GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997
Regd. Office: Floor 3rd, Plot No - 3/8, Hamilton House,
J.N. Heredia Marg, Ballard Estate, Mumbai 400038.
Website: www.gammonindia.com; **Email:** investors@gammonindia.com
Tel.: +91 22 22705562

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Ninety Seventh Annual General Meeting** of Gammon India Limited will be held on Saturday, 14th December, 2019 at 3.00 P.M. at "Rachana Sansad College" 278, Shankar Ghanekar Road, Prabhadevi, Mumbai 400025 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019, the Audited Consolidated Financial Statements for the said Financial Year and the Reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 152, 161 and Article 128 of the Articles of Association of the Company Mr. Anurag Choudhry (DIN: 00955456), who was appointed by the Board of Directors as an Additional Director of the Company effective from 18th August, 2019 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and has consented to act as a Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT in accordance with the provisions of Sections 196 and 197 of the Companies Act, 2013, including any amendment thereto or modification thereof read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules, approval of the Members be and is hereby accorded to the appointment of Mr. Anurag Choudhry (DIN: 00955456) as a Whole-time Director designated as Executive Director and Chief Financial Officer of the Company for a period of 3 (three) years with effect from 17th August, 2019 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

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

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

   "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the payment of ₹ 1,00,000/- (Rupees One Lakh only) (exclusive of reimbursement of conveyance expenses at actuals and Service Tax/GST as applicable) as approved by the Board of Directors to Mr. R. Srinivasa Raghavan, Cost Auditor (Regn. No: 100098) appointed by the Board of Directors to carry out audit of Company's Cost Records for the Financial Year ending 31st March 2020."

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

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

Sd/-
Niki Shingade
Company Secretary

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

Date: 15th November, 2019
Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total paid-up share capital of the Company. A member holding more than ten (10) percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.

2. Proxies to be effective should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses at Item Nos. 2 to 4 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 7^{th} December, 2019 to 14^{th} December, 2019 (both days inclusive).
5. Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
6. Voting through electronic means:
   (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
   (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
   (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. 7^{th} December, 2019 may cast their vote electronically.
   (d) **The e-voting period commences at 9.00 a.m. on Wednesday 11^{th} December, 2019 and ends at 5.00 p.m. on Friday, 13^{th} December, 2019. The e-voting module shall be disabled by CDSL for voting thereafter.**
   (e) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
   (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
   (g) The Board of Directors at their meeting have appointed Mr. Vidyadhar V. Chakradeo, Practicing Company Secretaries (FCS No.3382) as the scrutinizer to scrutinize the remote e-voting process as well as voting through poll paper at the meeting in a fair and transparent manner.
   (h) Instructions for e-voting:
      (i) The voting period begins at 9.00 a.m. on Wednesday 11^{th} December, 2019 and ends at 5.00 p.m. on Friday, 13^{th} December, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 7^{th} December, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
      (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
      (iii) Click on Shareholders/Members
      (iv) Now Enter your User ID
         a. For CDSL: 16 digits beneficiary ID,
         b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
         c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
      (v) Next enter the Image Verification as displayed and Click on Login.
      (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
      (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

      (viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of Members receiving Notice of the Annual General Meeting by post and who wish to vote using the e-voting facility:

Please follow all steps from Sr. No. (ii) to Sr. No. (xix) above, to cast your vote.

7. Members are requested to carefully read the instructions and in case of any queries, you may refer to the e-voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com.
8. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
9. Facility of voting through Poll paper shall be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
10. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 7th December, 2019, may obtain the login Id and password by sending a request at evotingindia@cdsl.co.in. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "forgot User Details/ Password" option available on www.evotingindia.com.
11. The Scrutinizer shall within a period of 24 hours from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

12. The Results shall be declared within 24 hours of the conclusion of the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gammonindia.com and on the website of CDSL within 24 hours and communicated to The National Stock Exchange of India Limited & BSE Limited.
13. Subject to the receipt of requisite number of votes, the Resolutions forming part of the AGM notice shall be deemed to be passed on the date of the AGM i.e. 14th December, 2019.
14. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.

    Pursuant to Section 124 of the Companies Act, 2013 the Company has transferred unclaimed interim dividend for the Financial Year 2011 - 12 which remained unclaimed and unpaid for a period exceeding seven years from its due date aggregating to ₹ 1,60,720/- (Rupees One Lakh Sixty Thousand Seven Hundred and Twenty only) to the Investor Education and Protection Fund (IEPF) on or before 28th November, 2019. 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 only) to the IEPF Fund on 16th November, 2018.The Company will be transferring dividend to IEPF as per the following schedule:

Financial Year	**Type of Dividend**	**Tentative date of transfer to IEPF**
2011-2012	Final Dividend	28th November, 2019

15. Members/ Proxies should bring the enclosed attendance slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report.
16. Members can avail nomination facility as per the provisions of Section 72 of the Companies Act, 2013 for registering their nomination which has to be submitted in Form SH-13. In case of cancellation of earlier nomination and registering fresh nomination, the information has to be submitted in Form SH-14. Members holding shares in physical mode are requested to submit their nomination forms to the Registrar and Share Transfer Agents and members holding shares in demat mode may obtain the nomination forms from their depository participant.
17. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
18. Electronic copy of the Notice along with the Annual Report is being sent to all the members whose email ids are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
19. Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar & Transfer Agent i.e. M/s. Link Intime India Private Limited by sending details like Name, Folio No. etc.
20. Members are requested to send their queries, if any, at least 10 (ten) days before the Annual General Meeting, so as to enable the Board to keep the information ready.
21. Shareholders are requested to address their correspondence to the Registrar & Share Transfer Agent viz. M/s. Link Intime India Private Limited, C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai - 400 083.
22. Members may also note that the Notice of the 97th Annual General Meeting and the Annual Report for the Financial Year ended 31st March, 2019 will be available on the Company's website viz. www.gammonindia.com. Physical copies of the aforesaid documents will be available at the registered office for inspection during normal business hours on working days.
23. Information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed / re-appointed is as below:

Name of Director	**Mr. Anurag Choudhry**
Age (years)	64 years
Qualifications	He holds Master's Degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He is also postgraduate in Science from Lucknow University.
Expertise	Mr. Choudhry has been with Gammon Group since 1991 and currently he works as Vice President - Finance. At Gammon, his core focus has been Corporate Banking, Finance and project management. Prior to joining Gammon India he worked as a Manager in a nationalized Bank and holds CAIIB certificate.
Directorships held in other public companies (excluding foreign and Private Companies)	NIL
Memberships / Chairmanships of committees of other Public Companies.	NIL
Shareholding (No. of shares)	200 shares

ANNEXURE TO NOTICE

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Items No. 2 to 4 of the accompanying Notice dated 15th November, 2019.

Item Nos. 2 & 3

Members are informed that the Board on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Anurag Choudhry as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 designated as Executive Director and Chief Financial Officer of the Company with effect from 17th August 2019 . Mr. Choudhry holds as such until this Annual General Meeting.

Mr. Choudhry has been with Gammon Group since 1991. He is currently the Chief Financial Officer of the Company w.e.f. 30th April, 2019. At Gammon, his core focus has been Corporate Banking, Finance and project management. Prior to joining Gammon India he worked as a Manager in a nationalized Bank and holds CAIIB certificate. He holds Master's Degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He is also postgraduate in Science from Lucknow University.

The Board also appointed Mr. Choudhry as an Executive Director and Chief Financial Officer of the Company pursuant to Section 196 of the Act read with Schedule V on the following terms and conditions as recommended by the Nomination and Remuneration Committee

I. Term : 3 (three)years w.e.f 17th August, 2019

II. Remuneration:

Consolidated Salary –

	Monthly Benefits	**Per Month** (in ₹)	**Per Annum** (in ₹)
A]	Assumed Basic	94,380	11,32,560
	HRA	94,380	11,32,560
	Education Allowance	200	2,400
	Special Allowance	2,03,175	24,38,100
Sub-Total(A)		**3,92,135**	**47,05,620**
B]	Conveyance Allowance	25,000	3,00,000
	Fuel Valuation	12,500	1,50,000
	Car Maintenance	12,500	1,50,000
Sub-Total (B)		**50,000**	**6,00,000**
C]	**Annual Benefits**		
	LTA	-	94,380
Sub-Total (C)		**-**	**94,380**
Grand Total (A+B+C)		**-**	**54,00,000**

PART A:

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

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

PART B:

(i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(ii) Gratuity not exceeding half a month's salary for each completed year of service subject to a maximum limit as specified in Payment of Gratuity Act, 1972 as amended from time to time.

(iii) Encashment of leave at the end of tenure.

PART C:

(i) Car & Telephone:

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

(ii) Reimbursement of expenses

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

Other terms:

Job Profile	:	During the period of his service with the Company, the Whole-Time Director designated as Executive Director and Chief Financial Officer shall:
	:	a) perform, observe and conform to such orders and instructions as may from time to time be reasonably given or communicated to him by the Board of Directors of the Company;
	:	b) in all respects carry out and use his best endeavors in carrying out the objects of the Company diligently and faithfully serve the Company, promote and protect its interest in all things to the best of his ability and judgment, and use his best endeavors to further its interests and to increase its business; and
	:	c) devote the whole of his time and attention to the business of the Company during the normal office and/or working hours of the Company and otherwise as in the opinion of the Board of Directors may be reasonably necessary for the diligent performance of his duties, and shall not in any way be engaged in, concerned directly or indirectly with any other company, business or trade (subsidiaries and associate companies excepted and otherwise than as the holder of shares or debentures in any company) without the consent of the Board of Directors of the Company
Other Terms	:	a) So long as Mr. Anurag Choudhry functions as the Whole-Time Director designated as Executive Director and Chief Financial Officer he shall not be paid any sitting fees for attending the Meetings of the Board of Directors or the Committee(s) thereof
	:	b) The headquarters of the Whole-Time Director designated as Executive Director and Chief Financial Officer shall, unless otherwise specified, be at Mumbai.
	:	c) In the event of loss or inadequacy of profits in any financial year, the Whole-Time Director designated as Executive Director and Chief Financial Officer shall be paid remuneration by way of salary and perquisites as specified above but subject to the provisions of Schedule V of the Companies Act, 2013
	:	d) His appointment, re-appointment, duties, responsibilities and remuneration shall be in conformity with the Companies Act, 2013 (including any amendment thereto), SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and all such other applicable laws.

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

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

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

The Board recommends the passing of the Ordinary Resolution at Item No. 2 & and Special Resolution at Item No. 3 of the accompanying Notice for Members approval.

Save and except Mr. Anurag Choudhry, none of the other Directors and/or Key Managerial Personnel of the Company, are interested in the resolutions at Item Nos. 2 & 3 of the Notice.

Item No. 4

Members are hereby informed that the Board on the recommendation of the Audit Committee appointed Mr. R. Srinivasa Raghavan, Cost Accountant (Membership No. 100098) as the Cost Auditor of the Company for the Financial Year 2019-20 to conduct audit of Cost Accounting Records maintained by the Company in respect of the Company's Civil Engineering, Procurement and Construction business at a remuneration of ₹ 100,000/- (Rupees One Lakh only) per annum exclusive of reimbursement of conveyance expenses at actuals and Service Tax/GST as applicable.

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

The Board recommends the passing of the Ordinary Resolution at Item No. 4 of the accompanying Notice for Members approval. None of the Directors and/or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of the above resolution.

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

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

Sd/-
Niki Shingade
Company Secretary

Date: 15th November, 2019
Place: Mumbai

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997

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

Name of the member(s) :
Registered Address :
E-mail ID :
Folio No/Client ID :
DP ID :

I/ We, being the member(s) of **Gammon India Limited** holding ________________________ Equity Shares, hereby appoint

1. Name: ____
   Address: ____
   E-mail ID: ________________________ Signature: ________________ or failing him/her
2. Name: ____
   Address: ____
   E-mail ID: ________________________ Signature: ________________ or failing him/her
3. Name: ____
   Address: ____
   E-mail ID: ________________________ Signature: ________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **97th Annual General Meeting** of the Company, to be held on **Saturday, 14th day of December, 2019, at 3.00 p.m.** at **"Rachana Sansad College" 278, Shankar Ghanekar Road, Prabhadevi, Mumbai - 400 025** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1.	Adoption of Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2019 alongwith Report of Board of Directors and Auditors thereon.
2.	Regularisation of appointment of Mr. Anurag Choudhry (DIN: 00955456) as a Director of the Company.
3.	Special Resolution for appointment of Mr. Anurag Choudhry (DIN: 00955456) as a Whole-Time Director designated as Executive Director & Cheif Financial Officer of the Company for a period of 3(three) years w.e.f. 17th August, 2019 and to approve the remuneration of Mr. Choudhry for the period.
4.	Ratification of payment of remuneration to the Cost Auditor viz. Mr. R. Srinivasaraghavan for the Financial Year ended 31st March, 2020.

Signed this ____________ day of _______, 2019

Affix Revenue Stamp

Signature of Shareholder **Signature of Proxy holder(s)**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997

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

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

I hereby record my presence at the **97th Annual General Meeting** of the Company to be held at **"Rachana Sansad College" 278, Shankar Ghanekar Road, Prabhadevi, Mumbai - 400 025 on Saturday, 14th day of December, 2019, at 3.00 p.m.**

Full Name of the *Shareholder / Proxy (in Block Letters)	
Folio No. or Client / DP ID No.:	
No. of Shares held:	

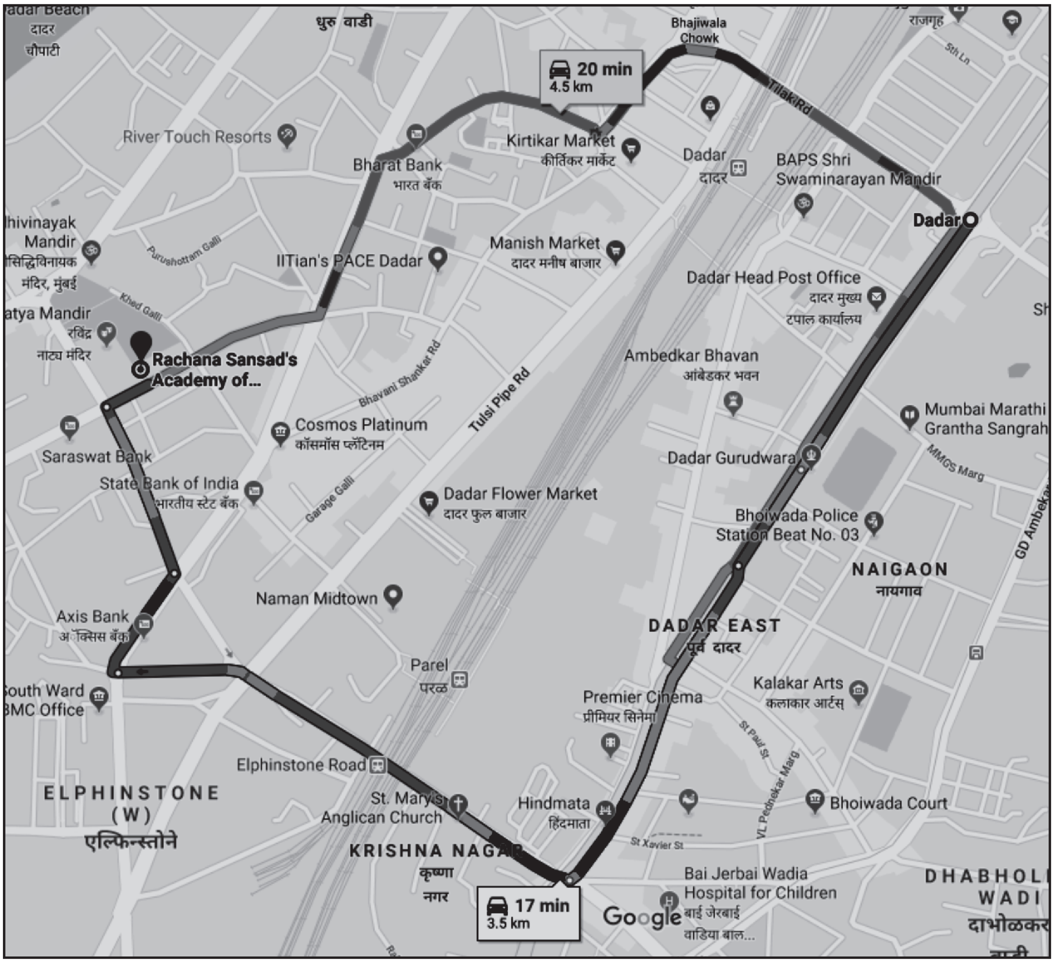
Signature of Shareholder/Proxy

*Strike out whichever is not applicable

NOTE: Members who have multiple folios/demat accounts with different joint holders may use copies of this attendance slip. Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.

ROUTE MAP FOR VENUE OF 97TH ANNUAL GENERAL MEETING OF THE COMPANY

"Rachana Sansad College" 278, Shankar Ghanekar Road, Prabhadevi, Mumbai - 400 025.



97TH

ANNUAL REPORT

2018-2019

GAMMON INDIA LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anurag Choudhry
Executive Director & Chief Financial Officer

Mr. Soumendra Nath Sanyal
Independent Director

Mr. Ulhas Dharmadhikari
Independent Director

Mr. Ajit B. Desai
Chief Executive Officer

Mr. Abhijit Rajan
President

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 : mumbai@linkintime.co.in

BANKERS/FINANCIAL INSTITUTIONS

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

CONTENTS:

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. After carving out, Gammon India Limited remained active in various segments such as irrigation, metro, power and water supply. Examples include Kaleshwaram Irrigation Project in Telengana, Kolkata Metro in West Bengal, Kota Nuclear Power IDCT in Rajasthan and Jawaja Water Supply Scheme in Rajasthan.

Overseas Presence

Our overseas presence includes a strategic holding in Italy- based Sofinter Group, with state-of-the art manufacturing facilities in Italy, Romania and India. The Group is engaged in the engineering, procurement and construction of steam and power generation boilers, water and waste treatment and flameless combustion technology with application in oil & gas, power generation and industrial sectors. Sofinter S.p.A., A.C.Boilers S.p.A (formerly AnsaldoCaldaie S.p.A)., ITEA and Europower are some companies under the Group. The Company has a substantial stake in Puma Oil Block in the Oriente basin in Eucador.

