the Company was transferred to GECPL on a going concern basis with effect from an appointed date of July 1, 2016 against an aggregate consideration of ₹ 49.65 Crore (₹ 8.05 Crore against the BTA and ₹ 41.60 Crore against the scheme).
- vi) Based on the above approvals and consummation of the transactions under BTA and the Scheme, the Company had transferred as a going concern the Civil EPC business as identified in the BTA and the Scheme of Arrangement to GECPL with effect from the appointed date of July 1, 2016.
- vii) Accordingly all the Income, expenditure, assets and liabilities have been transferred to the said GECPL w.e.f July 1, 2016.
- viii) Accordingly, on and from July 1, 2016, the Company is entitled to 25% stake in GECPL with the balance controlling state with the GP Group. The equity shares evidencing the 25% stake have been proportionately issued since the Balance Sheet date.
- ix) The Company has accordingly accounted for the investment in GECPL as an Associate under equity method based on the financials of the said GECPL for the year ended March 31, 2017.
- x) There were no material transactions in the said GECPL upto June 30, 2016.

- 43** The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij BV, Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A. for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A., Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all

references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi of ₹ 25.72 Crore and has charged the same as an exceptional item. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV. The Company has made provision as risks and contingencies aggregating to ₹ 77.54 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said subsidiary for making investment into Sadelmi, in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets considering the net worth and operations of the said Sadelmi.

44 Going Concern Assumptions

(a) Material Uncertainty Relating to Going Concern- Holding Company:

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. As on 31st March, 2018 the Company's current liabilities exceed the current assets by ₹ 5718.67 Crore. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy Code. ICICI bank has invoked pledge of shares of Gammon Infrastructure Projects Limited which were pledged as security by one of the Company's wholly owned subsidiary towards recovery of its dues. As on 31st March, 2018 the Company's wholly owned subsidiary held 362,999,700 equity shares (38.54%) in GIPL.

The CDR lenders also invoked pledge of Company's holdings of 17.26% in Gammon Engineers and Contractors Private Limited and 17.38% holding in Transrail Lighting Limited for recovery of its dues apart from invoking the personal guarantee of the promoter Mr. Abhijit Rajan and the Corporate Guarantee given by a "promoter Group Company".

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

The demerger of the transmission and distribution business and part of the Civil EPC business in the previous year has resulted in the reduction of CDR lenders exposure by ₹ 10,362 Crore including funded and non-funded exposures. After the carve out of businesses the total exposure of the lenders in the Company is ₹ 4285.14 Crore (Fund based- ₹ 3894.14 Crore (excluding interest) and Non-Fund Based - ₹ 391 Crore).

The Company's subsidiaries have sold 16,50,00,300 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of ₹ 66.52 Crore.

Post the Balance Sheet date, the Company has repaid term loan of Canara bank aggregating to ₹ 286 Crore (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited.

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

The Company has recently been in talks with an Investor who has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are;

- (I) The Investor upon satisfactory completion of the due diligence and conditions precedent (as may be specified in the Definitive Agreements), will invest INR 50 Crore as primary investment into Gammon for a minimum of 60% stake and management control.
- (II) Gammon India would be revived as a construction company primarily in the EPC business.
- (III) The claims from various EPC projects are around ₹ 3,600 Crore and will continue to remain in the Company.
- (IV) The Total Debt to be assumed= ₹ 500 Crore The assumed debt would be restructured with a new maturity and repayment profile having an IRR of 8%. To facilitate this restructuring and retire this restructured debt, the investor proposes that the following package of assets would be collateralized to the lenders:

Gammon House:

Gammon House asset will be developed and sold by entering into a development agreement with leading developers. For this a debt of ₹ 200 Crore will be repaid by the Investor over a period of 4 years at an IRR of 8%.



GAMMON INDIA LIMITED

CDR lenders having exclusive charge on Gammon House will continue to retain the charge and ₹ 200 Crore will be paid to them. Alternatively Gammon House can be sold & entire proceeds can be given to the two lenders.

Apart from Gammon House the company has other assets like claims, investments & other assets. The Investor expects to repay approx. ₹ 500 Crore over a period of 4 years to the lenders after deducting arbitration & legal costs.

The aforementioned proposal is subject to further negotiations between the Company, its lenders and the Investor.

The company is also actively exploring various options for monetisation of various assets to repay the debt. The above action plan of the Company for repaying the debts and servicing the same is exposed to material uncertainties including the necessary value of the balance stake being available and realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments and also the acceptance of the Investors proposal by the lenders. The management is however hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status. Therefore in the view of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis.

(b) Other Group Companies

(i) G & B Contracting L.L.C

This Financials statement are prepared on a going concern basis which assumes that the company will continue to operate as going concern for the foreseeable future, during the year ended 31 March 2018, the company earned profit of AED 0.06 Crore (₹ 1.08 Crore) [2017: loss of AED 0.19 Crore (₹ 3.52 Crore)] but as that date, the company had accumulated losses amounting to AED 4.39 Crore (₹ 77.75 Crore) [2017: AED 4.56 Crore (₹ 80.27 Crore)] which exceeded the share capital. Also as at the reporting date, the company had deficiency of assets in the amount of AED 3.89 Crore (₹ 68.79 Crore) [2017: AED 4.05 Crore (₹ 71.42 Crore)]. To support the continuance of the Company's operations, the shareholders have confirmed their willingness to continue the operations and provide enough funds to meet the liabilities as the fall due.