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

EXECUTIVE DIRECTOR'S STATEMENT :

I am pleased to present the 97th Annual Report of Gammon India Limited for the Financial Year ended 31st March 2019.

Post the carve out of the two operating business we have successfully resolved 70% of the CDR Debt and are now working towards addressing the balance 30% of the debt aggregating to ₹ 3702.03 cr (fund based). During the year 2018-19 our focus was to complete execution of the ongoing balance projects, concentrate on recovering of arbitration monies aggregating to ₹ 3270 cr and actively pursuing existing arbitration matters. We have been successful in receiving arbitration awards of ₹ 16.67 cr which was utilised in payment of interest dues. During the year we paid interest of ₹ 102.03 cr to our lenders. We also repaid a sum of ₹ 286 Cr being part of the CDR debt due to one of our lenders through monitisation of land belonging to one of our subsidiaries. Our endeavour during the year has been to repay the lenders as well as to resolve 30% of residual debt.

Execution of Intercreditor Agreement (ICA)

The lenders of the Company while abiding by the circular dated 7th June, 2019 issued by the Reserve Bank of India on "Prudential Framework for Resolution of Stressed Assets" entered and executed an Intercreditor Agreement (ICA) to provide for ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender.

Post execution of the ICA the company forwarded a draft proposal to the lenders which included a proposal received from an Investor who has evinced interest and also includes a debt resolution plan. The said proposal has been forwarded to the lenders and is awaiting their acceptance.

Going Forward

Realisation of the arbitration awards continues to remain a big challenge. This has impacted all the major infrastructure companies including yours. The infrastructure sector in general continues to be plaint by liquidity issues and other issues. Further slow- down 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. Hence our resolution plan is taking some time. It is heartening to note that Government at Central and State levels have taken very positive steps including revival of stalled projects and have also announced capital expenditure of substantial amount towards various schemes, notably towards road projects, water supply schemes, Swachhata Bharat Abhiyan and Pradhan Mantri Awaas Yojana.

Performance review

During the year under review the Turnover of the Company on a Standalone basis stood at ₹ 191.14 crores, as compared to ₹ 255.93 crores during the previous F.Y. ended 31st March, 2018. The Company posted a Net Loss after Tax of ₹ 1755.05 crores during the year ended 31st March, 2019, as against a Net Loss after Tax of ₹ 1958.80 crores during the previous FY ended 31st March, 2018.

On a Consolidated basis, the Turnover of Gammon Group during the year under review stood at ₹ 977.66 crores as compared to ₹ 667.91 crores for the previous F.Y. ended 31st March, 2018. The Group posted a Net Loss after Tax of ₹ 1296.44 crores during the F.Y. ended 31st March 2019, as against a Net Loss after Tax of ₹ 1598.95 crores during the previous F.Y. ended 31st March, 2018. The income generated during the year is from the residual EPC. Interest and finance costs continue to be high.

The company is currently operating with skeletal staff and hence the delay in presenting the financial results for the year ended 31st March 2019.

Your company's priority is now to pursue arbitration and realization thereof as well as to co-ordinate with various lenders so as to accept and implement the resolution proposal. We also hope that with the acceptance of the resolution plan the company will be able to revive its epc plans in irrigation, water supply and various government backed project on the basis of existing technological credentials.

ACKNOWLEDGEMENTS

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

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

With best wishes

Anurag Choudhry
Executive Director and Chief Financial Officer

ONGOING PROJECTS

Jobs Under Progress

Sr. No.	Name of Project / Work	Client Name	Location	Contract Value	Balance Contract Value
1	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	₹ 62 crores
2	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	₹ 6.44 crores
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.	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	₹ 726 crores
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	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	₹ 53.16 crores

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

INDIAN ECONOMY

India continues to remain the fastest growing major economy in the world in 2018-19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. Infrastructure sector plays an important role in the growth and development of Indian economy.

The Infrastructure and Construction Sector is a key driver of the Indian economy contributing to India's overall economic development. The economic survey outlined India's vision of becoming a $5 trillion economy by 2024-25. To meet this objective India has to sustain a real GDP growth of 8% with an investment of around ₹ 50 trillion in the Infrastructure sector by 2022 to achieve sustainable growth. To achieve this, the Government of India has given a massive push to the Infrastructure sector by allocating ₹ 4.56 lakh crores to the Sector. In addition several initiatives and policy measures announced by the Government to revive and boost the sector such as "Make in India" initiative, construction of smart cities, setting up of REIT's and Infrastructure Investments Trusts is expected to give a push to the infra sector apart from various policies and initiatives announced by the Government in important sectors such as Roads, Ports, Power, Housing etc. the Governments push in Infrastructure continues to drive growth in infrastructure and construction sector with strong investments in roads, rails, metro, water and power.

Power sector in India has witnessed a paradigm shift over the years due to the constant efforts of Government to foster investment in the sector. As a result, India has made fast progress towards universal electrification due to strong political commitment, a stable policy regime, use of grid expansion, and decentralized generation sources. Along with universal electrification, commendable progress has been made in generation and transmission of electricity. The installed capacity has increased from 3,44,002 MW in 2018 to 3,56,100.19 MW in 2019. Total generation of energy during 2018-19 was 1376 BU (including imports and renewable sources of energy). The capacity of thermal power is 64 per cent followed by renewable energy.

The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) was launched in October, 2017 with the aim of universal household electrification by providing last mile connectivity and electricity connections to all remaining un-electrified households in rural and all poor households in urban areas. As on March 2019, 2.62 crore households have been electrified since the launch of SAUBHAGYA scheme.

Energy is the mainstay of the development process of any economy. The priority for the government is ensuring access to sustainable and clean energy sources. Given the close link between energy consumption and various social indicators, this attains even greater importance. Compared to the income dimension of poverty, its energy dimension is even more severe. Government of India initiated a big step in the form of the Pradhan Mantri Ujjwala Yojana, providing access to around 7 crore households under the scheme. The task now is to ensure that households with LPG continue to use the clean fuel for cooking purposes through continued refilling. In terms of household electrification, India has achieved almost 100 per cent with electrification of 21.44 crore households.

Housing is one of the fastest moving sectors in the country and has become an important and irreversible process, and it is an important determinant of economic growth and poverty reduction. The process of urbanization has been characterized by increase in the number of large cities, although India may be said to be in the midst of transition from a predominantly rural to a quasi-urban society.

India has great potential for hydro power generation. However, the utilisation of hydro power for meeting the power generation needs have been limited. India has a hydro potential of around 145320 MW, out of which 45400 MW have been utilised. As we move towards greater energy requirements in future, this source of energy, which is climate friendly compared to traditional sources of power, can play a major role. However, high tariffs have been a major obstacle. To encourage the hydro sector, a new Hydro Policy has been approved which includes recognising large hydropower projects as a renewable energy source. Further, tariff rationalization measures have been undertaken, including providing flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt repayment period to 18 years and introducing escalating tariff of 2 per cent, budgetary support for funding flood moderation component of hydropower projects on a case-to-case basis, and budgetary support for funding cost of enabling infrastructure i.e. roads and bridges on a case-to-case basis.

However the infrastructure sector in India is also plagued with several challenges such as land acquisition, delays in obtaining environmental and other clearances, high cost of funding, availability of finance from banks and financial institutions due to financial stress in the sector, slow dispute resolution mechanism, which has affected most of the Companies in the infrastructure sector including your company.

REVIEW OF COMPANY'S OPERATIONS

Post the carve out of the major part of the Civil EPC Business and the Transmission and Distribution Business the Company continues to carry on the retained EPC Business in power, irrigation & water supply and urban infrastructure sectors.

The Company would like to focus on:

- Water and Irrigation
- Hydro Projects
- Power Projects
- Housing Projects promoted by Government agencies.

Each of the above sector has its own merits and development of these sectors are necessary for the development of the Company.

1) Water and Irrigation

The Government has introduced the following schemes:

- National Rural Drinking Water Programme
- Har Ghar Jal Yojana.
- Pradhan Mantri Krishi Sinchai Yojana

All the above put together has ₹ 34000 crores of allocation.

The Company would like to focus on securing jobs in this sector. Relatively these are less resource oriented projects and have minimum risk factor.

2) Hydro Power

Hydro Projects are large projects and your Company has the technical pre-qualifications for such projects. The sector has limited competitions.

Major upcoming Hydro Projects for which bids may be invited in FY 2019-20 as per follows:

- Dibang Hydro Electric Project by NHPC in J&K (2880 MW)
- Tessta VI Hydro Electric Project by Lanco Infra in Sikkim (500 MW)
- Rattle Hydro Electric Project by NHPC in J&K (800 MW)
- Lakhwar Dam Project by UJVNL in Uttarakhand (900 MW)
- Chamkharchhu-I HEP by NHPC & Govt. of Bhutan in Bhutan (670 MW)
- Sankosh HEP in Bhutan (2560 MW)

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

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

Most of the existing Power Plants have lived its operational life and require regular refurbishment to remain viable. The Company will be focusing on this segment. It has lot of potential and limited risk.

The aim of Government of India is to make India a 5 Trillion economy in next five years, this cannot be achieved without Power Sectors revival as Power is one of the most critical components of infrastructure and very crucial for economic growth and welfare and therefore we are hopeful of many opportunities in next one/two years.

REVIEW OF FINANCIAL PERFORMANCE:

During the year under review the Turnover of the Company on a Standalone basis stood at ₹191.14 crores, as compared to ₹ 255.93 crores during the previous F.Y. ended 31st March, 2018. The Company posted a Net Loss after Tax of ₹ 1755.05 crores during the period ended 31st March, 2019, as against a Net Loss after Tax of ₹ 1958.80 crores during the previous FY ended 31st March, 2018.

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During the year 2018-19 the Company concentrated on pursuing arbitration which are in various stages. The Company was successful in receiving arbitration awards of ₹ 166.7 cr which was utilised in payment of interest dues. During the year the Company paid interest of ₹ 102.03 cr to our lenders. The Company also repaid term loan of Canara bank aggregating to ₹ 286 crores (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited.

FUTURE OUTLOOK

As on March 31, 2019 the Company's current liabilities exceed the current assets by ₹ 6174.16 crores. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The Company has ₹ 3270 cr pending arbitration claims to be recovered. The Company is actively pursuing arbitration pending in various stages and hopes to receive favourable awards in its favour.

Pursuant to the provisions of the RBI Circular dated 7th June, 2019 on 'Prudential Framework for Resolution of Stressed Assets', the lenders, entered and executed an Intercreditor Agreement (ICA) to provide for ground rules for finalisation and implementation of the resolution plan. The Company also submitted a debt resolution proposal to the lenders which is under lenders consideration.

The company's priority is now to pursue arbitration and realization thereof as well as to co-ordinate with various lenders so as to accept and implement the resolution proposal. We also hope that with the acceptance of the resolution plan the company will be able to revive its EPC plans in irrigation, water supply and various government backed project on the basis of existing technological credentials.

MANAGING RISK

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.

1) By subletting the projects and monitoring it periodically, the risk of execution and collection are addressed to a great extent.

2) With respect to delayed payments from the clients, Company initiates actions as per the contract provision. Further legal action is taken wherever necessary.

3) The Company continues to review the various projects on an ongoing basis. So as to identify challenges and takes 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. At present Employee cost is 4.2% (approx.) of revenue of main operation.

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 and periodic audits 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's 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 statement' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied.

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

Directors' Report

To,

The Members of Gammon India Limited,

Your Directors have pleasure in presenting their 97th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019, 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, 2019	For the Financial Year ended March 31, 2018	For the Financial Year ended March 31, 2019	For the Financial Year ended March 31, 2018
Profit before Other Income, Depreciation and Interest	(1293.11)	(1538.59)	(668.64)	(1128.22)
Add:				
Other Income	111.97	112.42	78.31	329.66
Less:				
Depreciation	10.56	11.77	13.46	46.39
Interest	562.42	575.91	683.71	782.81
Profit/(Loss) before Tax	**(1754.12)**	(2013.85)	**(1287.50)**	(1627.76)
Less:				
Provision for Taxation	0.93	(32.55)	(8.94)	(6.31)
Profit/(Loss) after Tax	**(1755.05)**	(1981.30)	**(1296.44)**	(1621.45)
Transferred to Minority Interest	-	-	(86.55)	(47.60)
Profit/(Loss) for the year	**(1755.05)**	(1958.80)	**(1209.89)**	(1551.33)
Add:				
Profit brought forward from the previous year	(3310.22)	(1351.62)	(4797.90)	(3248.59)
Available for Appropriation	**(5065.27)**	(3310.42)	**(6007.79)**	(4799.92)
Appropriations:				
On Divestment of Subsidiary	-	-	1.25	(0.33)
Dividend (Proposed) Equity Shares	-	-	-	-
Tax on Dividend	-	-	-	-
Other Adjustments	0.12	0.20	333.46	2.33
Balance carried to Balance Sheet	**(5065.38)**	(3310.22)	**(5673.08)**	**(4797.90)**

- *The Financial Statements for the year ended 31st March, 2019 have been restated in accordance with Ind-AS for comparative information.*
- *The Financial Statements are in compliance with Ind-AS, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India.*

The year under review is a period of 12 (twelve) months commencing from 1st April, 2018 and ending on 31st March, 2019.

During the FY under review the Turnover of the Company on a Standalone basis stood at ₹191.14 crores, as compared to ₹ 255.93 crores during the previous F.Y. ended 31st March, 2018. The Company posted a Net Loss after Tax of ₹ 1755.05 crores during the year ended 31st March, 2019, as against a Net Loss after Tax of ₹ 1958.80 crores during the previous FY ended 31st March, 2018.

On a Consolidated basis, the Turnover of Gammon Group during the year under review stood at ₹ 977.66 crores as compared to ₹ 667.91 crores for the previous F.Y. ended 31st March, 2018. The Group posted a Net Loss after Tax of ₹1296.44 crores during the F.Y. ended 31st March 2019, as against a Net Loss after Tax of ₹ 1598.95 crores during the previous F.Y. ended 31st March, 2018. Interest and finance costs continue to be high. The turnover/income is from the residual EPC business, post carve out of the operating business. During the year under review the finance cost which includes the interest costs was ₹ 562.42 crores. The loss was primarily due to the provisions made for the Company's funded and non-funded exposure of loans and investments, the details of which is provided in note no. 31 of the standalone financial statements.

During the year under review the Company's operation were limited to execution of the ongoing projects. As the company is currently an NPA with the Banks, it is not in a position to bid for new projects. The Company also focused on receiving monies against arbitration awards and recovered an amount of ₹ 16.67 crores. This was used to repay part of lenders dues. The Company is actively pursuing arbitration pending in various stages and hopes to receive favourable awards in its favour.

The Company also repaid term loan of Canara bank aggregating to ₹ 286 crores (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited.

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 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 (25% shareholding in each of the two companies) to the CDR lenders as security for repayment of its dues. 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 against their dues which were further reduced by ₹ 90.91 Crore on such invocation.

The Company continues to focus on recovering its monies and resolving the lenders dues.

Pursuant to the provisions of the RBI Circular dated 7th June, 2019 on 'Prudential Framework for Resolution of Stressed Assets', the lenders, entered and executed an Intercreditor Agreement (ICA) to provide for ground rules for finalisation and implementation of the resolution plan.

The Company also submitted a debt resolution proposal to the lenders which included a proposal received from an Investor who has evinced interest and 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 is under lenders consideration.

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 said Scheme 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 Hon'ble National Company Law Tribunal, Mumbai Bench, in its hearing held on 9th August, 2019 directed the Company to convene Court Convened Meetings of shareholders and creditors on 10th October, 2019. However since the debt resolution proposal is still pending with the Lenders, the Company has kept the proposal on hold.

OVERSEAS SUBSIDIARIES

Group Sofinter, Italy

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

Sofinter SpA

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

AC Boilers S.p.A.

AC Boilers S.p.A. is the market leader in design, supply, manufacturing and installation of utility power boilers and original equipment manufacturer of HRSGs upto 260 MWe for CCP plants. With 150 years of experience in steam generation and burner technology field, the company has an installed base of over 80,000 MWe and 1,000 units. It also provides rehabilitation, fuel conversion and after-sales services for existing boilers, with a strong foothold in Egypt (ACBE – 98%) and India (Ansaldo

Caldaie Boilers, India – 26%). The Advance Combustion Research Centre of the company offers specialized services to customers, even as its products are qualified for Super Critical Applications.

Europower S.p.A

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

ITEA S.p.A

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

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

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

During the Financial Year ended on 31st December 2018,the group clocked a turnover of Euro 250 million, EBITDA of Euro 21.3 million and Profit after tax of Euro 4.6 million.Revenues were impacted during the year due to delays in signing of new contracts arising out of a continuing delay in signing of a long term bank agreement with the Italian Banks to re-open the existing bonding lines as well as enhancing the same as elaborated in the Business Plan for the period upto December 2022.However,improved and timely execution of Projects and control over costs started in the earlier years and further consolidated in the current year with the substantial implementation of state-of art SAP System across all functions in Sofinter and AC Boilers helped the Group post a higher EBITDA and PAT over the previous financial year. An area of concern is the order bookings during the greater part of 2018 due to lack of bonding lines pending the conclusion of a long term banking agreement with the Italian Banks. However, in November 2018,after a lapse of nearly four years since the expiry of the previous Bank Agreement, Group Sofinter has signed the Long Term Agreement with the Italian Banks for Bonding Lines and Cash Lines valid up to December 2022.The final signature of this Agreement was facilitated as a result of the Shareholders having irrevocably mandated the Board to search for a partner to infuse Capital into the Group to strengthen its capital base commensurate with the risks and opportunities for the Group going forward. The process of induction of a partner is expected to be completed in the third or fourth quarter of 2020.KPMG Italy, has been mandated to run the process.

The 10% equity participation for strategic reasons by Ansaldo Energia in A.C. Boilers reported in the previous year has started yielding good results and AC Boilers is now able 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 Company is also active in the waste-to energy Plants as well as Solar Power Plants using the molten salts technology.