(ii) Ansaldo Caldaie Boilers India Private Limited

The company is facing difficulties sand material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the company's ability to continue as a going concern. Our report is not qualified on this matter.

(iii) ATSL Holding BV

As at March 31, 2018 Current liabilities exceed current assets by Euro 1.44 Crore (₹ 116.10 Crore), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements.

(iv) Gammon Holding BV

As on 31st March, 2018, current liabilities exceed current assets by Euro 5.30 Crore (₹ 427.35 Crore). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A. which in turn depends upon the value of non-core assets of the said Franco Tosi Meccanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements.

(v) Gommon International BV

As on 31st March, 2018, current liabilities exceed current assets by Euro 5.92 Crore (₹ 477.77 Crore). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(vi) Gammon International FZE

As on 31st March, 2018, current liabilities exceed current assets by AED 1.60 Crore (₹ 28.35 Crore). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon

India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(vii) Pvan Eerd Beheersmaatschappij BV

As on 31st March, 2018, current liabilities exceed current assets by Euro 1.21 Crore (₹ 97.62 Crore). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi S.p.A., which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these Financial Statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(viii) GIPL (for the previous year)

The Company had divested some of its subsidiaries in the previous periods for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch including defaults in payment of its financial obligations. The management is taking active steps to tide over the present situations for which based on detailed evaluation of the current situation plans are formulated and active discussions are underway with various stakeholders There is significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. However the Management is confident that the going concern assumption and the carrying values of the assets and liabilities in these quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

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

There are no Assets held for sale which satisfies the requirement of INDAS 105" Non-current Assets Held for Sale and Discontinued Operations". As detailed in note No 44 the Company proposes to carry out further restructuring for which it has obtained shareholders approval since the Balance Sheet date and lenders approval is pending. The same does not qualify for disclosures as discontinued operations and non-current assets held for sale. The effects would be disclosed as and when the plans are formalised.

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

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

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

49 Financial Instruments

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

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
A Financial Assets				
(i) <u>Amortised Cost:</u>				
Loans	304.92	483.45	304.92	483.45
Others	81.28	191.11	81.28	191.11
Trade receivables	455.80	1,857.40	455.80	1,857.40
Cash and cash equivalents	33.55	105.93	33.55	105.93
Bank Balance	4.66	10.03	4.66	10.03
(ii) <u>FVTPL</u>				
Mutual Funds & Equity Instrument	3.92	153.13	3.92	153.13
(iii) <u>FVTOCI</u>				
Investments	1,082.37	1,027.91	1,082.37	1,027.91
Total Financial Assets	1,966.49	3,828.96	1,966.49	3,828.96
Financial Liabilities				
(i) <u>Amortised Cost</u>				
Borrowings	816.13	6,966.08	816.13	6,966.08
Trade payables	284.53	420.37	284.53	420.37
Others	6,208.79	3,109.18	6,208.79	3,109.18
Total Financial Liabilities	7,309.45	10,495.63	7,309.45	10,495.63



(ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

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

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

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

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

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

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

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Particulars	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Valuation Technique
Financial assets measured at fair value					
Investment in Current Investments - FVTPL					
Shares	March 31, 2018	1.73			Market Value of Shares
Mutual Funds	March 31, 2018	2.20			Market Value of Mutual Funds
Total financial assets		3.92	-	-	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2018	-			
Total financial Liabilities		-	-	-	
Financial assets measured at fair value					
Investment in Current Investments -FVTPL					
Shares	March 31, 2017	3.65			Market Value of Shares
Mutual Funds	March 31, 2017	2.09			Market Value of Mutual Funds
Total financial assets		5.74	-	-	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2017	2.66			Valuation from Banks.
Total financial Liabilities		2.66	-	-	

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

In the absence of data of FTM, the same cannot be fair valued and therefore the same is carried at its carrying value as per books although the said investment is being accounted on FVTOCI. Carrying value ₹ 93.56 Crore (March 2017 : ₹ 23.94 Crore) net of provision made.

(ii) Valuation Details of Sofinter as per Ind AS 113 “ Fair Value Measurements”**Valuation Approach & Methodology:**

For arriving at the fair value of equity of Sofinter S.p.A. as of the Valuation Date, the valuer have considered following valuation approach & methodologies:

Approach Methodologies

Approach	Methodologies
Income Approach	Discounted Cash Flow Method (“DCF”)
Market Approach Comparable	Comparable Companies Method (“CCM”)

For the purpose of arriving at the concluded fair value of equity of Sofinter S.p.A., the valuer have considered the Income Approach. The CCM has been used for corroborative purpose only.