ITEA S.p.A a research and development company engaged in flameless pressurized oxycombustion technology is currently executing a Contract in Bari signed in 2017 and will shortly be signing a Contract for the second phase of the Project. Furthermore, Black Diamond, which is an Investment Fund from USA, is currently undertaking a due diligence of ITEA for acquiring 100% equity in the Company on signing of a Term Sheet. If successful, the deal is likely to be concluded within FY 2019.

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 12 million.

The order backlog of Group Sofinter as on 31st December 2018 is approximately Euro 320 million.

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

As pointed out in the previous period's report with the transfer of the operational assets in all respects having been completed to Bruno Presezzi S.p.A, the Commissioner has started the second phase of disposing the non-core assets of the Company. These primarily comprise of approx 60 acres of land in Legnano, Milan, buildings and some equipments within. However in view of the present market situation for disposal of property in Italy, there has been hardly any progress in disposing off the same. Meanwhile creditors in order of ranking and their dues are also being negotiated and will be paid off to the extent of amounts received from the disposal of the assets as and when these materialize. A statement of assets and liabilities prepared by the Commissioner as of 31.12.2017 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.

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 1 well is 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 100 barrels of oil per day at the per barrel service fee of USD 21.50. Had these interventions taken place, these wells would have flowed approx 2000 barrels apart from an upward revision in service fees to approx USD 29 per barrel. Our attempts to identify a strategic partner to remedy the situation including complete divestment of the asset is continuing but in the context of the current production levels is proving to be a significant challenge.

2. Dividend

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, 2019.

3. Reserves

No amount was transferred to Reserves for the Financial Year ended March 31, 2019.

4. Finance

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

The standalone residual CDR Principal debt of ₹ 4,598.70 crores (including an amount of ₹ 896.67 crores pertaining to recalled facility of the SPV's) 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, 2019 the Company had an outstanding principal balance of NCD's amounting to ₹ 288,60,49,438. Also the FITL outstanding on the NCD's was ₹ 45,36,063 which makes the total principal outstanding to ₹ 289,05,85,501. 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 2018-19.

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 2011 - 12 which remained unclaimed and unpaid for a period exceeding seven years from its due date aggregating to ₹ 1,60,720/- (Rupees One Lakh Sixty Thousand Seven Hundred and Twenty only) to the Investor Education and Protection Fund (IEPF) on or before 28th November, 2019. 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 only) 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	28th November, 2019

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

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, 2019 and its loss for the year ended on that date;

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

iv) The Directors have prepared the Annual Accounts for the year ended March 31, 2019 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

The Company had 24 subsidiaries including step-down subsidiaries, 4 Associates and 4 Joint venture companies as on 31st March, 2019.

Gammon Engineers and Contractors Private Limited ("GECPL") and Transrail Lighting Limited (TLL) ceased to be the associates of the Company pursuant to the invocation of pledge by the lenders of the Company in each of the two companies.

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, 2019 along with comparable as on March 31, 2018 on a Standalone and Consolidated basis, which form part of this Annual Report.

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

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

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

15. Directors/Key Managerial Personnel

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

1. 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.
2. 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.

   He was also appointed as a Chief Financial Officer of the Company w.e.f. 30th April, 2019 and thereafter appointed as an Executive Director on 17th August, 2019 subject to the shareholders approval. The Board recommends his appointment for shareholders approval in the 97th Annual General Meeting.
3. Mr. Sugato Ghosh had 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. However, he resigned from the Company as a Nominee Director w.e.f. 4th June, 2019.
4. 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.

5. Mr. Soumendra Nath Sanyal an Independent Director has been appointed as an Additional Director effective from 1st April 2019.
6. Mr. Ulhas Dharmadhikari an Independent Director has been appointed as an Additional Director effective from 17th April, 2019.
7. Mr. Abhijit Rajan – Chairman held office only until the date of the 96th AGM which was held on 7th June, 2019. He did not seek further re-appointment.

   The Board however appointed Mr. Abhijit Rajan as the 'President' of the Company w.e.f. 8th June, 2019.
8. Mr. Ajit B. Desai's term as a Chief Executive Officer expired on 16th December, 2018. He was re-appointed as a CEO of the Company for a further term of 2 years w.e.f. 17th December, 2018.
9. Ms. Niki Shingade has been appointed as the Company Secretary of the Company w.e.f. 30th April, 2019.

   As on the date of this Report, all the directors except for Mr. Anurag Choudhry suffer disqualification under the of Section 164(2) of the Companies Act, 2013.

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 97th Annual General Meeting.

(B) Cost Auditor

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

In accordance with the provisions of Section 148 of the Companies Act, 2013 the Board in its meeting held on 30th September, 2019 has appointed Mr. R. Srinivasarghavan as the Cost Auditor of the Company for the financial year 2019 - 20 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 2019-20 is sought to be ratified by the members at the ensuing 97th 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, 2019 pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time. The Secretarial Auditor's Report is annexed to this report as ***"Annexure B".***

The auditors have qualified the report with the following observations:

1. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The listed entity shall submit quarterly and yearly standalone financial results to the stock exchange within forty five days of end of each quarter, (other than last quarter) along with Limited Review Report or Audit Report as applicable. The Company has not submitted the financial statement for quarter ended March, 2019 and year ended March, 2019. However, the Management has informed us that they are in the process of uploading the same.

   Board's explanation: Post the demerger of the two operating businesses and the transfer of employees engaged therein to the demerged entities, as well as the financial condition, the Company is functioning with skeletal staff which has delayed the preparation and audit of financial results for the Quarter and Financial Year ended 31st March, 2019. The said financial results were subsequently approved by the Board in its meeting held on 7th November 2019 and submitted to the stock exchanges.
2. As per the provisions of Section 96(1) of the Companies Act, 2013, the Company was required to conduct its 96th Annual General Meeting (AGM) on or before 30th September, 2018. The Company had applied for extension of AGM with the Registrar of Companies (ROC) to conduct their AGM on or before 30th December, 2018. However, the Company was unable to conduct its AGM by 30th December, 2018 because their Financial Statements were not ready. The Company conducted its AGM on 7th June, 2019.

   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. However, the Company held its 96th Annual General Meeting on 7th June, 2019. The Company has also filed a condonation application under section 441 of the Companies Act, 2013 with the Ministry of Corporate Affairs on 29th May, 2019.

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 2019. However, the Management has informed us that they have appointed a Whole Time Company Secretary and Chief Financial Officer on 30th April, 2019

   Board's explanation: As per the provisions of the Companies Act, the Company has already appointed Mr. Ajit B. Desai as the Chief Executive Officer of the Company. Further 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 - A.P. (DIR Series) Circular No. 133 dated June 20, 2012 which stipulates all Indian Companies who have received FDI and/ or have made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year, should file the annual return on Foreign Liabilities and Assets (FLA) in the soft form which can be duly filled-in, validated and sent by e-mail to the Reserve Bank by July 15 of every year. The Company has not filed annual return on Foreign Liabilities and Assets (FLA) within the stipulated time because the Financial Statements of the Company was not ready. However, the Management has informed that they are in the process of filing the same.

   Board's explanation: Due to delay in approving and publishing of financial results the Company filed its annual return on Foreign Liabilities and Assets (FLA) for the year ended 31st March 2018 after the prescribed time limits.

17. Corporate Governance Report and Management Discussion & Analysis

A Report on Corporate Governance and Management Discussion and Analysis for the year ended 31st March, 2019, 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 7th November, 2019 on the Standalone Financial Statements and in the Auditor's Report dated 7th November, 2019 on the Consolidated Financial Statements of the Company for the year ended 31st March, 2019. 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 the same was adopted by the Board and 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 were updated about the ongoing events and developments relating to the Company from time to time either through presentations at board or committee meetings. The Independent Directors also have access to any information relating to the Company, whenever they so request. In addition presentations are made to the Board and its committees where Independent Directors get an opportunity to interact with members of the senior management. The Independent Directors also have interaction with the Statutory Auditors, Internal Auditors, and External Advisors, if any, appointed by the Company at the meetings.

23. Meetings of the Board

During the Financial Year under review, the Board of Directors of your Company met 5 (Five) times, i.e. on 7th June, 2018, 20th August, 2018, 28th November, 2018, 7th February, 2019 and 19th February, 2019.

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 4 (Four) times, i.e. on 7th June, 2018, 20th August, 2018, 28th November, 2018 and 7th February, 2019.

Mr. Naval Choudhary, Mrs. Urvashi Saxena and Mr. Atul Kumar Shukla ceased to be Independent Directors of the Company w.e.f. 31st March, 2019 and also members of the Audit Committee. The Audit Committee was reconstituted with the following members viz., (1) Mr. Anurag Choudhry – Executive Director and CFO, Mr. Soumendra Nath Sanyal and Mr. Ulhas Dharmadhikari – Independent Directors. Mr. Soumendra Nath Sanyal is the Chairman of the Committee.

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, 2019 with the Related Parties were in the ordinary course of business and at arm’s length basis. All such Related Party Transactions, if required were placed before the Audit Committee and also the Board for its approval, wherever required. No omnibus approvals were taken during the period under review.

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

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

During the Financial Year, there were no Related Party Transactions of the Company with its Directors and Key Managerial Personnel or their relatives, its holding, subsidiary or associate companies as prescribed under Section 188 of the Companies Act, 2013 and the SEBI Listing Regulations and 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 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, 2019 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 suspension of trading of equity shares

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

Post the demerger of the two operating businesses in the financial year 2016-17 and 2017-18 most of the employees pertaining to the two business were transferred to the demerged entities and the Company continues with skeletal staff. Also the Company is facing challenging financial times and as a result its difficult to retain/hire employees. This has delayed the preparation and finalization of accounts commencing from the quarter ended June 2017. However, the Company has succeeded in publishing its financial results upto March 2019 and is endeavouring to complete the publication of pending results shortly

37. Reasons For Delay in AGM:

The Company filed application seeking extension of time from the Registrar of Companies, Mumbai for three months extension commencing from 1st October, 2019 to 30th December, 2019 for convening and holding the 97th Annual General Meeting of the Company. Since the Company is currently working with skeletal staff the preparation and audit of financial results for the financial year ended 31st March, 2019 was delayed. As a result the Company apprehended that it would not be able to meet the statutory requirements of circulating the annual reports for the 97th Annual General meeting on or before the prescribed time. Hence the Company filed an application with the Registrar of Companies, Mumbai on 11th September, 2019 for extension of time to convene the 97th Annual General Meeting of the Company. The Registrar of Companies, Mumbai approved extension of time to convene the said 97th Annual General Meeting for a period of 2 months and 15 days.

38. Acknowledgement

The Board thanks all its valued customers and various Central and State Governments as well as other Stakeholders connected with the business of the Company including Contractors and Consultants and also Banks, Financial Institutions, 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

	Anurag Choudhry	**Soumendra Nath Sanyal**
Place: Mumbai	**Director**	**Director**
Date: 7th November, 2019	**DIN: 00955456**	**DIN: 06485683**

Annexure "A"

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

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

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 18 - Mar 19	INR	0.05	(0.03)	2.53	2.51	-	-	(0.00)	-	(0.00)	-	51.00%
2	Deepmala Infrastructure Private Limited	Apr 18 - Mar 19	INR	0.01	(63.33)	1,072.54	1,135.86	-	47.82	(31.48)	-	(31.48)	-	51.00%
3	Gactel Turnkey Projects Limited	Apr 18 - Mar 19	INR	5.05	(245.77)	92.22	332.95	0.01	13.67	(53.60)	(0.15)	(53.44)	-	100.00%
4	Gammon & Billimoria Limited	Apr 18 - Mar 19	INR	0.10	(3.13)	104.15	107.81	0.63	-	(0.06)	-	(0.06)	-	50.94%
5	Gammon Power Limited	Apr 18 - Mar 19	INR	22.55	(64.91)	2.46	56.84	12.03	-	(57.53)	-	(57.53)	-	90.00%
6	Gammon Realty Limited	Apr 18 - Mar 19	INR	20.05	(57.20)	114.02	151.17	0.00	-	32.00	8.00	24.00	-	75.06%
7	Gammon Retail Infrastructure Private Limited	Apr 18 - Mar 19	INR	0.05	0.01	0.17	0.14	0.03	-	0.03	0.01	0.02	-	99.00%
8	Metropolitan Infrfahousing Private Limited	Apr 18 - Mar 19	INR	0.01	(412.68)	172.77	585.44	-	-	(488.59)	-	(488.59)	-	84.16%
9	Gammon Transmission Limited	Apr 18 - Mar 19	INR	0.05	0.38	0.65	0.22	-	-	(0.05)	-	(0.05)	-	100.00%
10	Gammon Real Estate Developers Private Limited	Apr 18 - Mar 19	INR	0.01	(0.04)	0.00	0.03	-	-	(0.01)	-	(0.01)	-	100.00%
11	Patna Water Supply Distribution Networks Private. Limited	Apr 18 - Mar 19	INR	0.01	(35.73)	33.15	68.87	-	-	(0.02)	(0.00)	(0.02)	-	73.99%
12	Ansaldocaldaie boilers India Private Limited	Apr 18 - Mar 19	INR	50.00	(89.39)	47.11	86.50	-	3.08	(21.79)	0.12	(21.91)	-	73.40%
13	Gammon Italy Srl	Jan 15 - Dec 15	EURO/ 72.501	0.07	(0.20)	0.03	0.17	-	-	-	-	-	-	100.00%
14	SAE Powerlines Srl	Jan 16 - Dec 16	EURO/ 71.6175	92.72	(89.54)	213.22	210.04	-	-	-	-	-	-	100.00%
15	P.Van Eerd Beheersmaatsc-happaji B.V.,Netherlands	Apr 18 - Mar 19	EURO/ 77.7024	0.12	(141.24)	-	141.12	-	-	(21.10)	-	(21.10)	-	100.00%
16	ATSL Holdings BV, Netherlands	Apr 18 - Mar 19	EURO/ 77.7024	0.14	(200.61)	63.29	263.76	-	-	(25.61)	-	(25.61)	-	100.00%
17	Associated Transrail Structures Limited., Nigeria	Apr 16 - Mar 17	Naira/ 0.2059	0.21	(2.12)	0.00	1.91	-	-	-	-	-	-	100.00%
18	Gammon Holdings B.V., Netherlands	Apr 18 - Mar 19	EURO/ 77.7024	0.14	(956.17)	0.29	956.32	-	-	(522.50)	-	(522.50)	-	100.00%
19	Gammon International B.V., Netherlands	Apr 18 - Mar 19	EURO/ 77.7024	0.14	(380.49)	16.32	863.35	466.68	-	(81.70)	-	(81.70)	-	100.00%
20	Gammon International FZE	Apr 18 - Mar 19	AED/ 18.9045	0.28	(47.85)	71.03	118.60	-	-	6.14	-	6.14	-	100.00%
21	Gammon Holdings (Mauritius) Limited	Apr 18 - Mar 19	USD/ 69.1713	0.10	163.47	0.01	339.01	502.56	-	(24.05)	-	(27.78)	-	100.00%
22	Franco Tosi Meccanica S.p.A		INR	-	-	-	-	-	-	-	-	-	-	-
23	Franco Tosi Turbines Private Limited. ('FTT')		INR	-	-	-	-	-	-	-	-	-	-	-
24	Sofinter S.p.A. *		EURO	-	-	-	-	-	-	-	-	-	-	-

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

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

Sr. No.	Particulars	Details			
1	Name of associates/Joint Ventures	Gammon Infrastructure Projects Ltd (GIPL)	Fin est Spa^	Campo Puma Oriente S.A.*	GBLLC**
2	Latest audited Balance Sheet Date	31st Mar 2019	31st Dec 2013	31st Dec 2018	31st Mar 2019
3	Shares of Associate/Joint Ventures held by the company on the year end:				
	No. of Shares	19,39,99,800	7,80,000	-	490
	Amount of Investment in Associates/Joint Venture	38.80	19.52	-	0.63
	Extend of Holding%	20.60%	50.00%	66.39%	24.00%
4	Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence & Control	Significant Influence & Control
5	Reason why the associate/joint venture is not consolidated	Consolidated	Not Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	314.22	17.41	(173.91)	(75.05)
7	Profit/(Loss) for the year				
	Considered in Consolidation	(209.94)	-	(39.78)	4.06
	Not Considered in Consolidation	-	-	-	-

Sr. No.	Particulars	Details			
1	Name of associates/Joint Ventures	Gammon – Ojsc Mosmetrostroy – JV('GOM')**	Ansaldocaldaie-GB Engineering Private Limited. ('ACGB')	Gammon SEW('GSEW')	GIPL - GIL JV
2	Latest audited Balance Sheet Date	31st Mar 2019	31st Mar 2019	31st Mar 2019	31st Mar 2019
3	Shares of Associate/Joint Ventures held by the company on the year end:				
	No. of Shares	-	2,00,00,000	-	-
	Amount of Investment in Associates/Joint Venture	-	20.00	-	-
	Extend of Holding%	51.00%	50.00%	90.00%	100.00%
4	Description of how there is significant influence	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	(52.22)	21.81	(0.14)	(0.19)
7	Profit/(Loss) for the year				
	Considered in Consolidation	(0.23)	0.12	1.35	0.00
	Not Considered in Consolidation	-	-	-	-

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

** Based on the un-audited management accounts for the period ended March 31, 2019.

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

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

Anurag Choudhry
Executive Director and CFO
DIN No. 00955456

Soumendra Nath Sanyal
Independent Director
DIN No. 06485683

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Niki Shingade
Company Secretary
M.No.ACS 19594

Annexure "B"

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31st MARCH, 2019

[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, 2019, 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, 2019 according to the provisions of:

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

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

   (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**;**

   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

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

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

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS - 1 and 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 March, 2019 and year ended March, 2019. 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 96th Annual General Meeting (AGM) on or before 30th September, 2018. The Company had applied for extension of AGM with the*

Registrar of Companies (ROC) to conduct their AGM on or before 30th December, 2018. However, the Company was unable to conduct its AGM by 30th December, 2018 because their Financial Statements were not ready. The Company conducted its AGM on 7th June, 2019.