Inputs Used

Date	Key Inputs	Sofinter S.p.A.	AC Boilers S.p.A.	Europower S.p.A.	Itea S.p.A.
March 31, 2017	Discount Rate	8%	8%	8%	10%
March 31, 2017	Terminal Growth Rate	2%	2%	2%	2%
March 31, 2018	Discount Rate	9%	9%	9%	9%
March 31, 2018	Terminal Growth Rate	2%	2%	2%	2%

Summary of Valuation

The fair value of equity of Sofinter S.p.A. based on valuation approach and methodology discussed herein. The fair value of equity of Sofinter S.p.A. as at different Valuation Date are as under:

Valuation Date	Equity Value
	(Euro ‘000)
31-Mar-17	2,14,789
31-Mar-18	1,81,700

Effects of Valuation on Other Comprehensive Income

Valuation Date	Carrying value of Investments	Movement on account of changes in Valuation
31-Mar-17	1003.97	401.18
31-Mar-18	988.81	-90.53

50 Financial Risk Management Objectives And Policies

The Company’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company’s focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company’s financial risk management is an integral part of how to plan and execute its business strategies. The Company’s financial risk management policy is set by the Managing Board.

(a) Market Risk :

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

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

Unhedge	March 31, 2018		March 31, 2017	
	Receivable	Payable	Receivable	Payable
USD - US Dollar	24,84,08,008	5,34,362	6,34,72,338	5,37,325
EUR - Euro	4,70,82,339	19,82,574	2,62,749	17,99,515
AED - UAE Dirham	1,14,905	-	-	-
ETB - Ethiopian Birr	4,18,10,175	48,53,733	-	-

Receivable :- As at March 31, 2018 ₹ 2005.53 Crore (P.Y.- ₹ 1937.82 Crore)



GAMMON INDIA LIMITED

Payable : As at March 31, 2018- ₹ 20.62 Crore (P.Y.-₹ 2.66 Crore)

Hedge Foreign currency	March 31, 2018		March 31, 2017	
	Receivable	Payable	Receivable	Payable
USD - US Dollar	-	-	-	4,10,000
EUR - Euro	-	-	-	-
SEK - Swedish Krona	-	-	-	-

Receivable :- As at March 31, 2018 ₹ Nil (P.Y.- ₹ NIL)

Payable : As at March 31, 2018- ₹ Nil (P.Y.- ₹ 2.66 Crore)

(b) Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

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

Increase/(decrease) in profit or loss	March 31, 2018		March 31, 2017	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD - US Dollar	16.16	(16.16)	4.08	(4.08)
EUR - Euro	3.80	(3.80)	0.11	(0.11)
AED - UAE Dirham	0.00	(0.00)	-	-
ETB - Ethiopian Birr	0.10	(0.10)	-	-

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

Derivative financial instruments

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

(c) Credit risk

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

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

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

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

(d) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. The Company intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms at the SPV-level of relevant projects. However, the Company believes that its ability to continue to arrange for capital requirements is dependent on various factors. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. However, the Company's track record has enabled it to raise funds at competitive rates. The Holding Company average cost of debt remains at 11.75% p.a, in case of BOT project SPVs the average cost of debt is 13.78% p.a

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2018	Plus 100 basis point	(57.50)
	Minus 100 basis points	57.50
March 31, 2017	Plus 100 basis point	(84.30)
	Minus 100 basis points	84.30

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(e) Liquidity risk

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

Current Assets of the Company

Particulars	March 31, 2018	March 31, 2017
Cash and Cash Equivalent	33.55	105.93
Bank Balance	4.66	10.03
Current Investments in mutual Funds and Shares	3.92	153.13
Inventory	1,801.47	2,423.77
Current Trade Receivable	199.04	500.97
Current Loans & Advances	67.86	132.66
Current Other Financial Assets	27.09	37.20
Total	2,137.59	3,363.69

Maturity profile of financial liabilities

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

Particulars	Within One year	> One year	Total
As at March 31, 2018			
Long term Borrowing	1,086.23	116.28	1,202.50
Short term borrowings	699.86	-	699.86
Trade payables	-	-	-
Other financial liabilities	5,122.56	-	5,122.56
Total	6,908.65	116.28	7,024.92
As at March 31, 2017			
Long term Borrowing	1,463.44	5,587.38	7,050.82
Short term borrowings	1,378.70	-	1,378.70
Trade payables	420.37	-	420.37
Other financial liabilities	1,645.74	-	1,645.74
Total	4,908.25	5,587.38	10,495.63



(f) Competition Risk:

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

(g) Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators To mitigate this the group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

51 Recent accounting pronouncements

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

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

Amendment to Ind AS 115:

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

The standard permits two possible methods:

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

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

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

52 Capital Management

For the purpose of the Group’s capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group’s capital management is to maximise the shareholder value.

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

Particulars	March 31, 2018	March 31, 2017
Gross Debt	5,750.45	8,429.52
Less:		
Cash and Cash Equivalent	33.55	105.93
Bank Balance	4.66	10.03
Marketable Securities -Liquid Mutual Funds and Equity Shares	3.92	153.13
Net debt (A)	5,708.32	8,807.94
Total Equity (B)	(2,189.37)	(399.53)
Gearing ratio (A/B)	(2.61)	(22.05)

53 Significant Accounting Judgments, Estimates And Assumptions

The Financial Statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the separate Financial Statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Estimates and assumptions

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

Impairment of non-financial assets

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

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

54 Disclosure under Indian Accounting Standard (Ind AS) 17 Leases

The Company has taken various residential / godowns / offices premises (including Furniture and Fittings, if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the company has given refundable security deposits. The lease payments are recognized in Statement of Profit and Loss under Rent Expenses.



55 Segment Reporting as per Ind AS108 “ Operating Segments”

(a) Holding Company (GIL):

The Company is engaged mainly in “Construction and Engineering” segment. The Company also has “Real Estate Development” as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.