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 2019. However, the Management has informed us that they have appointed a Whole Time Company Secretary and Chief Financial Officer on 30th April, 2019;

4. *As per FEMA Circular of RBI - A.P. (DIR Series) Circular No. 133 dated June 20, 2012 which stipulates all Indian Companies who have received FDI and/ or have made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year, should file the annual return on Foreign Liabilities and Assets (FLA) in the soft form which can be duly filled-in, validated and sent by e-mail to the Reserve Bank by July 15 of every year. The Company has not filed annual return on Foreign Liabilities and Assets (FLA) within the stipulated time because the Financial Statements of the Company was not ready. 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
UDIN: A010540A000206934

Place: Mumbai
Date: 05/11/2019

Annexure "C"

BOARDS' EXPLANATION ON AUDITORS QUALIFICATION ON FINANCIAL STATEMENTS

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

Relevant Para Nos. of The Auditors Report on the Standalone Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause a of Basis of Qualified Opinion	We invite attention to Note No 7, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is ₹ 894.41 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, 2019.	The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.
Clause b of Basis of Qualified Opinion	We invite attention to Note No 4(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 366.34 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 ₹ 366.34 Crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
Clause c of Basis of Qualified Opinion	We invite attention to Note No 31(viii) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has during the previous year on prudent basis made a provision of ₹ 100 crores against the exposure of ₹ 324.74 crores. The Subsidiary's audited financials are not available for our review and also the management has not carried out any exercise of determining the realisable value. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposure of ₹ 224.74 crores	Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management is confident that there will be no further provision required towards impairment.
Clause d of Basis of Qualified Opinion	We invite attention to Note No 28 relating to penal interest of ₹ 107.28 crores during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and is in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest.	The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.

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

Relevant Para Nos. of The Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
Clause a of Basis of Qualified Opinion	We invite attention to note no 10, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is ₹ 894.41 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, 2019.	The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.
Clause b of Basis of Qualified Opinion	We invite attention to note no 6(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 256.25 crores in respect of disputes in four projects of the Company. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.	There are disputes in four projects of the Company. The total exposure against these projects is ₹ 256.25 crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
Clause c of Basis of Qualified Opinion	We invite attention to note no 11(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 ₹ 324.74 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 ₹ 785.04 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.
Clause d of Basis of Qualified Opinion	We draw attention to note no 31 relating to penal interest of ₹107.28 crores during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest.	The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges
Clause e of Basis of Qualified Opinion	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 financial statements reflects total assets of ₹ 288.47 crores and total revenues of ₹ 16.36 crores. the groups share in the net loss being ₹ 56.38 Crores. The JV is accounted on equity method. There, are no audited financial statements after 31st December 2012.	The audit could not be completed due to various reasons for the above entities. Based on the discussions with the respective managements, we do not foresee any material impacts arising out of audit in the aforesaid financials statements.

Relevant Para Nos. of The Auditors Report on the Consolidated Financials	Details of Audit Qualifications	Boards Explanation/ Remarks
	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 31st December 2017 & 31st December 2018 has been not received. iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 1,072.54 crores and total revenues of ₹ 47.82 crores. iv. M/s Gammon & Billimoria Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 104.79 crores and total revenues of ₹ Nil. v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 154.03 Crores, Revenue of ₹ NIL Crores for the year ended March 31, 2019, the groups share in the net loss is ₹ 0.12 Crores. The JV is accounted on equity method. vi. M/s G&B Contracting LLC a, associate of the group whose financial statements reflect Total Assets of ₹ 134.67 Crores, Revenue of ₹ 201.62 Crores for the year ended March 31, 2019, the groups share in the net loss is ₹ 0.63 Crores. Associate 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.	
Clause f of Basis of Qualified Opinion	The auditors of two subsidiaries of the Company have qualified their auditors' report as follows: i. Ansaldo Caldaie Boilers India Limited: ACBI had received amounts as share application money of Rs 16.64 Crores for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive 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. ii. In the case of Patna Water Supply Pvt. Ltd: The client has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of Rs 65.85 Cr. 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 advise received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their banker's 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.	ACBI has made an application to RBI for write back of the share application money received from Ansaldo Caldaie Italy. In respect of Patna Water Supply Pvt. Ltd.(PWS)- The Company has raised final bill of encashment of Bank Guarantee aggregating to Rs 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.

Annexure "D"

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE:

The Selection and Remuneration Committee ("Committee") of Gammon India Limited ("the Company") was constituted by the Company's Board of Directors on 6th May 2009. The Committee comprised of three (3) Independent Directors viz. (1) Mr. Naval Choudhary (Chairman), (2) Mr. Atul Kumar Shukla & (3) Mrs. Urvashi Saxena. However the committee was re-constituted post Mr. Naval Choudhary, Mr. Atul Shukla and Mrs. Urvashi Saxena, Non-Executive Independent Directors of the Company ceased to be Directors of the Company pursuant to expiry of their term w.e.f. 31st March, 2019 (the details of which is covered in Board Report). In order to align the duties and responsibilities of the Committee with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors (the "Board") at its meeting held on 3rd April 2014 renamed the "Selection and Remuneration Committee" as "Nomination and Remuneration Committee" (the "Committee"). The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and in line with the provisions of Clause 49 of the Listing Agreement.

2. DEFINITIONS:

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

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

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

(d) **Key Managerial Personnel** means:

- **(i)** Chief Executive Officer or the Managing Director or the Manager;
- **(ii)** Company Secretary,
- **(iii)** Whole-time Director;
- **(iv)** Chief Financial Officer; and
- **(v)** such other officer as may be prescribed by the Companies Act, 2013 or the rules made thereunder.

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

3. CHARTER :

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

(b) To lay down criteria for such appointments;

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

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

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

4. DUTIES & RESPONSIBILITIES OF THE COMMITTEE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Other duties & responsibilities:

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

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

5. COMPOSITION:

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

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

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

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

6. CHAIRMAN:

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

7. COMMITTEE MEETINGS:

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

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

8. COMMITTEE MEMBERS' CONFLICT OF INTEREST:

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

9. DUTIES OF THE COMPANY SECRETARY :

The Company Secretary shall:

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

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

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

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

Annexure "E"

CORPORATE 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.

   Currently the Committee comprises of three directors viz., Mr. Anurag Choudhry, Executive Director and CFO as the Chairman of the Committee, Mr. Soumendra Nath Sanyal, Mr. Ulhas Dharmadhikari, Independent Directors as the members of the Committee. However, the Board has power to re-constitute the Committee as and when required from time to time.

2. **OBJECTIVE**

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

3. **CSR VISION**

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

4. **SCOPE**

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

5. **DEFINITIONS:**

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

6. **ROLE OF THE CSR COMMITTEE**

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

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

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

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

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

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

7. **ROLE OF THE BOARD**

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

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

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

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

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

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

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

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

8. CSR ACTIVITIES FOR IMPLEMENTATION:

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

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

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

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

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

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

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

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

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

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

(j) rural development projects;

(k) slum area development

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

9. CSR MONITORING AND REPORTING FRAMEWORK

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

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

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

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

10. CSR EXPENDITURE

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

11. DISCLOSURE OF THE POLICY

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

12. CSR REPORTING

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

13. FREQUENCY OF MEETINGS

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

14. QUORUM

The quorum of the meetings shall be two members.

15. CHAIRMAN

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

16. **SECRETARY**

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

17. MINUTES OF THE COMMITTEE MEETING

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

18. MISCELLEANOUS

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

Annexure “F”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

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

   The Company’s CSR policy is framed in such a manner so as to provide a contribution for the betterment of the society where it operates, identifying and implementing the programmes mentioned in Schedule VII of the Companies Act, 2013. The Policy also defines a monitoring mechanism and delegates powers to the CSR Committee and the Board of Directors for effective implementation of the CSR activities. However, during the Financial Year ended 31st March, 2019, 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. Jaysingh Ashar - Executive Director (Chairman), Mr. Soumendra Nath Sanyal and Mr. Ulhas Dharmadhikari, Independent Directors as members.

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

Year	Profit/(loss) (₹ In Crores)
1st April, 2018 to 31st March, 2019	(1,755.05)
1st April, 2017 to 31st March, 2018	(1,958.80)
1st April, 2016 to 31st March, 2017	(1,659.92)
Total Net Profit	-
Average Net Profit	-

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, 2018 to 31st March, 2019.

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 Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014

1) Ratio of remuneration of each director to median remuneration of employees for the financial Year ended 31st March, 2019

Sr. No.	Name of the Director	Designation	Ratio of Directors remuneration to Median remuneration
1.	Mr. Abhijit Rajan	Chairman	Nil
2.	Mr. Jaysingh Ashar	Executive Director	1 : 9.329941
3.	Mr. Anurag Choudhry	Executive Director	1 : 10.79914
4.	Mr. Naval Choudhary	Non-Executive Independent Director	1 : 0.287998
5.	Mrs. Urvashi Saxena	Non-Executive Independent Director	1 : 0.287998
6.	Mr. Atul Kumar Shukla	Non-Executive Independent Director	1 : 0.215998

*Mr. Anurag Choudhry was appointed as an Executive Director w.e.f. 20th August, 2018 and resigned as such w.e.f. 18th February, 2019

** Mr. Jaysingh Ashar was appointed as an Executive Director w.e.f 19th February, 2019

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, 2019

3) Percentage increase in median remuneration of employees:

Emp Group	Median Remuneration (in lakhs)	Increase in median remuneration %
HO Roll Employees		**9.73%**
- 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 50 employees as on 31st March 2019, 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:

Emp Group	Average % increase in salaries for Fiscal 2019
HO Roll Employees	11.71%
LMR	7.00%

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 ₹ 1,20,00,000 per annum and not less than ₹ 80,50,000 per month, if employed for a part of the financial year, is available for inspection at the Registered office of the Company and shareholders interested in obtaining copy of the same may write to the Company Secretary.

Annexure “H”

PARTICULARS OF CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

With the philosophy ‘Make In India – Make for India’, Gammon is committed to latest technology absorption which will lead to the conservation of energy and also protect the environment.

With limited projects in hand, those are easy to implement and monitor the initiatives which can lead to minimization of system losses, use of efficient construction equipment for an extended period for maximum output, ensuring right quality of fuel and periodic O&M for better fuel efficiency are the routine initiatives towards conservation of energy.

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

Foreign Exchange Earnings & Outgo:

Total Foreign Exchange used & earned during the year :

Particulars	Current Period	Previous Period
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	₹ 28,85,064	₹ 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, 2019. The information given in this Report is as on 31st March, 2019, the changes in the Company's Management as on date is provided in the Board's Report.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS ('Board')

(a) Composition:

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

As on 31st March, 2019, the Board of Directors comprised of 6 (six) Directors which include 1 (one) Non-Executive Chairman, 1 (one) Executive Director, 1 (one) Nominee 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, 2019, the following changes have taken place in the Board composition:

- Mr. Abhijit Rajan vacated office as a Managing Director of the Company effective from 7th June, 2018. Mr. Rajan however continues to be on the Company's Board as a Non-Executive and Non-Independent Director designated by the Board as Non-Executive Chairman effective from 7th June, 2018.
- Mr. Chayan Bhattacharjee was appointed as Non- Executive Director of the Company w.e.f. 6th February, 2018. He resigned from the Board w.e.f. 3rd August, 2018.
- Mr. Anurag Choudhry was appointed as a Whole-Time Director designated as Executive Director – Finance w.e.f. 20th August, 2018. He resigned as a Whole-Time Director designated as Executive Director – Finance of the Company w.e.f. 18th February, 2019.
- Mr. Jaysingh L. Ashar was appointed as a Whole - Time Director designated as Executive Director of the Company w.e.f. 19th February, 2019. He resigned from his post w.e.f. 17th August, 2019.
- Mr. Sugato Ghosh was appointed as a 'Nominee Director', duly nominated by Axis Trustee Services Limited, the Debenture Trustee w.e.f. 7th February, 2019. He resigned from the Company's Board w.e.f. 4th June, 2019.
- Mr. Ajit B. Desai ceased to be the Chief Executive Officer of the Company w.e.f. 16th December, 2018 by virtue of expiry of his term. However he was re-appointed as a Chief Executive Officer of the Company w.e.f. 17th December, 2018 for a term of 2(two) years.

(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 5 (five) Board Meetings on 7th June, 2018, 20th August, 2018, 28th November, 2018, 7th February, 2019 and 19th February, 2019.

(d) Directors' Attendance Record and Directorships held

The names and categories of the Directors on the Board, their attendance at Board Meetings during the Financial Year and at the last Annual General Meeting (the Annual General Meeting for the Financial Year ended 31st March, 2018 was delayed & held on 7th June, 2019), 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 (01/04/2018 – 31/03/2019		Attendance at the last Annual General Meeting held on 7th June, 2019	Directorships in other Companies in India (as on 31st March, 2019) (other than in Gammon India Limited)	Committee Positions held (other than in Gammon India Limited)	
		Held	Attended			Chairman	Member
Mr. Abhijit Rajan*	Chairman	5	5	Present	0	0	0
Mr. Chayan Bhattacharjee**	Non-Executive Non-Independent Director	5	1	Not Applicable	1	0	0
Mr. Anurag Choudhry*** ##	Whole-Time Director designated as Executive Director – Finance & Chief Financial Officer	5	2	Present As Chief Financial Officer	0	0	0
Mr. Jaysingh L. Ashar****	Whole-Time Director designated as Executive Director	5	-	Present	0	0	0
Mr. Sugato Ghosh*****	Nominee Director, duly nominated by Axis Trustee Services Limited	5	-	Absent	0	0	0
Mr. Atul Shukla #	Non-Executive & Independent Director	5	4	Not Applicable	0	0	0
Mr. Naval Choudhary #	Non-Executive & Independent Director	5	5	Not Applicable	0	0	0
Ms. Urvashi Saxena #	Non-Executive & Independent Director	5	5	Not Applicable	1	0	2
Mr. Ajit B. Desai	Chief Executive Officer	5	5	Present	0	0	0
Mrs. Niki Shingade ##	Company Secretary	5	-	Present	0	0	0

* Mr. Abhijit Rajan vacated office as a Managing Director of the Company effective from 7th June, 2018. Mr. Rajan however continues to be on the Company's Board as a Non-Executive and Non-Independent Director designated by the Board as Non-Executive Chairman effective from 7th June, 2018. He further vacated office as a Director w.e.f. 7th June, 2019 and was subsequently designated as President of the Company.

** Mr. Chayan Bhattacharjee was appointed as Non Executive Non Independent Director of the Company w.e.f. 6th February, 2018. He resigned from the Board w.e.f. 3rd August, 2018.

*** Mr. Anurag Choudhry was appointed as a Whole-Time Director designated as Executive Director – Finance w.e.f. 20th August, 2018. He resigned from the Board w.e.f. 18th February, 2019.

**** Mr. Jaysingh L. Ashar was appointed as a Whole - Time Director designated as Executive Director of the Company w.e.f. 19th February, 2019. He resigned from Board w.e.f. 17th August, 2019.

***** Mr. Sugato Ghosh was appointed as a 'Nominee Director', duly nominated by Axis Trustee Services Limited, the Debenture Trustee w.e.f. 7th February, 2019. He resigned from the Company's Board w.e.f. 4th June, 2019.

Mr. Naval Choudhary, Mr. Atul Shukla and Mrs. Urvashi Saxena, Non-Executive Independent Directors of the Company ceased to be Directors of the Company pursuant to expiry of their term w.e.f. 31st March, 2019.

Mr. Anurag Choudhry and Mrs. Niki Shingade were appointed as the Chief Financial Officer and Company Secretary respectively of the Company w.e.f. 30th April, 2019.

(e) Information to the Board

The Board Meetings are held at the Registered Office of the Company or within the city limits. Agenda of the business to be transacted at each meeting is given to the Board in advance together with relevant information and explanations. The Board deliberates on every matter placed before it before arriving at a decision/approving such matters. The Company

Secretary and Compliance Officer conveys the decisions of the Board to the Senior Management to initiate action. The information as required under Part A to Schedule II of the SEBI Listing Regulations is being made available to the Board. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year.

(f) Familiarization Program for the Independent Directors

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

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

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

3. BOARD COMMITTEES

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

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

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

(A) Mandatory Committees

(i) Audit Committee

Composition

The Audit Committee as on 31st March, 2019 comprised of 3 (three) Non-Executive Independent Directors viz. (1) Mr. Naval Choudhary (Chairman), (2) Mrs. Urvashi Saxena, and (3) Mr. Atul Kumar Shukla.

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;

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, 2019, the Audit Committee held 4 (four) meetings on 7th June, 2018, 20th August, 2018, 28th November, 2018 and 7th February, 2019. 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. Naval Choudhary* - Chairman	4
Mrs. Urvashi Saxena* - Member	4
Mr. Atul Kumar Shukla* - Member	4

* Mr. Naval Choudhary, Mr. Atul Shukla and Mrs. Urvashi Saxena, Non-Executive Independent Directors of the Company ceased to be Directors of the Company by virtue of expiry of their term from the Board w.e.f. 31st March, 2019.

The Audit Committee meetings are held at the Registered Office of the Company or within the city limits 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 but not limited to 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, 2019 the Committee held 12 (twelve) meetings on 25th April, 2018, 7th July, 2018, 21st July, 2018, 15th September, 2018, 15th October, 2018, 22nd November, 2018, 7th December, 2018, 1st January, 2019, 22nd January, 2019, 1st February, 2019, 15th March, 2019 and 22nd March, 2019. Necessary quorum was present at all the meetings.

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

Name of the Member	No. of Committee Meetings attended
Mr. Naval Choudhary* - Chairman	12
Mr. Atul Kumar Shukla* - Member	12

* Mr. Naval Choudhary and Mr. Atul Shukla, Non-Executive Independent Directors of the Company ceased to be Directors of the Company by virtue of expiry of their term from the Board w.e.f. 31st March, 2019.

Details of Investor Complaints

No queries/complaints were received by the Company from Investors as detailed below. As on 31st March, 2019, there were no pending letters / complaints. The status of Investors complaints received up to 31st March 2019 is as stated below:

No. of Complaints received during the financial year ended 31st March, 2019	Nil
No. of Complaints resolved as on 31st March, 2019	Nil
No of Complaints pending as on 31st March, 2019	Nil
No. of pending share transfers as on 31st March, 2019	Nil

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

Ms. Niki Shingade

Company Secretary

Gammon India Limited

Floor 3rd, Plot No - 3/8, Hamilton House, J.N. Heredia Marg,

Ballard Estate, Mumbai 400038, Maharashtra, India.

(iii) Nomination & Remuneration Committee

Composition

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:

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

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

(c) To devise a policy on Board diversity.