Revenue of ₹ 89.99 Crore (PY: 180.77 Crore) arising from three (PY two) major customer each contributing more than 10% of the total revenue of the Company.

(b) Subsidiary Company (ACB):

Revenue of ₹ 41.28 Crore arising from one major customer being Privately controlled entities contribute to more than 10% of the total revenue of the Company.

56 The Balance Sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the Financial Statements of the Company for the year ended March 31, 2018.

57 In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants
Firm Registration No. 107023W

K N Padmanabhan

Partner
M.No. 36410
Mumbai, Dated : February 7, 2019

For and on behalf of the Board of Directors

Gammon India Limited

Abhijit Rajan

Chairman
DIN No. 00177173

Ajit B. Desai

Chief Executive Officer
DIN No. 00105836

Anurag Choudhry

Director
DIN No. 00955456

Statement A

A Related Party Disclosure (IndAS - 24)

	JOINT VENTURE		ASSOCIATES
1	Gammon Encee Consortium	1	Finest S.p.A. Italy
2	Gammon OJSC Mosmetrostroy	2	Transrail Lighting Limited (TLL)
3	Gammon OSE	3	Gammon Engineers and Contractors Private Limited
4	Gammon SEW	4	Gammon Infrastructure Projects Limited (w.e.f September 2017)
5	Gammon Srinivasa		Key Managerial Personnel
6	Haryana Bio Mass Power Limited	1	Mr Abhijit Rajan
7	Hyundai Gammon	2	Mr Rajul A Bhansali
8	OSE Gammon	3	Mr D C Bagde
9	Sofinter S.p.A.	4	Mr Ajit B. Desai
10	Gammon FECPC JV Nigeria		Independent Director
11	Consortium of Jyoti Structure & GIL	1	CC Dayal
12	GIPL GIL JV	2	Naval Choudhary
13	Gammon Construtora Cidade Tensaccia (up to July 1,2016)	3	Urvashi saxena
14	Gammon Singla (up to July 1,2016)	4	Atul Kumar Shukla
		5	Chayan Battacharya
	Entities Having Significant Influence		Relatives of Key Managerial Personnel
	Franco Tosi Turbines Private Limited	1	Mr Harshit Rajan
	Franco Tosi Meccanica S.p.A.		

Statement B

(₹ In Crore)

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Subcontracting Income					
		(25.21)	-	-	-	(26.74)
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		(21.26)	-	-	-	(21.26)
	Gammon Singla	-	-	-	-	-
		(3.95)	-	-	-	(3.95)
	Subcontracting Expense	-	0.32	-	-	0.32
		-	-	-	-	-
	Transrail Lighting Limited (TLL)	-	0.32	-	-	0.32
		-	-	-	-	-
	Guarantee Income	-	0.49	-	-	0.49
		(1.27)	(0.49)	-	-	(2.85)
	Campo Puma Oriente S.A.	-	-	-	-	-
		(1.27)	-	-	-	(1.27)
	Transrail Lighting Limited (TLL)	-	0.49	-	-	0.49
		-	(0.49)	-	-	(0.49)
	Purchase of Goods	-	10.58	-	-	10.58
	Gammon Engineers and Contractors Private Limited	-	10.58	-	-	10.58
	Sale of Goods	-	2.08	-	-	2.08
	Gammon Engineers and Contractors Private Limited	-	2.08	-	-	2.08
	Rendering / Receiving of Services	-	-	-	-	-
		(0.04)	-	-	-	(0.04)
	Gammon CMC	-	-	-	-	-
		(0.04)	-	-	-	(0.04)



B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Finance provided for Loans, expenses & on a/c payments	-	18.99	-	-	19.35
		(352.35)	-	-	-	(354.68)
	Transrail Lighting Limited (TLL)	-	18.99	-	-	18.99
	Campo Puma Oriente S.A.	-	-	-	-	-
		(349.38)	-	-	-	(349.38)
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		(2.97)	-	-	-	(2.97)
	Amount liquidated towards the finance provided	-	10.60	-	-	10.60
		(14.13)	-	-	-	(15.73)
	RAS Cities and Townships Private Limited	-	10.60	-	-	10.60
		-	-	-	-	-
	Gammon CMC	-	-	-	-	-
		(1.83)	-	-	-	(1.83)
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		(10.74)	-	-	-	(10.74)
	Singla JV	-	-	-	-	-
		(1.56)	-	-	-	(1.56)
	Interest Income during the year	-	0.73	-	-	0.73
		(15.18)	-	-	-	(15.22)
	Campo Puma Oriente S.A.	-	-	-	-	-
		(12.10)	-	-	-	(12.10)
	RAS Cities and Townships P Limited	-	0.73	-	-	0.73
		-	-	-	-	-
	Gammon Construtora Cidade Tensaccia	-	-	-	-	-
		(3.08)	-	-	-	(3.08)
	Finance received for expenses & on a/c payments	-	45.95	-	-	46.43
		-	(107.16)	-	-	(107.16)
	Transrail Lighting Limited (TLL)	-	14.23	-	-	14.23
		-	-	-	-	-
	Gammon Engineer and Contractors Private Limited	-	31.72	-	-	31.72
		-	(107.16)	-	-	(107.16)
	Interest expenses during the year	-	0.02	-	-	0.02
		-	-	(0.74)	-	(0.74)
	Gammon Road Infrastructure Limited	-	0.02	-	-	0.02
		-	-	-	-	-
	Franco Tosi Turbines Private Limited	-	-	-	-	-
		-	-	(0.74)	-	(0.74)
	Guarantees and Collaterals Outstanding	126.76	97.00	191.82	-	415.57
		(124.23)	(97.00)	(225.83)	-	(455.40)
	Gammon OJSC Mosmetrostroy	126.76	-	-	-	126.76
		(124.23)	-	-	-	(124.23)
	Transrail Lighting Limited (TLL)	-	97.00	-	-	97.00
		-	(97.00)	-	-	(97.00)
	Franco Tosi Meccanica S.p.A.	-	-	191.82	-	191.82
		-	-	(225.83)	-	(225.83)
	Pledge of Shares (Number of shares)	-	-	-	-	-
		-	(0.77)	-	-	(0.77)

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	(0.77)	-	-	(0.77)
	Key Managerial Personnel	-	-	-	1.36	1.36
	Managerial Paid	-	-	-	(5.26)	(5.26)
		-	-	-	-	-
	Mr. Abhijit Rajan	-	-	-	-	-
		-	-	-	(4.00)	(4.00)
	Mr. Rajul A. Bhansali	-	-	-	0.80	0.80
		-	-	-	(0.81)	(0.81)
	Mr. Ajit B. Desai	-	-	-	0.56	0.56
		-	-	-	(0.45)	(0.45)
	Director Sitting fees and Commission	-	-	-	0.09	0.09
		-	-	-	(0.15)	(0.15)
	Chandrasah C. Dayal	-	-	-	0.02	0.02
		-	-	-	(0.04)	(0.04)
	Naval Choudhary	-	-	-	0.03	0.03
		-	-	-	(0.05)	(0.05)
	Urvashi saxena	-	-	-	0.03	0.03
		-	-	-	(0.02)	(0.02)
	Atul Kumar Shukla	-	-	-	0.02	0.02
		-	-	-	(0.04)	(0.04)
	Short-Term / Long-Term Benefits to KMP					
		-	-	-	(0.83)	(0.83)
	Mr. Abhijit Rajan	-	-	-	-	-
		-	-	-	(0.76)	(0.76)
	Mr. Rajul A. Bhansali	-	-	-	-	-
		-	-	-	(0.03)	(0.03)
	Mr. Ajit B. Desai	-	-	-	-	-
		-	-	-	(0.04)	(0.04)
	Movement in Quasi Investment (Net)	-	-	-	-	-
		(4.63)	(2.43)	-	-	(9.78)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	(2.43)	-	-	(2.43)
	Campo Puma Oriente S.A	-	-	-	-	-
		(4.63)	-	-	-	(4.63)
	Outstanding Balances Receivables	377.15	-	-	-	486.85
	Loans & Advances					
		(374.73)	(0.52)	(93.08)	-	(468.72)
	Fin Est S.p.A.	-	-	-	-	-
		-	(0.52)	-	-	(0.52)
	Campo Puma Oriente S.A.	377.15	-	-	-	377.15
		(374.73)	-	-	-	(374.73)
	Franco Tosi Meccanica S.p.A.	-	-	104.67	-	104.67
		-	-	(93.08)	-	(93.08)
	Loans and Guarantee o/s in the nature of Equity	-	-	-	-	-
		(4.63)	(2.43)	(2.73)	-	(9.78)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	(2.43)	-	-	(2.43)



B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Campo Puma Oriente S.A.	-	-	-	-	-
		(4.63)	-	-	-	(4.63)
	Franco Tosi Meccanica S.p.A.	-	-	-	-	-
		-	-	(2.73)	-	(2.73)
	Provision made for doubtful debts	230.41	-	-	-	232.18
		(130.00)	-	-	-	(130.00)
	Campo Puma Oriente S.A.	230.41	-	-	-	230.41
		(130.00)	-	-	-	(130.00)
	Interest Receivable	18.26	-	-	-	26.78
		(18.20)	(1.25)	-	-	(19.45)
	Fin Est S.p.A.	-	-	-	-	-
		-	(1.25)	-	-	(1.25)
	Campo Puma Oriente S.p.A.	18.26	-	-	-	-
		(18.20)	-	-	-	(18.20)
	Gammon Engineer and Contractors Private Limited	-	-	-	-	-
		-	-	-	-	-
	Trade & Other Receivable	772.09	-	-	-	772.09
		(778.84)	(12.23)	-	-	(880.80)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	(12.23)	-	-	(12.23)
	Gammon OJSC Mosmetrostroy	772.09	-	-	-	-
		(778.84)	-	-	-	(778.84)
	Outstanding Balances Payable	29.56	147.44	-	-	193.36
	Trade & Others Payable					
		(19.86)	(119.84)	-	-	(139.69)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	(12.68)	-	-	(12.68)
	Gammon OJSC Mosmetrostroy	29.56	-	-	-	29.56
		(19.86)	-	-	-	(19.86)
	Gammon Engineer and Contractors Private Limited	-	147.44	-	-	147.44
		-	(107.16)	-	-	(107.16)
	Assets Transfer Under BTA & Scheme	-	-	-	-	-
		-	(3,218.07)	-	-	(3,218.07)
	Gammon Engineers and Contractors Private Limited	-	-	-	-	-
		-	(3,218.07)	-	-	(3,218.07)
	Liabilities Transfer Under BTA & scheme	-	-	-	-	-
		-	(3,195.18)	-	-	(3,195.18)
	Gammon Engineers and Contractors Private Limited	-	-	-	-	-
		-	(3,195.18)	-	-	(3,195.18)
	Aggregate Consideration for transfer of business	-	-	-	-	-
		-	(49.65)	-	-	(49.65)
	Gammon Engineers and Contractors Private Limited	-	-	-	-	-
		-	(49.65)	-	-	(49.65)
	<i>(Previous Period figures are in brackets)</i>					