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

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

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

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

Nomination and Remuneration Committee Meetings

During the Financial Year ended 31st March, 2019, the Committee held 6 (six) meetings on 7th June, 2018, 20th August, 2018, 28th November, 2018, 12th December, 2018 19th February, 2019 and 28th March, 2019.

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. Naval Choudhary* – Chairman	6
Mr. Atul Kumar Shukla* – Member	6
Mrs. Urvashi Saxena* – Member	6

* Mr. Naval Choudhary, Mr. Atul Shukla and Mrs. Urvashi Saxena, Non-Executive Independent Directors of the Company ceased to be Directors of the Company by virtue of expiry of their term w.e.f. 31st March, 2019.

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, 2019

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 (Mr. Abhijit Rajan vacated office as a Managing Director of the Company effective from 7th June, 2018) 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 and/or the Central Government of the Company wherever necessary.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the Financial Year ended 31st March, 2019 is as follows:

(Amount in ₹)

Name of Director	Mr. Abhijit Rajan $	Mr. Anurag Choudhry $$ Salary w.e.f. 20th August, 2018 to 18th February, 2019.	Mr. Jaysingh L. Ashar $$$ Salary w.e.f. 19th February, 2019 to 31st March, 2019
Salary	Nil	27,15,509	2,53,605
Perquisites *	Nil	--	--
Commission	Nil	--	--
Performance Linked incentives	Nil	--	--
Total	Nil	27,15,509	2,53,605
Tenure:			
From	-	20/08/2018	19/02/2019
To	-	18/02/2019	31/03/2019
Shares of ₹ 2/- each held as on 31st March, 2019	81,72,459	--	--

$ Mr. Abhijit Rajan vacated office as a Managing Director of the Company effective from 7th June, 2018. Mr. Rajan however continues to be on the Company's Board as a Non-Executive and Non-Independent Director designated by the Board as Non-Executive Chairman effective from 7th June, 2018.

$$ Mr. Anurag Choudhry was appointed as a Whole-Time Director designated as Executive Director – Finance w.e.f. 20th August, 2018. He resigned as a Whole-Time Director designated as Executive Director – Finance of the Company w.e.f. 18th February, 2019.

$$$ Mr. Jaysingh L. Ashar was appointed as a Whole - Time Director designated as Executive Director of the Company w.e.f. 19th February, 2019. He resigned from his post w.e.f. 17th August, 2019.

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

Service Contract, Severance Fees & Notice Period

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

Sitting Fees to Non-Executive Independent Directors

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

Details of sitting fees paid for attending Board and Committee Meetings during the Financial Year ended 31st March, 2019 are given below:

(Amount in Rs)

Name of Director	Board Meeting	Committee Meeting*	Total
Mr. Naval Choudhary	54,000	90,000	1,44,000
Mrs. Urvashi Saxena	54,000	90,000	1,44,000
Mr. Atul Kumar Shukla	36,000	72,000	1,08,000

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

Details of Shareholding of Non-Executive Directors as on 31st March, 2019 in the Company is as under :

Name of Director	No of shares held	Percentage
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 - 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.

* Mr. Naval Choudhary, Mr. Atul Shukla and Mrs. Urvashi Saxena, Non-Executive Independent Directors of the Company ceased to be Directors of the Company by virtue of expiry of their term w.e.f. 31st March, 2019.

Terms of reference

The role of the Corporate Social Responsibility Committee is to:

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

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

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

4. COMPANY POLICIES

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

i. Policy on Related Party Transactions

ii. Policy on Material Subsidiaries

iii. Whistle Blower Policy

iv. Nomination & Remuneration Policy

v. Preservation of Documents & Archival Policy

vi. Policy on Determination of Materiality of Events or Information

vii. Corporate Social Responsibility Policy

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, 2018, financial year ended 31st March, 2017 and 18 months period ended 31st March, 2016 were held, as detailed below:

AGM	Financial year/Period	Date & Time	Venue
96th	31st March, 2018	7th June, 2019 at 3:00 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025
95th	31st March, 2017	21st March, 2018 at 3.30 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025
94th	18 months period ended 31st March, 2016	21st September, 2016 at 3.00 p.m.	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025

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

7th June, 2019	i. Special Resolution for Appointment of Mr. Jaysingh L. Ashar (DIN:07015068) as a Whole-Time Director of the Company for a period of 3(three) years w.e.f. 19th February, 2019 and to approve the remuneration of Mr. Ashar for the period. ii. Special Resolution pursuant to Section 196 and 197 read with Schedule V of the Companies Act, 2013 for ratification of payment of remuneration to Mr. Anurag Choudhry (DIN: 07015068) erstwhile Executive Director of the Company.
21st March, 2018	NIL
21st September, 2016	Special Resolution under Section 20 of the Companies Act, 2013 authorising Company to charge for service of documents to members of the Company.

iii. No resolutions were passed via Postal Ballot during the Financial Year 1st April, 2018 – 31st March, 2019.

6. OTHER DISCLOSURES

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

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

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

Amount in ₹

Financial Year	NSE	BSE
During the Financial Year ended 31st March, 2017	8,25,196	8,29,980
During the Financial Year ended 31st March, 2018	32,99,820	39,39,659
During the Financial Year ended 31st March, 2019	15,35,826	-

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

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

iv. The Chief Executive Officer has certified to the Board in accordance with Regulation 17(8) of the SEBI Listing Regulations pertaining to CEO / CFO Certification for the period ended 31st March, 2019.

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

vi. The Company is striving to adopt the discretionary requirements set out in Part E of Schedule II of the SEBI Listing Regulations to enhance Corporate Governance.

7. MEANS OF COMMUNICATION

a) Financial Results: The Financial Results are published in two newspapers viz. Free Press Journal and Navshakti and also uploaded on the Company's website viz. www.gammonindia.com. The Company publishes the Quarterly and Annual Financial Results as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same are submitted to the Stock Exchanges and uploaded on the Company's Website.

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

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

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

8. MANDATORY REQUIREMENTS

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

9. NON-MANDATORY REQUIREMENTS

Subsidiary Monitoring Framework

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

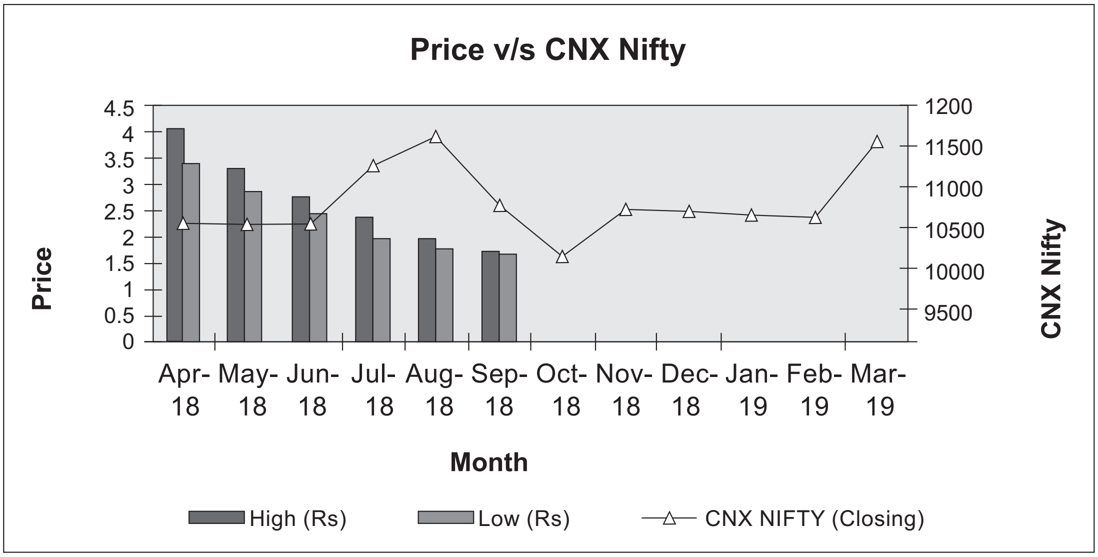
10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the 97th Annual General Meeting	14th December, 2019 at 3:00 p.m. at "Rachana Sansad College" 278, Shankar Ghanekar Rd, Prabhadevi, Mumbai - 400 025.
Financial Calendar for the year Starting from 1st April, 2019 - 31st March, 2020 (Tentative)	Results for the quarter ending 30th June, 2019 - Second week of August, 2019. • Results for the half year ending 30th September, 2019 - Second week of November, 2019. • Results for the quarter ending 31st December, 2019 - Second week of February, 2020. • Results for the year ending 31st March, 2020 - Second week or last week of May, 2020.
Date of Book Closure	7th December, 2019 to 14th December, 2019
Listing on Stock Exchanges: Equity Shares	BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai-400 001. Telephone: 022 - 2272 1233 / 34 Facsimile: 022 - 2272 1919 (Security code - 509550) The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051. Telephone: 022- 2659 8100 / 8114 Facsimile: 022 – 2659 8137 / 8138 (Security code – GAMMONIND)
Listing Fees	Paid to the above Stock Exchanges for Financial Year 2017-18. For the Financial Year 2018-19, the Company has paid Listing Fees to the National Stock Exchange of India only.
International Securities Identification No. (ISIN)	Equity: INE259B01020
Registrar & Share Transfer Agent	M/s. Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Telephone: 022-4918 6270 Facsimile: 022-4918 6060 e-mail : rnt.helpdesk@linkintime.co.in
Share Transfer System	Trading in Company's shares on the Stock Exchanges takes place in electronic form. However physical shares are normally transferred and returned within 15 days from the date of lodgment provided the necessary documents are in order. However the shares of the Company are suspended for trading from 23rd February, 2018 onwards.

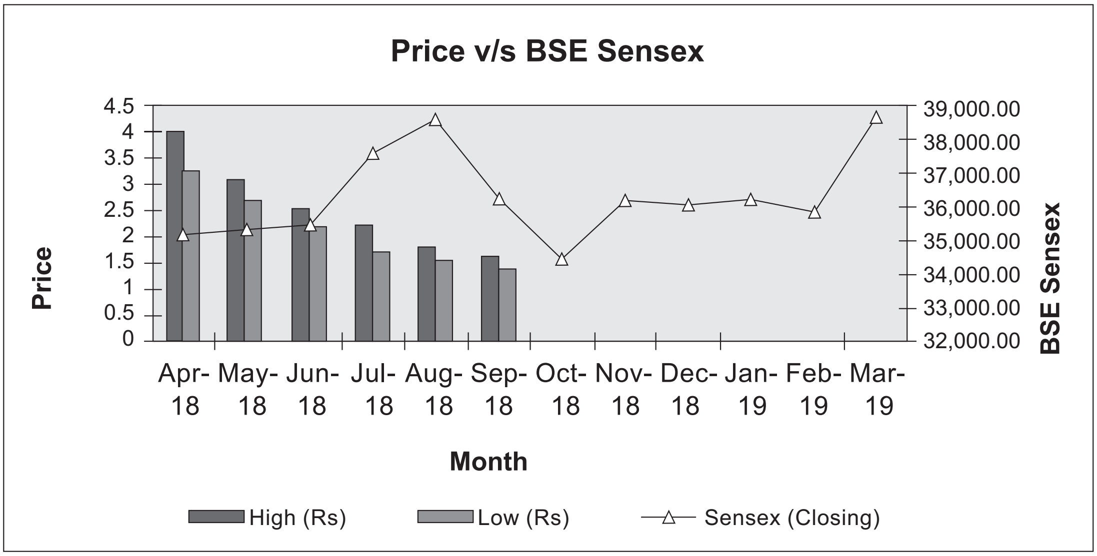
MARKET PRICE DATA: High and Low (in ₹) during each month in the Financial Year ended 31st March, 2019 on the Stock Exchanges.

MONTH	BSE		SENSEX	NSE		NIFTY
	High	Low	(closing)	High	Low	(closing)
April, 2018	3.99	3.26	35,160.36	4.05	3.40	10739.35
May, 2018	3.10	2.67	35,322.38	3.30	2.85	10736.15
June, 2018	2.54	2.19	35,423.48	2.75	2.45	10714.30
July, 2018	2.20	1.72	37,606.58	2.35	1.95	11356.50
August, 2018	1.77	1.53	38,645.07	1.95	1.75	11680.50
September, 2018	1.61	1.40	36,227.14	1.70	1.65	10930.45
October, 2018	-	-	34,442.05	-	-	10386.60
November, 2018	-	-	36,194.30	-	-	10876.75
December, 2018	-	-	36,068.33	-	-	10862.55
January, 2019	-	-	36,256.69	-	-	10830.95
February, 2019	-	-	35,867.44	-	-	10792.50
March, 2019	-	-	38,672.91	-	-	11623.90

STOCK PERFORMANCE IN COMPARISION TO NIFTY



STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX



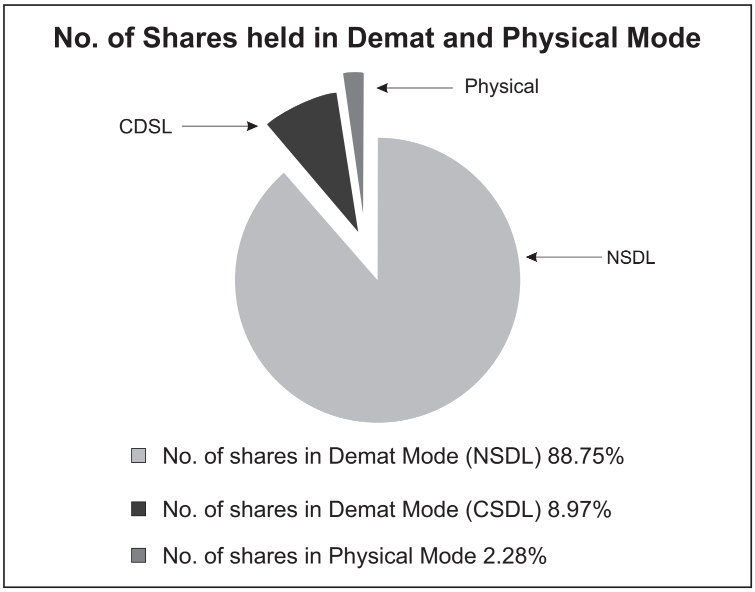
11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:

Shareholding of Shares	No. of Shareholders	% of Total	Total Shares	% of Total
Upto 500	28254	64.5998	4765463	1.2895
501 - 1000	6009	13.7389	5203136	1.4079
1001 - 2000	3866	8.8392	6259361	1.6937
2001 - 3000	1524	3.4845	4012118	1.0856
3001 - 4000	810	1.852	2965751	0.8025
4001 - 5000	785	1.7948	3777975	1.0223
5001 - 10000	1354	3.0958	10394778	2.8126
10001 and above	1135	2.5951	332194523	89.8860
TOTAL	**43737**	**100**	**369573105**	**100**

12. DEMATERIALISATION OF SHARES AS ON 31ST MARCH 2019:

Particulars	No. of Equity Shares	% of Share Capital
NSDL	32,79,96,617	88.75
CDSL	3,31,38,086	8.97
Physical	84,38,402	2.28
Total*	**36,95,73,105**	**100.00**

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



13. TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2019

Sr. No.	Name of the Shareholder	Category	No. of shares	% of Shareholding
1	Canara Bank-Mumbai	Public	52814769	14.291
2	ICICI Bank Ltd	Public	39272129	10.626
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 Group	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

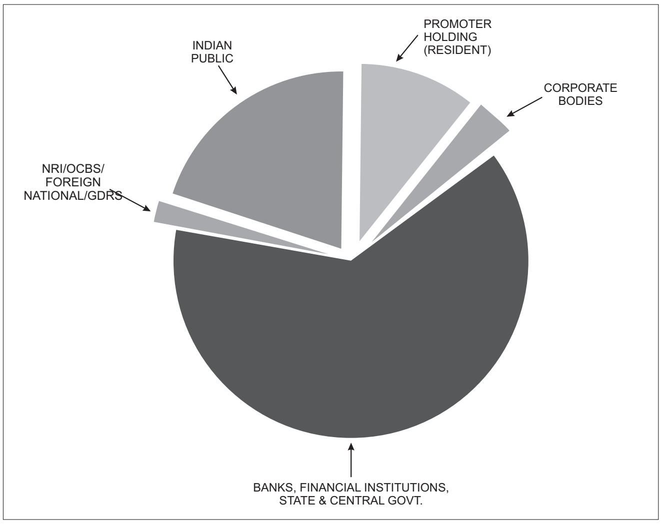
16. ADDRESS FOR CORRESPONDENCE

Registered Office:
Floor 3rd, Plot No. 3/8, Hamilton House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 038.
Telephone : 022 - 22705562.
Website : www.gammonindia.com
Email : investors@gammonindia.com

17. CATEGORIES OF SHAREHOLDERS: (AS ON 31ST MARCH 2019)

Sr. No	Category	No. of shares	Percentage
	Promoter Holding		
1	Resident	3,95,70,719	10.71
2	Non-Resident	30,86,435	0.84
	Non Promoter Holding		
3	Mutual Fund & UTI	100	0.0000
4	Corporate Bodies	84,63,944	2.2902
5	Banks, Financial Institutions, State & Central Govt.	23,52,31,353	63.6495
6	Foreign Institutional Investors	1,39,302	0.0377
7	NRIs / OCBs / Foreign Nationals / GDRs	71,07,405	1.9231
8	Indian Public & Others	7,59,73,847	20.5572
	GRAND TOTAL	**36,95,73,105**	**100.00**

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



18. DISCLOSURE REGARDING COMPLIANCE WITH CORPORATE GOVERNANCE

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

To,

The Members of

Gammon India Limited

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

I, Mr. Ajit B. Desai – Chief Executive Officer of Gammon India Limited, hereby declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company applicable to them for the Financial Year ended 31st March, 2019.

For **Gammon India Limited**

Date: 7th November, 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 Ltd. (the Company'), for the Financial Year ended 31st March, 2019, 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 his 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.