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

Statement-B

1 Disclosure related to interest in other entities as required by Ind AS 112 :

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Particulars	ACB		DIPL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	76.82	78.38	0.39	1.36
Current assets	5.35	18.30	1,086.97	1,153.44
Non-current liabilities	(9.80)	(22.80)	(143.03)	(547.50)
Current liabilities	(89.87)	(97.15)	(976.17)	(600.37)
Capital Contributions	(5.84)	(5.84)	-	-
Net assets	(23.34)	(29.11)	(31.84)	6.93
Net assets attributable to NCI	(6.21)	(7.74)	(9.39)	2.04
Revenue	41.83	25.80	107.92	29.62
Profit for the year	5.80	(3.30)	(33.11)	5.29
Profit/(Loss) allocated to NCI	1.54	(0.88)	(11.43)	1.56
Other comprehensive income	(0.04)	0.02		
OCI allocated to NCI	(0.01)	0.00	-	-
Cash flow from operating activities	23.27	12.65	(33.11)	(264.68)
Cash flow from investing activities	0.02	(0.08)	-	8.14
Cash flow from financing activities	(20.50)	(12.72)	-	245.15
Net increase/(decrease) in cash and cash equivalents	2.78	(0.15)	(33.11)	(11.39)

Particulars	GBL		GBLLC	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2016
Non-current assets	104.84	108.60	32.83	36.56
Current assets	0.01	0.85	56.06	45.65
Non-current liabilities	(102.88)	(107.45)	(121.83)	(122.82)
Current liabilities	(4.94)	(4.94)	(37.62)	(30.80)
Net assets	(2.97)	(2.94)	(70.56)	(71.42)
Net assets attributable to NCI	(1.45)	(1.44)	(56.87)	(58.93)
Revenue	-	-	81.60	67.66
Profit for the year	(0.03)	(4.98)	1.08	(3.52)
Profit/(Loss) allocated to NCI	(0.01)	(2.44)	0.81	2.65
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	(0.02)	(0.27)	(5.58)	(9.85)
Cash flow from investing activities	0.16	1.10	(2.15)	0.09
Cash flow from financing activities	(0.98)	-	14.99	10.35
Net increase/(decrease) in cash and cash equivalents	(0.84)	0.83	7.25	0.59



Particulars	GIPL		GRIPL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	-	4,239.13	0.36	0.36
Current assets	-	628.82	0.08	0.08
Non-current liabilities	-	(3,774.78)	(0.26)	(0.26)
Current liabilities	-	(390.81)	(0.13)	(0.12)
Net assets	-	702.35	0.04	0.05
Net assets attributable to NCI	-	320.36	-	0.00
Revenue	-	663.46	-	-
Profit for the year	-	(104.06)	(0.01)	(0.03)
Profit/(Loss) allocated to NCI	-	(43.25)	-	(0.00)
Other comprehensive income	-	0.04	-	-
OCI allocated to NCI	-	0.01	-	-
Cash flow from operating activities	-	419.88	(0.00)	0.22
Cash flow from investing activities	-	(444.42)	-	(0.35)
Cash flow from financing activities	-	(21.00)	0.00	0.10
Net increase/(decrease) in cash and cash equivalents	-	(45.54)	0.00	(0.04)

Particulars	GRL		METRO	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	22.49	27.48	82.93	76.72
Current assets	92.18	92.24	1,176.90	1,162.18
Non-current liabilities	(175.71)	(176.86)	(703.64)	(684.00)
Current liabilities	(0.10)	(2.67)	(480.28)	(474.22)
Capital Contributions	-	-	(4.38)	(4.38)
Net assets	(61.15)	(59.81)	71.55	76.31
Net assets attributable to NCI	(15.25)	(14.92)	11.33	12.09
Revenue	-	-	-	-
Profit for the year	(1.34)	(9.14)	(4.76)	8.28
Profit/(Loss) allocated to NCI	(0.33)	(2.28)	(0.75)	1.31
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	3.66	22.24	1.18	(17.34)
Cash flow from investing activities	1.26	(14.74)	-	-
Cash flow from financing activities	(3.84)	(7.48)	2.21	18.68
Net increase/(decrease) in cash and cash equivalents	1.08	0.03	3.39	1.35