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 March, 20l9 and year ended March,2019. However, the Management has informed us that they have submitted the same.
2. As per the provisions of Section 96(l) of the Companies Act, 2013, the Company was required to conduct its 96th Annual General Meeting (AGM) on or before 30th September, 2018. The Company had applied for extension of AGM with the Registrar of Companies (ROC) to conduct their AGM on or before 30th December, 2018. However, the Company was unable to conduct its AGM by 30th December, 2018 because their Financial Statements were not ready. The company conducted its AGM on 7th June, 2019.
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 2019. However, the Management has informed us that they have appointed a Whole Time Company Secretary and Chief Financial Officer on 30th April, 2019.

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

V. V. Chakradeo
COP 1705
Membership No. 3805

Date: 7th November, 2019
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gammon India Limited
Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone financial statements of **Gammon India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph (a) to (d), the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

Basis of Qualified Opinion

(a) We invite attention to note no 7, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is ₹ 894.41 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, 2019.

(b) We invite attention to Note 4(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 366.34 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.

(c) We invite attention to note no 31(viii) 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 ₹ 324.74 crores. The Subsidiary's audited financials are also not available for our review and also the management has not carried out any exercise of determining the realisable value. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the balance exposure of ₹ 224.74 crores.

(d) We invite attention to note no 28 relating to penal interest of ₹ 107.28 crores during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest.

Material Uncertainty Related to Going Concern

We invite attention to the note no 37 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 ₹ 6174.16 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. Further due to the issues detailed in the note 37 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 37 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 no 4(a)(i) & 4(a)(ii) relating to recoverability of an amount of ₹ 235.77 crores as at March 31, 2019 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of ₹ 7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

b) We draw attention to Note 4(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

Key Audit Matters

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

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

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

The Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance or conclusion thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

i. 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.

ii. As required by section 143 (3) of the Act, we report that:

(a) we have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph , proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

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

(f) On the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, all the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act except for Mr. Jaysingh Ashar

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

(h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. And

(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 Rs 0.54 crores to the Investor Education and Protection Fund during the year.

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

K N Padmanabhan
Partner
Membership No. 36410

Mumbai, Dated: November 7, 2019
UDIN: 19036410AAAADV4499

Annexure A to the Independent Auditor's Report

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

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

(b) Property, Plant & Equipment have been physically verified by the management during the period at reasonable intervals and no material discrepancies were identified on such verification except assets at some of their terminated sites where the access to the assets are presently prohibited and the matter is under dispute. The total value of assets at such sites is ₹ 14.25 crores (Net WDV).

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

(ii) (a) Inventories, being project materials have been physically verified by the management at reasonable intervals during the year except for inventories at terminated sites valued at ₹ 1.34 crores. In our opinion, the frequency of such verification is reasonable.

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

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

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

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

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

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

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

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

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

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

(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 ₹ 0.54 crores which is required to be transferred to Investor Education and protection funds.

(viii) According to information and explanations given to us, the company has defaulted in servicing interest and principal repayment due to debenture holders, financial institutions and banks. The 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 ₹ 3702.03 Crores. Details shown in statement 3. The amounts of delays in interest servicing in respect of Rupee Term Loan, FITL, Priority Loan, Working Capital Term Loan, Short term Loan, NCD, NCD FITL, CC and OD were shown in statement 4.

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

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

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

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

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

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

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

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

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

K N Padmanabhan
Partner
Membership No. 36410

Mumbai, Dated: November 7, 2019
UDIN: 19036410AAAADV4499

Annexure - B

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

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

We have audited the internal financial controls with reference to Financial Statements of Gammon India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Basis of Qualified Opinion

a) The Company has laid down internal financial controls with reference to financial statements, however, its implementation and effectiveness in certain areas are affected due to severe manpower issues affecting timely preparation of financial statements.

b) Our test of transactions revealed instances of control weaknesses which have inter-alia resulted from manpower and liquidity issues

c) Internal Audit carried out by the Company was not adequate considering the size and operations of the Company and was required to be more extensive with timely follow up and actions to correct the issues promptly. The internal audit has also revealed weaknesses in the systems and processes.

Qualified Opinion

In view of what is stated in our basis of Qualified Opinion we cannot state that the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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: November 7, 2019
UDIN: 19036410AAAADV4499

Statement -1

Undisputed Statutory liabilities Outstanding for more than 6 months as On 31st March 2019, referred to In Para 4(vii)(a) of The Annexure to Auditors' Report

Name of Dues *(Below mentioned dues are payable to various statues)*	Amount (₹ in Crs.)	Period to which it relates	Due Date
Profession Tax	0.19	Prior to April 2018	Prior to April 2018
Profession Tax	0.00	Sep-18	Sep-18
Custom Duty Draw Back	2.07	Prior to April 2018	Prior to April 2018
Works Contract Tax	0.67	Prior to April 2018	Prior to April 2018
Provident Fund	0.01	Prior to April 2018	Prior to April 2018
Provident Fund	0.04	Sep-18	Sep-18

Statement -2

Statement of Statutory Dues outstanding on account of disputes, as on 31st March 2019, referred to In Para 4(VII)(b) of the Annexure to Auditors' Report

Name of the Statute	State	Nature of the dues	Amount in Crores	Period to which it relates	Forum where Dispute is pending
The Income Tax Act 1961		Income Tax Assessment Order	306.04	A.Y. 2006-07 to A.Y. 2013-14	CIT Appeal
The Income Tax Act 1961		TDS Intimation U/s 200A	8.67	A.Y. 2007-08 to A.Y. 2017-18	Not yet Filled
The Income Tax Act 1961		TDS Intimation U/s 200A	0.18	A.Y. 2008-09 to A.Y. 2017-18	Not yet Filled
The Income Tax Act 1961		Joint Venture Assessment	7.33	A.Y. 2010-11 to 2013-14	CIT Appeal
The Income Tax Act 1994		Corporate Guarantee Disallowance	6.28	AY 2016-17	Not yet Filled
	Total		**328.5**		
Sales Tax Act	Andhra Pradesh	Reassessment matter	0.04	2001-02	High Court
Sales Tax Act	Andhra Pradesh	Tax levied. Rule 6(3)(i)	2.10	2002-03	Tribunal / High Court
Sales Tax Act	Andhra Pradesh	Tax levied. Rule 6(3)(i)	1.63	2003-04	Tribunal / High Court
Sales Tax Act	Andhra Pradesh	Disallowance of Interstate purchase	0.24	2005-07	High Court
Sales Tax Act	Andhra Pradesh	Levy of Penalty	1.89	2005-07	High Court
Sales Tax Act	Uttar Pradesh	Taxes levied and denial of benefit of sec 3G and 3F2 b (1)	0.78	2003-04	Hon'ble High Court of Allahabad
Sales Tax Act	Uttar Pradesh	Taxes Levied and denial of Benefit of sec 3G and 3F2 b (1)	1.88	2004-05	Hon'ble High Court of Allahabad
Sales Tax Act	Maharashtra	Denial of deduction on Pre cost component	0.06	1993-94 to 1997-98	Tribunal / A C Appeal
Sales Tax Act	Maharashtra	Rate Difference – WCT	0.03	2000-01	Tribunal
Sales Tax Act	Maharashtra	Disallowance of WCT & BST	5.84	2000 to 2002	Jt. Appeal / Tribunal
Sales Tax Act	Maharashtra	Sales-In-Transit (I.E. 6(2) Sales disallowed)	4.72	2013-14	Jt. Appeal I
Sales Tax Act	Orissa	Lab. and Service Charges disallowed	0.11	1992-93 to 1999-00	A C Appeal
Sales Tax Act	Orissa	Various disallowance	0.11	2001-02	A C Appeal
Sales Tax Act	West Bengal	Tax demand	0.98	1997-98, 2010-11 and 2011-12	Sr. JCT (Appellate)
Sales Tax Act	West Bengal	Tax demand	5.65	2008-09 & 2009-10	Revision Board
Sales Tax Act	West Bengal	Tax demand	2.39	2007-08	Tribunal
Sales Tax Act	West Bengal	Tax Demand	0.63	2007-08 (CST)	Tribunal
Sales Tax Act	West Bengal	Tax demand.	1.29	2012-13	JC Apeal
Sales Tax Act	Rajasthan	Increase in EC Fees	0.05	2007-08	Tax Law Board – Ajmer
Sales Tax Act	Rajasthan	Wrong interest calculation in refund	0.02	2008-09	Tax Law Board
	Total		**30.44**		

Name of the Statute	State	Nature of the dues	Amount in Crores	Period to which it relates	Forum where Dispute is pending
The Finance Act 1994		Service Tax	0.86	August, 2012 to January, 2016	Service Tax Department
The Finance Act 1994		Service Tax	6.44	August, 2008 to September, 2012	CESTAT Mumbai
The Finance Act 1994		Service Tax	0.25	July, 2006 to December 2007	CESTAT Mumbai
The Finance Act 1994		Service Tax	1.91	October, 2004 to August, 2008	Service Tax Office Mumbai
The Finance Act 1994		Service Tax	0.02	April 2007 to March, 2008	Service Tax Office Mumbai
	Total		**9.48**		

Statement -3

Principal Default as at March 31st, 2019, referred to In Para 4(viii) of The Annexure to Auditors' Report

Name of the Lender	Amount in Crore	Date of Payment
Allahabad Bank	128.04	Prior to April 2018
Bank of Baroda	545.57	Prior to April 2018
Bank Of Maharashtra	123.32	Prior to April 2018
Canara Bank	258.32	Prior to April 2018
Central Bank of India	0.04	Prior to April 2018
DBS Bank	101.93	Prior to April 2018
GIC	0.07	Prior to April 2018
ICICI Bank	189.98	Prior to April 2018
IDBI Bank	811.40	Prior to April 2018
Indian Bank	0.01	Prior to April 2018
Karnataka Bank	0.01	Prior to April 2018
Life Insurance Corporation	288.89	Prior to April 2018
Oriental Bank Of Commerce	99.62	Prior to April 2018
Punjab National Bank	134.23	Prior to April 2018
Syndicate Bank	332.57	Prior to April 2018
UCO Bank	177.82	Prior to April 2018
United India Insurance	0.03	Prior to April 2018
Union Bank of India	244.40	Prior to April 2018
United Bank of India	265.79	Prior to April 2018
Total	**3,702.03**	

Statement -4

Interest Default as at March 31st, 2019, referred to In Para 4(viii) of The Annexure to Auditors' Report

Name of the Lender	Amount in Crore	Date of Payment
Allahabad Bank	17.93	From 1 to 366 days
Bank of Baroda	12.11	From 1 to 366 days
Bank of Maharashtra	24.92	From 1 to 366 days
Canara Bank	142.80	From 1 to 366 days
Central Bank of India	6.03	From 1 to 366 days
DBS Bank	37.01	From 1 to 366 days
GIC	9.91	From 1 to 366 days
ICICI Bank	33.59	From 1 to 366 days
IDBI Bank	73.14	From 1 to 366 days
Indian Bank	2.96	From 1 to 366 days
Karnataka Bank	3.02	From 1 to 366 days
Life Insurance Corporation	58.55	From 1 to 366 days
MSME	0.14	From 1 to 366 days
Oriental Bank of Commerce	23.25	From 1 to 366 days
Punjab National Bank	13.98	From 1 to 366 days
Syndicate Bank	117.15	From 1 to 366 days
UCO Bank	36.35	From 1 to 366 days
Union Bank of India	49.87	From 1 to 366 days
United Bank	63.73	From 1 to 366 days
United India Insurance	5.22	From 1 to 366 days
Total	**731.68**	

Balance Sheet as at 31, March 2019

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

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	439.63	450.74
(b) Capital work-in-progress	2B	3.33	10.38
(c) Intangible Asset	2B	-	-
(d) Financial assets			
(i) Investments	3	272.05	442.77
(ii) Trade receivable	4	269.60	230.21
(iii) Loans	5	876.66	1,984.60
(iv) Others	6	93.74	197.02
(e) Deferred tax assets (net)		-	-
(f) Other non-current assets	7	1,349.54	1,311.88
TOTAL NON-CURRENT ASSETS		**3,304.55**	**4,627.60**
CURRENT ASSETS			
(a) Inventories	8	45.47	123.82
(b) Financial assets			
(i) Investments	3	0.95	3.93
(ii) Trade receivables	4	120.90	132.00
(iii) Cash and cash equivalents	9	2.81	10.11
(iv) Bank balances	9	0.58	3.05
(v) Loans	5	7.96	8.65
(vi) Others	6	26.51	25.81
(c) Current tax assets (net)		-	-
(d) Other current assets	7	124.32	59.21
TOTAL CURRENT ASSETS		**329.50**	**366.58**
TOTAL ASSETS		**3,634.05**	**4,994.18**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	74.11	74.11
(b) Other equity	11	(3,141.86)	(1,389.13)
TOTAL EQUITY		**(3,067.75)**	**(1,315.02)**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	-	-
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	13	-	-
- Total outstanding dues to other than Micro and Small Enterprises	13	12.82	10.95
(iii) Other financial liabilities	14	12.00	12.00
(b) Provisions	15	0.40	0.35
(c) Deferred tax liabilities (net)	16	102.18	110.06
(d) Other non-current liabilities	17	70.74	90.59
TOTAL NON-CURRENT LIABILITIES		**198.14**	**223.95**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	19	0.84	0.44
- Total outstanding dues to other than Micro and Small Enterprises	19	134.99	137.13
(iii) Other financial liabilities	20	5,935.32	5,758.76
(b) Other current liabilities	21	82.62	114.46
(c) Provisions	15	346.93	72.14
(d) Current tax liabilities (net)	22	2.96	2.32
TOTAL CURRENT LIABILITIES		**6,503.66**	**6,085.25**
TOTAL EQUITY AND LIABILITIES		**3,634.05**	**4,994.18**

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 : November 7, 2019

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Soumendra Nath Sanyal
Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

Statement of Profit and Loss for the year ended 31 March 2019

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

	Particulars	Note No.	April 2018 - March 2019	April 2017 - March 2018
I	Revenue from Operations	23	198.18	264.94
II	Other Income	24	111.97	112.42
III	**Total Income**		**310.15**	**377.36**
IV	**Expenses:**			
	Cost of material consumed	25	22.16	40.31
	Changes in inventories of finished goods, work-in progress and stock-in-trade	26	-	3.69
	Subcontracting Expenses		75.83	61.25
	Employee benefits expense	27	8.48	11.83
	Finance Costs	28	562.42	575.91
	Depreciation & amortization	29	10.56	11.77
	Other expenses	30	71.82	77.30
	Total Expenses		**751.27**	**782.06**
V	**Profit/(Loss) before exceptional items and tax**		**(441.12)**	**(404.70)**
VI	Exceptional items Income / (Expense)	31	(1,313.00)	(1,586.65)
VII	**Profit / (Loss) before tax**		**(1,754.12)**	**(1,991.35)**
VIII	**Tax expenses**			
	Current Tax		-	-
	Deferred Tax Liability / (asset)		0.93	(32.55)
	Total tax expenses		**0.93**	**(32.55)**
IX	**Profit / (Loss) for the year**		**(1,755.05)**	**(1,958.80)**
X	**Other Comprehensive Income:**			
	Items that will not be reclassified to profit or loss		(0.12)	0.20
	Income tax thereon		-	
	Items that will be reclassified to profit or loss			
	- Net gain/ (loss) on fair value of equity instruments through OCI		2.43	
			2.31	**0.20**
XI	**Total Comprehensive Income / (Loss) for the period**		**(1,752.74)**	**(1,958.60)**
XII	Earnings per equity share of the face value of ₹ 2 each			
	Basic		**(47.58)**	**(53.11)**
	Diluted		**(47.58)**	**(53.11)**

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 : November 7, 2019

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Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

Cash Flow Statement for the year ended 31 March 2019

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

Particulars	Apr 2018 - Mar 2019		Apr 2017 - Mar 2018	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Extraordinary Items		**(1,754.12)**		**(1,991.35)**
Adjustments for :				
Depreciation	10.56		11.77	
(Profit) / Loss on Sale of Assets	(6.40)		(9.68)	
(Profit) / Loss on Sale of Investments	(19.31)		(0.91)	
Income recognised towards corporate guarantee	(5.36)		(11.44)	
Gain on Remeasurement of Loans to Subsidiary	(0.03)		(7.79)	
Dividend Income	-		(0.05)	
Interest Expenses	562.42		575.91	
Provision for Doubtful Debts and Advances	35.12		22.71	
Foreign Exchange Loss / (Gain)	(53.61)		-	
Bad Debts Written off	1.37		8.89	
Interest Income	(15.49)		(18.52)	
Exceptional Items	1,313.00		1,586.65	
Sundry Balances Written off	8.60		0.06	
Asset written off	-		-	
Excess Provision Written Back	(0.28)		(49.67)	
Sundry Balances Written Back	(0.79)	1,829.80	(2.42)	2,105.51
Operating Profit Before Working Capital Changes		**75.68**		**114.16**
Trade and Other Financial Receivables	(19.43)		(7.50)	
Inventories	78.35		22.45	
Trade Payables and Provision	0.94		(76.24)	
Other Non Financial Assets	(100.85)		(49.95)	
Other financial liabilities	(55.94)		48.77	
Other non-financial liabilities	(46.33)	(143.26)	(0.88)	(63.35)
CASH GENERATED FROM THE OPERATIONS		(67.58)		50.81
Direct Taxes Paid		(2.70)		(6.81)
Net Cash from Operating Activities		**(70.28)**		**44.00**
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	(0.12)		(0.43)	
Fixed Assets and CWIP disposal	14.53		20.99	
Purchase of Investments	-		-	
Sale of Investments				
Subsidiary, Joint Ventures & Associates	89.94		-	
Others	2.98		2.72	
Dividend received	-		0.05	
Other bank balance	0.47		3.90	
Loans and Advances to subsidiary	-		(30.69)	
Loan repaid by Subsidiary	359.19		76.67	
Interest Received	(38.01)		7.77	
Net Cash from Investment Activities		**428.98**		**80.98**

Cash Flow Statement for the year ended 31 March 2019

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

Particulars	Apr 2018 - Mar 2019		Apr 2017 - Mar 2018	
C CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	-		-	
Movement in other Equity	-		-	
Interest paid	(102.03)		(108.75)	
(Repayment) from Long term Borrowings	-		-	
Net proceeds from Short term Borrowings	(263.96)		(50.96)	
Net Cash from Financing Activities		**(365.99)**		**(159.71)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(7.30)**		**(34.73)**
Opening Balance		**10.11**		**44.84**
Less: Cash and Cash Equivalent transferred on demerger of Business		-		-
Closing Balance		**2.81**		**10.11**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(7.30)**		**(34.73)**
Components of Cash and Cash Equivalents				
Cash on Hand		0.04		0.06
Balances with Bank		2.77		10.05
Total Balance		**2.81**		**10.11**

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 : November 7, 2019

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Soumendra Nath Sanyal
Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

Notes to Financial Statements for the year ended March 31, 2019

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, 2019		March 31, 2018	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Subscribed and Fully Paid up Capital				
Equity shares of INR 10 each				
Opening Balance	36,88,47,305	73.77	36,88,47,305	73.77
Changes in equity share capital during the year	-	-	-	-
Closing Balance	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**
Share Forfeiture Account				
Money received in respect of Right Shares of ₹10/- each forfeited	1,70,948	0.34	1,70,948	0.34
Total	**36,90,18,253**	**74.11**	**36,90,18,253**	**74.11**

B Other Equity

Particulars	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Promoters Contribution	Treasury Shares	Net gain/ (loss) on fair value of equity instruments	Total
Balance as at 1 April 2017	**(1,351.62)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**		**569.48**
Profit for the year	(1,958.80)									**(1,958.80)**
Re-measurement of net defined benefit plans	0.20									**0.20**
Balance as at 31 March 2018	**(3,310.22)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**		**(1,389.12)**
Profit for the year	(1,755.05)									**(1,755.05)**
Re-measurement of net defined benefit plans	(0.12)									**(0.12)**
Fair Valuation of Investment carried at FVTOCI									2.43	**2.43**
Balance as at 31 March 2019	**(5,065.38)**	**105.00**	**11.52**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**2.43**	**(3,141.85)**

(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 crores (PY: ₹ 43.40 crore) being 15% of the amount of Debenture due for redemption as at March 2019 as required by the aforesaid Circular in view of the financial crunch faced by the Company. Since the entire facility is recalled by the lenders the entire amount of Non Convertable Debenture is considered as current and 15% of earmarked fund is calculated on the entire amount.