Particulars	PREETI		ATSLInfra	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	-	-	-	-
Current assets	9.81	8.80	2.53	13.79
Non-current liabilities	-	-	-	-
Current liabilities	(9.85)	(8.83)	(2.51)	(13.75)
Capital Contributions	-	-	-	-
Net assets	(0.04)	(0.03)	0.03	0.03
Net assets attributable to NCI	(0.02)	(0.01)	0.01	0.01
Revenue	-	-	-	-
Profit for the year	(0.01)	(0.01)	(0.00)	(0.00)
Profit/(Loss) allocated to NCI	(0.00)	(0.00)	(0.01)	(0.00)
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	4.59	(0.05)	-	(0.00)
Cash flow from investing activities	-	-	-	-
Cash flow from financing activities	(3.90)	0.11	-	-
Net increase/(decrease) in cash and cash equivalents	0.69	0.06	-	(0.00)

Particulars	PWS	
	March 31, 2018	March 31, 2017
Non-current assets	6.70	9.79
Current assets	27.93	26.50
Non-current liabilities	(0.01)	(0.02)
Current liabilities	(70.31)	(65.66)
Capital Contributions	-	-
Net assets	(35.70)	(29.39)
Net assets attributable to NCI	(9.28)	(7.64)
Revenue	-	-
Profit for the year	(6.31)	(4.68)
Profit/(Loss) allocated to NCI	(1.64)	(1.22)
Other comprehensive income	-	-
OCI allocated to NCI	-	-
Cash flow from operating activities	1.43	(4.88)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	(4.51)
Net increase/(decrease) in cash and cash equivalents	1.43	(9.40)



2 Table below provide summarised financial information for Joint venture

(₹ in Crore)

Particulars	ACGB		GGJV	
	36.70%		5.00%	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	56.30	-	0.05	0.09
Current assets			-	-
Cash and Cash equivalents	0.01	-	-	-
- Other assets	1.19	-	-	-
Current assets	1.20	-	-	-
Non-current liabilities			-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	12.93	-	-	-
- Other liabilities	0.49	-	-	-
Non-current liabilities	13.41	-	-	-
Current liabilities			-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	15.49	-	-	0.11
- Other liabilities	6.91	-	0.23	0.16
Current liabilities	22.40	-	0.23	0.27
Net assets	21.69	-	(0.18)	(0.18)
Group share of net assets	13.28	-	0.01	(0.01)
Revenue	2.60	-	-	-
Interest Income	-	-	-	-
Depreciation and amortisation	-	-	-	0.17
Finance cost	0.42	-	-	-
Profit/ (Loss) for the year before tax	(0.36)	-	(0.00)	0.20
Income tax expenses	-	-	-	0.11
Profit/ (Loss) for the year	(0.36)	-	(0.00)	0.09
Other comprehensive income	-	-	-	-
Total comprehensive income	(0.36)	-	(0.00)	0.09
Group share of profit/ (Loss)	(2.14)	-	-	0.00
Group share of OCI	-	-	-	-
Group share of total comprehensive income	(2.14)	-	-	0.00

Particulars	GOMCHN / OJSC		GSEW	
	51%		90%	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	160.11	37.43	6.73	-
Current assets				
Cash and Cash equivalents	0.09	1.07	0.12	-
- Other assets	-	122.68	0.00	-
Current assets	0.09	123.75	0.12	-
Non-current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-	0.07	-
- Other liabilities	53.65	-	6.77	-
Non-current liabilities	53.65	-	6.84	-
Current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-	-	-
- Other liabilities	158.54	213.06	-	-
Current liabilities	158.54	213.06	-	-
Net assets	(52.00)	(51.88)	(0.00)	-
Group share of net assets	(2.37)	(2.31)	-	-
Revenue	-	-	-	-
Interest Income	0.00	0.00	-	-
Depreciation and amortisation	0.00	0.00	-	-
Finance cost	-	-	-	-
Profit/ (Loss) for the year before tax	(0.12)	(0.02)	(0.00)	-
Income tax expenses	-	-	-	-
Profit/ (Loss) for the year	(0.12)	(0.02)	(0.00)	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(0.12)	(0.02)	(0.00)	-
Group share of profit/ (Loss)	(0.08)	(0.01)	0.00	-
Group share of OCI	-	-	-	-
Group share of total comprehensive income	(0.08)	(0.01)	0.00	-



Particulars	CAMPO*		Indira Container Terminal Private Limited	
	66.39%		50.00%	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current assets	-	282.38	-	754.11
Current assets	-	-	-	-
Cash and Cash equivalents	-	1.49	-	16.18
- Other assets	-	13.48	-	5.87
Current assets	-	14.96	-	22.05
Non-current liabilities	-	-	-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	-	552.84	-	-
- Other liabilities	-	-	-	0.14
Non-current liabilities	-	552.84	-	0.14
Current liabilities	-	-	-	-
- Financial liabilities (excluding trade payables, other payables and provisions)	-	62.39	-	712.77
- Other liabilities	-	2.69	-	7.88
Current liabilities	-	65.08	-	720.64
Net assets	-	(320.58)	-	55.37
Group share of net assets	-	(230.50)	-	27.68
Revenue	-	36.86	-	40.68
Interest Income	-	-	-	0.08
Depreciation and amortisation	-	25.40	-	27.65
Finance cost	-	15.57	-	55.97
Profit/ (Loss) for the year before tax	-	(39.07)	-	(51.40)
Income tax expenses	-	-	-	-
Profit/ (Loss) for the year	-	(39.07)	-	(51.40)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(39.07)	-	(51.40)
Group share of profit/ (Loss)	-	(25.99)	-	(25.70)
Group share of OCI	-	-	-	-
Group share of total comprehensive income	-	(25.99)	-	(25.70)

Note : (*) In the absence of Financial Statements of the company no effects are taken in Financial Statements and therefore no details are given above.