(d) Capital Reserve

Pursuant to a Scheme of Arrangement between the company, Transrail Lighting Limited (TLL) and their respective shareholders and creditors pursuant to Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 for transfer of the retained Transmission and Distribution Undertaking (as defined in the scheme) of GIL, 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 received from TLL by way of 725,000 Equity Shares issued by TLL as Non-Current Investments and has derecognised book values of the assets and liabilities of retained T&D Undertaking transferred to TLL. The resultant difference of Rs 11.52 crore has been credited to Capital reserve account

(e) Promoters Contribution

The Company had pursuant to the Shareholders approval in May, 2015, received ₹ 100 Crore to issue Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD's") to the promoters against their contribution made to the Company's Corporate Debt Restructuring ("CDR") package. However no allotment was made, since the in-principle approval for allotment was awaited from BSE Limited.

On 26th April,2016 , BSE has directed the Company to modify the "relevant date" adopted by the Company for the pricing of the CCD's and seek shareholders approval afresh .

(f) Treasury Shares

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

As per our report of even date

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

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

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

Anurag Choudhry	**Ajit B. Desai**
Executive Director & CFO	Chief Executive Officer
DIN No. 00955456	DIN No. 00105836
Soumendra Nath Sanyal	**Niki Shingade**
Independent Director	Company Secretary
DIN No. 06485683	M.No.ACS 19594

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 Promoter Mr. Abhijit Rajan in the year 1991.

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

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

2 Recent accounting pronouncements

Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

i) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

ii) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability. The effect on adoption of Ind AS 116 is expected to be insignificant.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

3 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

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

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

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

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

ii) Revenue Recognition:

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

The Company applied Ind AS 115 for the first time with effect from April 01, 2018. The changes in accounting policy on account of adoption of this new accounting standard are described in note in explanatory notes

Construction Activity

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

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

Measurement of performance obligation

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

Contract costs

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

Provision for future losses

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

Contract balances

a. Contract assets

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

b. Trade receivables

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

c. Contract liabilities

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

Accounting policy till previous years

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 escalation), which in the opinion of the management are recoverable on the contract, are recognized at the time of evaluating the job.

Turnover

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

Interest Income

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

Other Revenues.

All other revenues are recognized on accrual basis

iii) Joint Ventures

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

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

iv) Employee benefits

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

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

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

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

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

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

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

Long-term employee benefits

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

Termination benefits

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

v) Property, plant and equipment

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

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

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

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

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

vi) 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 valued at net of Goods and service Tax wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average Method.

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

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

Other -Scrap Material - At net realisable value

xi) Foreign currency transactions

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

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

xii) Borrowing Cost

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

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

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

xiii) Taxes on income

Current Taxes

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

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

Deferred tax

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

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

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

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

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

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

xiv) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

Contingent liabilities and Contingent Assets

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

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

Onerous contracts

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

xv) Earning Per Share

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

xvi) Leases

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

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

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

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

xvii) Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

xviii) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

xix) Financial instruments

a. Financial assets:

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

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

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

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

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

  A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.
- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

(iii) Derecognition

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

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

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

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

(iv) Investment in associates, joint venture and subsidiaries

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

(v) Impairment of financial assets

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

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

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

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

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

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

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

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

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

b. Financial liabilities:

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

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

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

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

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

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

(iv) Loans and borrowings

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

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

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

(v) Financial guarantee contracts

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

(vi) Derecognition

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

c. Offsetting of financial instruments:

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

d. Derivative financial instruments:

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

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

e. Trade Payables

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

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

Tangible Assets **(₹ in Crore)**

Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK							
As at 01 April 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)**
Transfer under Scheme and BTA (Refer Note 38)	-	-	-	-	-	-	**-**
As at 31 March 2018	**393.14**	**41.71**	**111.63**	**3.11**	**0.79**	**0.46**	**550.84**
Additions	-	-	0.11	-	0.01	-	**0.12**
Disposals/Adjustments	-	-	1.46	-	0.01	-	**1.47**
As at 31 March 2019	**393.14**	**41.71**	**110.28**	**3.11**	**0.79**	**0.46**	**549.49**
DEPRECIATION							
As at 01 April 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)**
Transfer under Scheme and BTA (Refer Note 38)	-	-	-	-	-	-	**-**
As at 31 March 2018	**-**	**29.73**	**66.41**	**2.72**	**0.79**	**0.46**	**100.11**
Charge for the Year	-	0.83	9.62	0.11	-	-	**10.56**
Disposals/Adjustments	-	-	0.80	-	0.01	-	**0.81**
As at 31 March 2019	**-**	**30.56**	**75.23**	**2.83**	**0.78**	**0.46**	**109.86**
NET BLOCK							
As at 31 March 2018	**393.14**	**11.98**	**45.22**	**0.39**	**0.00**	**0.00**	**450.74**
As at 31 March 2019	**393.14**	**11.15**	**35.05**	**0.28**	**0.01**	**0.00**	**439.63**

2B **Capital work-in-progress**

Particulars	**March 31, 2019**	**March 31, 2018**
Capital work-in-progress	3.33	10.38

3 **Financial Assets - Investments** **(All the ₹ are in Crore unless otherwise states)**

		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Non- Current		Current	
A	**Investment carried at amortised Cost**				
1	Equity Instrument of Subsidiaries -Indian	1,656.92	1,657.39	-	-
2	Equity Instrument of Subsidiaries - Foreign	45.26	45.26	-	-
3	Equity Instrument - Others- India	0.72	75.96	-	-
5	Equity Instrument - Others- Foreign	19.70	19.70	-	-
6	Government Securities	0.54	0.54	-	-
7	Partnership Firm	0.00	0.00	-	-
8	Provision for Impairment	(1,458.61)	(1,356.09)	-	-
	Total	**264.53**	**442.77**	**-**	**-**
B	**Other Investments (At Fair value through OCI)**				
	Equity Shares	7.52	-		
		7.52	**-**	**-**	**-**
C	**Other Investments (At Fair value through P&L)**				
1	Equity Shares	**-**	**-**	0.95	1.73
2	Liquid Mutual Funds	**-**	**-**	0.00	2.20
	Total	**-**	**-**	**0.95**	**3.93**
	Grand Total	**272.05**	**442.77**	**0.95**	**3.93**

	Disclosure:				
i)	**Investment carried at Cost**	**264.53**	**442.77**	**-**	**-**
ii)	**Investment carried at FVTPL**		**-**	**0.95**	**3.93**
ii)	**Investment carried at FVTOCI**	**7.52**	**-**	**-**	**-**

I Details of Investments

A Non Current Investments:-

i) Investment in equity instruments of Subsidiaries (Indian)

Particulars	**Face Value In ₹**	**March 31, 2019 Nos**	**March 31, 2019 Amount**	**March 31, 2018 Nos**	**March 31, 2018 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
Gammon Real Eastate Developers Private Limited	10	10,000	0.01	10,000	0.01
Franco Tosi Turbines Private Limited	10	10,000	0.01	10,000	0.01
Gactel Turnkey Projects Limited	10	50,50,000	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		-	-	4,41,250	0.44
SAE Transmission India Limited	10	50,000	0.05	50,000	0.05
Tidong Hydro Power Limited		-	-	25,500	0.03
			1,656.95		**1,657.42**
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received			0.03		0.03
			1,656.92		1,657.39
Total			**1,656.92**		**1,657.39**

ii) Investment in equity instruments of Subsidiaries (Foreign)

Particulars	**Face Value**	**March 31, 2019 Nos**	**March 31, 2019 Amount**	**March 31, 2018 Nos**	**March 31, 2018 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 B.V. (Netherland)	EUR 100	180	2.29	180	2.29
ATSL Holdings B.V. (Netherland) (for SAE Power lines srl)	-	-	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 B.V.	EUR 100	180	12.28	180	12.28
Gammon Holdings B.V. (for Franco Tosi Meccania S.p.A.)			2.73		2.73
Gammon International B.V.	EUR 100	180	12.09	180	12.09
Gammon International FZE	AED 150000	1	0.17	1	0.17
P.Van Eerd Beheersmaatschappij B.V.	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, 2019		March 31, 2018	
	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
Gammon Engineers and Contractors Pvt. Ltd.	10	-	-	1,41,85,714	49.65
Transrail Lighting Limited	10	-	-	87,50,000	26.08
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
Rajahmundry Godavari Bridge Limited	10	441250	0.44		-
Tidong Hydro Power Limited	10	25500	0.03		-
Less : Transfer of Beneficial Interest in lieu of Deposit received			(26.41)		(26.41)
			0.72		**75.96**

iv) Investment in equity instruments -Others- Foreign

Particulars	Face Value	March 31, 2019		March 31, 2018	
		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	March 31, 2019	March 31, 2018
	Amount	Amount
Unquoted		
Government Securities Lodged with Contractees as Deposit :		
Sardar Sarovar Narmada Nigam Ltd - Bonds	0.30	0.30
Others	0.12	0.12
Government Securities Others :	0.12	0.12
(Indira Vikas Patras and National Savings Certificates)		
Total	**0.54**	**0.54**

vi) Investment in Partnership Firm

Particulars	March 31, 2019	March 31, 2018
	Amount	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, 2019	March 31, 2018
	Amount	Amount
Air Screw India Ltd.	0.00	0.00
Bhagirathi Bcc Ltd.	0.00	0.00
Shah Gammon Limited	0.01	0.01
STFA Piling India Ltd.	0.22	0.22
Gammon Midest Ltd.	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 Ltd - Nigeria	0.36	0.36
Others	0.00	0.00
Finest S.p.A, Italy	19.52	19.52
Gammon Power Limited	716.45	672.48
Gactel Turnkey Projects Limited	10.97	10.97
Gammon Billimoria Limited	8.49	8.49
Metropolitan Infrahousing Private Limited	645.41	606.53
Gammon Holding BV	15.01	-
Campo Puma Oriente S.A.	4.66	-
Total	**1,458.61**	**1,356.09**

B **Other Investments (At Fair value through OCI)**

Particulars	Face Value	March 31, 2019		March 31, 2018	
	In ₹	Nos	Amount	Nos	Amount
Gammon Engineers and Contractors Pvt. Ltd.*	10	10,87,217	4.35	-	-
Transrail Lighting Limited *	10	80,474	3.17	-	-
			7.52	**-**	**-**

* Consequent to invocation of pleder of shares GECPL / TLL ceased to be an associate and accordingly is disclosed as Other Investment in the current year, The Company has accounted the said Investment at Fair Value through Other Comprehensive Income by making the election as required by the Standards.

C **Current Investments:-**

Investment in Shares and Mutual Funds

Particulars	Face Value	March 31, 2019		March 31, 2018	
	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	0.27	21,000	0.30
Cords Cable Industries Ltd.	10	33,502	0.22	33,502	0.27
Gujarat State Financial Corporation	10	4,600	0.00	4,600	0.00
Technofab Engineering Limited	10	55,000	0.46	55,000	1.16
			0.95		**1.73**

Particulars	March 31, 2019		March 31, 2018	
	Nos/ Units	Amount	Nos/ Units	Amount
ii) Mutual funds				
SBI Dynamic Bond Fund	-	-	6,67,967	1.42
HDFC Balanced Fund	-	-	20,553	0.30
ICICI Liquid Plan	-	-	18,478	0.47
HDFC Floating Rate Income Fund	2,048	0.00	2,048	0.00
Total		**0.00**		**2.20**
Total current investments		**0.96**		**3.92**
Total Non - Current and Current Investments		**265.49**		**446.69**
Aggregate amount of quoted investments		**0.96**		**2.20**
Market Value of Quoted Investment		**0.96**		**2.20**
Aggregate amount of unquoted investments		**264.53**		**444.50**

C Other Notes

(a) During the previous period The Company has pledged the Equity Shares of the following Companies -

- 3,65,00,000 Ansaldocaldaie Boilers India Private Limited
- 5,100 Deepmala Infrastructure Private Limited
- 50,49,940 Gactel Turnkey Projects Limited
- 10,87,217 Gammon Engineers & Contractors Private Limited
- 80,474 Transrail Lighting Limited

4 Financial Assets - Trade Receivables

(Unsecured, at amortised cost)

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Considered good	270.28	121.20	230.73	132.33
Considered Doubtful	-	224.70	-	202.45
Provision for Doubtful debts	-	(224.70)	-	(202.45)
	270.28	121.20	230.73	132.33
Less: Expected credit loss	(0.68)	(0.30)	(0.52)	(0.33)
	269.60	120.90	230.21	132.00
Total	**269.60**	**120.90**	**230.21**	**132.00**

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

(i) The Company in evaluating its jobs has considered an amount of ₹ 7.56 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

(ii) In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of ₹. 235.77 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 ₹ 366.34 Crore consisting of receivable of ₹ 132.44 crores, inventory ₹ 38.72 crore and other receivables ₹ 195.19 crores. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

(iv) The Company has receivable including retention and work in progress aggregating to ₹ 44.51 Crore (inventory - ₹ 21.19 crores and receivables ₹ 23.31 crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts

(b) Retention by customers up to March,2018 is Part of trade receivables. It is part of Contract Assets w.e.f 1.4.2018, as per Ind AS 115 - Revenue from Contracts with Customers

(c) Expected Credit Loss

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

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed

Movement in the expected credit loss allowance

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	(0.52)	(0.33)	(0.66)	(0.10)
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.16)	0.03	0.14	(0.23)
Provision at the end of the period	**(0.68)**	**(0.30)**	**(0.52)**	**(0.33)**

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

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	865.30	0.70	1,973.24	1.06
Considered Doubtful	2,388.19	76.60	1,520.29	113.78
Less : Provision for Doubtful Loans	(2,388.19)	(76.60)	(1,520.29)	(113.78)
Deposits				
Considered Good	4.50	4.30	4.50	4.45
Unsecured Considered Doubtful	-	3.60	-	3.60
Less : Provision for Doubtful	-	(3.60)	-	(3.60)
Other Loans and Advances				
Unsecured Considered good	6.86	2.96	6.86	3.14
Unsecured Considered Doubtful	32.94	4.94	33.22	4.94
Less : Provision for Doubtful	(32.94)	(4.94)	(33.22)	(4.94)
Total	**876.66**	**7.96**	**1,984.60**	**8.65**

(i) Details of Loans given to Related Parties

Name of the Related Party	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Considered good:				
Deepmala Infrastructure Private Limited	152.47	-	152.47	-
Gammon Realty Limited	0.00	-	29.43	-
Metropolitan Infrahousing Private Limited	-	-	343.38	-
RAS Cities and Township Private Limited	1.00	-	2.00	-
Gactel Turnkey Projects Limited	1.53	-	1.53	-
Sikkim Hydro Power Ventures Limited	0.00	-	0.00	-
Haryana Biomass Power Limited (Hareda Projects)	0.07	-	0.07	-
Gammon International FZE	19.32	-	69.36	-
Gammon International B.V.	347.33	-	372.57	-

Name of the Related Party	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Campo Puma Oriente S.A.	-	-	165.22	-
Ansaldocaldaie Boilers India Private Limited	29.57	-	29.57	-
Gammon Holdings (Mauritius) Limited	276.54	-	260.04	-
Patna Water Supply Distribution Network Private Limited	39.99	-	51.44	-
Gammon Holdings B.V.	0.00	-	498.68	-
ATSL Holding B.V. (Netherland)	(2.52)		(2.52)	
Franco Tosi Meccanica S.P.A		0.11		0.11
Gammon Retail Infrastructure Private Limited	-	-	-	0.27
Rajahmundry Godavari Bridge Limited	-	0.35	-	0.35
Tidong Hydro Power Limited	-	0.02	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	0.00	-	0.00
Gammon Real estate Developers Private Limited	-	0.01	-	0.01
Gammon Sew Joint Venture	-	-	-	0.09
Preeti Township Private Limited	-	0.01	-	0.01
SAE Transmission India Limited	-	0.20	-	0.20
Total	**865.30**	**0.70**	**1,973.24**	**1.06**