During the year CMC, GSEW, GCTSYG, Gsingla, GEC joint ventures are transferred from Gammon India Limited to Gammon Engineers & Contractors Private Limited as per the scheme of arrangements. In the absence of Financial Statements of Blue Water Iron Ore Terminal Private Limited, Sez Adityapur Limited Joint venture no details are disclosed in above disclosure.

However, these joint ventures are not carrying out any significant operations and therefore their impact is not expected to be significant.

3 Table below provide summarised financial information for Associates

Particulars	GECPL		TLL		GIPL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-Current Assets	1,788.43	1,516.30	356.18	487.02	5,153.93	-
Current Assets	2,651.36	2,270.96	1,260.48	1,125.96	502.81	-
Non-Current liabilities	1,199.82	555.52	291.82	454.79	3,722.46	-
Current liabilities	2,985.91	3,108.39	1,082.19	1,015.89	1,411.56	-
Net Assets	254.06	123.35	242.65	142.30	522.72	-
Group Share of Net Assets	63.14	62.22	73.10	54.64	109.54	-
Group Share of Net Assets	25%	25%	25%	25%	38.54%	-

Summarised statement of profit and loss

Particulars	GECPL		TLL		GIPL	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	2,282.61	1,554.08	1,886.42	1,365.57	624.74	
Other Income	34.20	5.17	5.82	5.30	18.28	
Project Cost	645.18	435.44	241.87	155.70	279.71	
Contract Cost	712.85	329.14	1,035.52	672.47	24.34	
Employee Cost	259.42	181.62	104.22	97.56	22.07	
Depreciation and amortisation	98.36	70.07	30.38	26.63	87.24	
Finance Cost	266.20	162.92	81.52	78.24	339.93	
Other Expenses	361.23	310.17	297.71	284.54	54.20	
Profit/ (Loss) for the year	(26.43)	69.89	101.02	55.73	(164.46)	
Tax Expense	(32.20)	21.18	25.17	4.82	15.87	
Exceptional items Income/(Expense)	-	-	-	-	(5.20)	
Profit/ (Loss) for the year after tax	5.77	48.71	75.85	50.91	(185.54)	
Other Comprehensive Income	0.12	(0.31)	(0.53)	(3.82)	(0.12)	
Total comprehensive income	5.89	48.40	75.32	47.09	(185.66)	
Group share of profit/(loss)	0.92	12.18	18.96	12.73	(38.93)	
Group share of OCI	-	(0.08)	(0.13)	(0.96)	-	

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



ANNEXURE II

(₹ in Crore)

Entity wise disclosure of breakup of net assets and profit after tax

	Net Assets		Share in Profit or Loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company:				
GIL	(10.55%)	231.05	62.04%	(976.46)
Subsidiaries:				
ACB	2.92%	(63.93)	(0.20%)	3.15
ATSLBV	2.94%	(64.42)	(0.82%)	12.89
ATSLInfra	0.00%	(0.01)	(0.00%)	0.01
ATSLNigeria	0.16%	(3.47)	0.00%	-
DIPL	5.59%	(122.45)	8.10%	(127.51)
GACTEL	9.25%	(202.49)	6.04%	(95.03)
GBL	0.07%	(1.56)	0.00%	(0.01)
GBLLC	0.88%	(19.18)	(0.02%)	0.27
GHBV	37.47%	(820.31)	(6.25%)	98.42
GHM	(10.23%)	223.87	0.91%	(14.39)
GIBV	14.99%	(328.17)	(3.24%)	50.93
GIFZE	1.09%	(23.89)	(0.02%)	0.39
GPL	8.49%	(185.85)	4.68%	(73.59)
GRDL	0.00%	(0.03)	0.00%	(0.01)
GRIPL	(0.02%)	0.49	0.00%	(0.01)
GRL	2.74%	(59.95)	0.00%	(0.00)
GTL	(0.02%)	0.43	0.00%	(0.02)
ISRL	0.01%	(0.22)	0.00%	-
METRO	12.45%	(272.58)	23.03%	(362.39)
PREETI	0.00%	(0.03)	(0.00%)	0.00
PVEB	5.85%	(128.16)	(0.75%)	11.85
PWS	1.00%	(21.80)	0.00%	(0.05)
SAE	16.12%	(352.89)	5.12%	(80.54)
Joint Ventures				
ACGB	(0.61%)	13.28	0.14%	(2.14)
GOMCHN / OJSC	0.11%	(2.37)	0.01%	(0.08)
GSEW	0.00%	(0.00)	0.00%	(0.00)
GGJV	0.00%	(0.01)	(0.00%)	0.00
CAMPO	10.53%	(230.50)	0.00%	-
Associates				
GECPL	(2.88%)	63.14	(0.06%)	0.92
GIPL	(5.00%)	109.54	2.47%	(38.93)
TLL	(3.34%)	73.10	(1.17%)	18.47
Grand Total	100%	(2,189.37)	100%	(1,573.85)



Gammon India Limited

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

Telephone: +91-22-22705562

E-mail Id: investors@gammonindia.com

Website: www.gammonindia.com

CIN: L74999MH1922PLC000997