Name of the Related Party	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Considered Doubtful:				
Deepmala Infrastructure Private Limited	61.77	-	61.77	-
Gammon Realty Limited	85.67	-	88.88	-
Metropolitan Infrahousing Private Limited	262.85	-	206.03	-
Gammon & Billimoria Limited	39.87	-	39.87	-
Gactel Turnkey Projects Limited	66.79	-	66.79	-
Gammon International FZE	75.81	-	21.84	-
P.Van Eerd Beheersmaatschappij B.V.	85.07	-	85.07	-
Gammon International B.V.	335.49	-	286.61	-
Campo Puma Oriente S.A.	406.11	-	230.41	-
Gammon Holdings B.V.	709.62	-	183.87	-
Finest S.p.A	0.52	-	0.52	-
ATSL Holding B.V. (Netherland)	199.66	-	199.66	-
SAE Power Lines S.r.l	48.96	-	48.96	-
Patna Water Supply Distribution Network Private Limited	10.00	-	-	-
Gammon Power Limited	-	73.39	-	110.57
Associated Transrail Structure Limited Nigeria		3.21		3.21
Total	**2,388.19**	**76.60**	**1,520.29**	**113.78**

(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Ansaldocaldaie Boilers India Private Limited	29.57	29.57	29.57	29.57
Associated Transrail Structure Limited Nigeria	3.21	3.21	3.21	3.21
ATSL Holding B.V. (Netherland)	197.14	197.14	197.14	197.14
Campo Puma Oriente S.A.	406.11	395.63	406.11	397.52
Deepmala Infrastructure Private Limited	214.25	214.25	214.25	240.81
Finest S.p.A	0.52	0.52	0.52	0.52

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Franco Tosi Hydro Private Limited	0.01	0.01	0.01	0.01
Gactel Turnkey Projects Limited	68.32	68.32	68.32	68.32
Gammon & Billimoria Limited	39.87	39.87	39.87	40.37
Gammon Holdings (Mauritius) Limited	276.54	260.04	276.54	260.56
Gammon Holdings B.V.	709.62	682.55	709.62	682.55
Gammon International B.V.	682.82	659.18	682.82	659.18
Gammon International FZE	95.13	91.20	95.13	91.20
Gammon Power Limited	73.39	110.57	110.57	168.05
Gammon Realty Limited	85.67	118.31	118.31	123.10
Gammon Renewable Energy Infrastructure Limited	0.00	0.00	0.00	0.00
Gammon Retail Infrastructure Private Limited	-	0.27	0.27	0.27
Gammon Sew Joint Venture	-	0.09	0.09	0.09
Haryana Biomass Power Limited (Hareda Projects)	0.07	0.07	0.07	0.07
Metropolitan Infrahousing Private Limited	262.85	549.41	549.41	549.41
OSE Gammon Joint Venture	-	-	0.14	0.14
P.Van Eerd Beheersmaatschappij B.V.	85.07	85.07	85.07	85.09
Patna Water Supply Distribution Network Private Limited	49.99	51.44	51.44	51.46
Preeti Township Private Limited	0.01	0.01	0.01	0.01
Rajahmundry Godavari Bridge Limited	0.35	0.35	0.35	0.35
RAS Cities and Township Private Limited	1.00	2.00	2.00	9.94
SAE Power Lines S.r.l	48.96	48.96	48.96	48.96
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
Franco Tosi Meccanica S.P.A	0.11	0.11	0.11	0.11
Total	**3,330.80**	**3,608.37**	**3,690.13**	**3,708.23**

(iii) Investment by loanee in the subsidiary Companies Shares

Name of the Company	Invested in Subsidiary Company	March 31, 2019	March 31, 2018
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A	396.39	411.29
	Gammon Itlay S.r.L	0.13	0.14
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.L	99.69	103.44
Gammon & Billimoria Limited	G & B Contracting LLC	0.61	0.61
Gammon Realty Limited	Preeti Township Private Limited	-	0.12
	Deepmala Infrastructure Private Limited	0.00	0.00
P.Van Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A	58.32	60.51
Gammon Retail Infrastructure Private Limited	Gammon Power Limited	0.01	0.01

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

(v) The Company on prudent basis has stopped recognizing further interest on all the loans which are doubtful of recovery and for which provisions for impairement are made either in full or part

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

Name of Party	Relation	Purpose	March 31, 2019	March 31, 2018
Deepmala Infrastructure Private Limited	Subsidiary	Advance towards Operations	-	0.14
Gactel Turnkey Projects Limited	Subsidiary	----do-----	-	2.78
Gammon International B.V.	Subsidiary	----do-----	-	9.50
Metropolitan Infrahousing Private Limited	Subsidiary	----do-----	-	17.60
Patna Water Supply Distribution Network Private Limited	Subsidiary	----do-----	-	0.30

6 Other Financial Assets (at amortised cost)

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	93.74	0.65	197.02	0.65
Considered Doubtful	352.68	-	217.70	-
Less : Provision for Doubtful Interest	(352.68)	-	(217.70)	-
Other Receivable	-	1.33	-	0.63
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Total	**93.74**	**26.51**	**197.02**	**25.81**

Excess Managerial Remuneration Receivable :

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

7 Other Assets

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Prepaid Expenses	-	0.05	-	0.01
Unbilled Revenue (Refer note below)	-	-	912.36	-
Contract Assets	945.84	69.74		
Advance to Creditors/Subcontractors				
Unsecured Considered goods	11.04	35.38	10.20	51.70
Unsecured Considered doubtful	-	1.42	-	-
Less: provision for doubtful	-	(1.42)	-	-
Staff Advances	-	0.98	-	0.91
Balance with Tax Authority	-	17.64	-	6.06
Advance Tax Net of Provision	392.66	-	389.32	-
Others	-	0.53	-	0.53
Total	**1,349.54**	**124.32**	**1,311.88**	**59.21**

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 favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to ₹ 894.41 crores (P.Y. ₹ 912.36 crore) will be reasonably certain to be settled in favour of the Company. During the year the entire amount forms part of Contract Assets. The management contends that the same are due to them and they have a very good chance of realisation

8 Inventories

Particulars	March 31, 2019	March 31, 2018
Material at Construction Site	23.52	28.86
Work In Progress - Real Estate	21.95	25.06
Work In Progress -(Refer note no. 23 (C))	-	69.90
Total	**45.47**	**123.82**

* Inventory of Raw Material and Stores and Spares at site amounting to ₹ 2.67 Crore (P.Y. Nil) has been written off as expenses due to obsolescence

9 Cash and Bank Balance

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on Hand	0.04	0.06
Balances with Bank	2.77	10.05
Total	**2.81**	**10.11**

Particulars	March 31, 2019	March 31, 2018
Other Bank Balances		
Unpaid dividend	0.58	0.58
Other Bank Balance	-	2.00
Bank deposits (on margin account)	-	0.47
Total	**0.58**	**3.05**

Other Bank Balances

Other bank balances represents balances in foreign branches relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries. The balance as on March 31, 2019 is Nil, (net of provisions of ₹ 2.00 Crore in view of the above), however the Company has provided the entire amount of bank balances in foreign countries on prudent basis.

10 Equity Share Capital

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

Particulars	March 31, 2019		March 31, 2018	
	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, 2019		March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	36,88,47,305	73.77	36,88,47,305	73.77
Add: Issued during the year	-	-	-	-
As at the end of the year	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**

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

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2019		March 31, 2018	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,92,72,129	10.63%	3,97,74,612	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	5.98%	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, 2019	March 31, 2018
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	(5,065.38)	(3,310.22)
Treasury shares	(1.69)	(1.69)
Other Comprehensive Income:		
Net gain/ (loss) on fair value of equity instruments	2.43	-
Total	**(3,141.86)**	**(1,389.13)**

12 Non Current Financial Liabilities - Borrowings

Note:

Classification of all credit facilities under Current Liabilities - Refer note no. 20

The facilities from the lenders have become Non Performing Assets in the month June'17. The Lenders have recalled all the loans and therefore all the long term loan facilities of ₹ 2,645.65 crores (P.Y ₹ 2,922.99 crores) are classified as current and disclosed under Current Liabilities together with the disclosure.

On account of the above, a number of lenders have not shared their confirmations as at the year ended March 31, 2019 and to that extent the balances are unconfirmed

13 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2019	March 31, 2018
Trade Payable	-	-
Retention / Deposits	12.82	10.95
Total	**12.82**	**10.95**

14 Other financial liabilities

Particulars	March 31, 2019	March 31, 2018
Margin Money Received	12.00	12.00
	12.00	**12.00**

15 Provisions

Particulars	March 31, 2019		March 31, 2018	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:				
Provision for Gratuity	0.17	0.06	0.05	0.23
Provision for Leave Encashment	0.23	0.44	0.30	0.46
Others:				
Provision for Risk and Contingencies	-	346.43	-	71.45
Total	**0.40**	**346.93**	**0.35**	**72.14**

(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, 2018	249.62	-	178.17	71.45
March 31, 2019	71.45	278.55	3.57	346.43

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

Table Showing Change in the Present Value of Projected Benefit Obligation	March 31, 2019	March 31, 2018
Present Value of Benefit Obligation at the Beginning of the Period	0.56	0.50
Interest Cost	0.04	0.04
Current Service Cost	0.03	0.05
Liability transferred out - on scheme and BTA	-	0.28
Benefit Paid Directly by the Employer	(0.02)	(0.02)
Benefit Paid From the Fund	(0.28)	(0.07)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.01	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.12	(0.19)
Present Value of Benefit Obligation at the End of the Period	**0.45**	**0.56**
Fair Value of Plan Assets at the Beginning of the Period	0.28	0.32
Interest Income	0.02	0.02
Contribution by Employer	0.21	0.00
Assets transferred out - on scheme and BTA	-	-
Benefit Paid from the Fund	(0.28)	(0.07)
Return on Plan Assets, Excluding Interest Income	(0.00)	(0.00)
Fair Value of Plan Assets at the End of the Period	**0.23**	**0.28**
Present Value of Benefit Obligation at the end of the Period	(0.45)	(0.56)
Fair Value of Plan Assets at the end of the Period	0.23	0.28
Funded Status (Surplus/ (Deficit))	(0.23)	(0.28)
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.23)**	**(0.28)**
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.03	0.05
Net Interest Cost	0.02	0.01
Past Service Cost	-	0.28
Expenses Recognized	**0.05**	**0.34**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.12)	(0.20)
Return on Plan Assets, Excluding Interest Income	0.00	0.00
Net (Income)/Expense For the Period Recognized in OCI	**(0.12)**	**(0.20)**
Balance Sheet Reconciliation		
Opening Net Liability	0.28	0.17
Expenses Recognized in Statement of Profit or Loss	0.05	0.34
Expenses Recognized in OCI	0.12	(0.20)
Net Liability/(Asset) Transfer Out	0.00	0.00
Benefit Paid Directly by the Employer	(0.02)	(0.02)
Employer Contribution	(0.21)	(0.00)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.22**	**0.28**
Category of Assets		
Insurance fund	0.23	0.28
Total	**0.23**	**0.28**

Assumptions	**2018-19**	**2017-18**
Expected Return on Plan Assets	7.65%	7.65%
Rate of Discounting	7.65%	7.65%
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	2018-19	2017-18
Projected Benefit Obligation on Current Assumptions	0.45	0.56
Delta Effect of +1% Change in Rate of Discounting	(0.01)	(0.02)
Delta Effect of -1% Change in Rate of Discounting	0.02	0.02
Delta Effect of +1% Change in Rate of Salary Increase	0.02	0.02
Delta Effect of -1% Change in Rate of Salary Increase	(0.01)	(0.02)
Delta Effect of +1% Change in Rate of Employee Turnover	0.00	0.00
Delta Effect of -1% Change in Rate of Employee Turnover	(0.00)	(0.01)

Note :

1 Gratuity is payable as per company's scheme as detailed in the report.

2 Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

3 The Company's Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities. The Company's Gratuity Liability is entirely funded except LMR employees.

4 Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

5 Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

6 In the absence of data of experience adjustments, the same is not disclosed.

7 The Company's Leave Encashment Liability is entirely unfunded.

8 Risk Factors / Assumptions

a) Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

d) Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

e) Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

f) Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

16 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2019		March 31, 2018	
Deferred Tax Liability:				
Property, Plant and Equipment	(82.54)		(81.61)	
Non Current Investments	(19.64)		(28.45)	
		(102.18)		(110.06)
Deferred Tax (Liabilities) / Assets (Net)		**(102.18)**		**(110.06)**

Deferred Tax Assets:

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

17 Other Non-Current Liabilities

Particulars	March 31, 2019	March 31, 2018
Client Advances	-	45.99
Contact Liabilities- Client Advances	26.79	-
Advance received against Real Estate Joint development	43.00	43.00
Unamortised Guarantee Commission	-	1.60
Unamortised Deferred Rent Income	0.23	-
Rent Deposit	0.72	-
Total	**70.74**	**90.59**

18 Current Financial Liabilities - Borrowings

Note: The entire credit facilities of ₹ 1,056.38 crores (P.Y ₹ 971.16 crores) is recalled by the lenders and hence disclosed under current liabilities - Refer note no. 20

19 Current Financial Liabilities - Trade Payables

Particulars	March 31, 2019	March 31, 2018
Trade Payables		
- Total outstanding dues to Micro and Small Enterprises	0.84	0.44
- Total outstanding dues to other than Micro and Small Enterprises	134.99	137.13
Total	**135.83**	**137.57**

(i) As per the information / intimation / documentation available with the Company, Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, have been identified by the Company to whom the Company owes dues on account of principal amount together with interest and accordingly additional disclosures under section 22 of The Micro small and Medium Enterprises development Act 2006 have been made.

(ii) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

(iii) The balances of the trade payables are subject to confirmation and consequent reconciliation, if any.

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

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.84	0.44
Principal amount due	0.25	0.30
Interest due on the above	0.59	0.14
The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
Principal amount paid beyond appointed day	-	-
Interest paid thereon	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest under MSME Act where payment has been made beyond appointed day during the year.	0.25	0.30
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.59	0.14

20 Other Current Financial Liabilities

Particulars	March 31, 2019		March 31, 2018	
Credit facilities recalled by lenders - Secured (Refer Security details given below)		3,702.03		3,894.14
Credit facilities recalled by lenders - Secured (For SPV) *		896.67		860.61
Interest Accrued and Due (Refer Note (C) below)		731.68		641.66
Interest Accrued (Refer Note (E) below)		485.35		186.83
Unpaid Dividend (Refer Note (D) below)		0.58		0.58

Particulars	March 31, 2019		March 31, 2018	
Other Payables				
- Related Party	20.29		151.38	
- Others	98.72		23.56	
		119.01		174.94
Total		**5,935.32**		**5,758.76**

* 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 in the previous year have demanded the immediate payment of all overdue amount of loan and interest from the Company. The same is classified as current and disclosed as Current Liabilities and correspondingly recoverable from the SPV companies.

(A) a) Corporate Restructuring and Other - Borrowings Notes

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

Key features of the CDR agreement are as follows :

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

(b) Securities for Term Loans and NCD :

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

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

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

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

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

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

Working Capital Term Loan (WCTL) -

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

Priority Loan -

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

Non Convertible Debentures (NCD) and FITL thereon -

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

Funded Interest Term Loan (FITL) -

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

(c) Interest on Term Loans -

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

Non Convertible Debentures

Facility	Principal as on 31 March 2019	Rate	Principal as on 31 March 2018
10.50%	65.65	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	**288.60**		**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 lenders.
b) Personal guarantee of Mr Abhijit Rajan, former Chairman & Managing Director.
c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the Joint Venture agreement with developer.
d) Corporate Guarantee provided by Nikhita Estate Developers Private Limited ("promoter entity")

e) Pledge over the following shares -
Deepmala Infrastructure Private Limited
Ansaldocaldaie Boilers India Private Limited
Gactel Turnkey Projects Limited
Transrail Lighting Limited
Gammon Engineers and Contractors Private Limited.
Nikhita

(f) Maturity profile of Term Loans and NCD

Period	March 31, 2019	March 31, 2018
Credit facilities recalled by lenders	2,645.65	2,922.99
Principal Overdue	-	-
With in 1 years	-	-
2 - 3 years	-	-
4 - 5 years	-	-
6 - 10 years	-	-
Total	**2,645.65**	**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, 2019	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)	-	-	-	-	1,298.57
Priority Loan (PL)	-	-	-	-	574.16
Funded Interest Term Loan (FITL)	-	-	-	-	48.70
Working Capital Term Loan (WCTL)	-	-	-	-	435.62
Non Convertible Debentures(NCD)	-	-	-	-	288.60
Total	**-**	**-**	**-**	**-**	**2,645.65**

(h) 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**

(B) Current Financial Liabilities - Borrowings Notes

(i) Securities - Cash Credit from Consortium Bankers :

a) 1st pari-passu charge on the entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

b) 2nd pari-passu charge over the entire Fixed Assets (immovable and movable) of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

c) 2nd pari-passu charge on Gammon House.

(ii) The rate of interest on above loan is linked to MI base rate + 175 bps to 225 bps.

Some of the loans are at spread below Bank base rate or Bank Prime lending rate or at Negotiable rates. The Spread range from 100 to 250 bps.

(iii) Buyers Credit are secured by guarantee of consortium bankers.

(iv) Short term loan from consortium Bankers :

a) BOB -Security - Short Term Loan V - INR

1st Charge on investments, Loans & Advances, LT Receivables (claims) of Gammon India Limited Residual

2nd charge on Gammon House

2nd charge of Canara Bank on Dombivali Metropolitan Infra Housing Private Limited Land (only on RTL-1 portion)

Pledge on shares of Metropolitan Infra Housing Private Limited (Dombivali)

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

Pledge on shares of Ansaldocaldaie Boilers India Private Limited (73%)

Pledge on sahes and corporate gurantee of Nikhita Estate Developers Private Limited (100%)

Pledge on Promoters holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Pledge on Gammon India Limited's holding in EPC

Pledge on Gammon India Limited's holding T&D

Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

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

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

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

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

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

pledge on Promoter's holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Other contractual comforts and undertakings taken at the time of CDR

c) IDBI - STL

Primary Security

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

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

2nd pari passu charge on Gammon House

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

Collateral Security

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

d) ICICI -STL

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

The OD facility shall be additionally collateralised by way of :

Exclusive pledge of 193,999,800 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 20.60 % of the total paid up equity shares of GIPL. The same shall be Subject section 19 (2) & (3) of the Banking Regulation Act.

NDU- PoA over the remaining 193,999,800 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 20.60 % of the total paid up equity shares of GIPL which shall bereleased in favour of IDBI Bank / Other Bank who shall be sanctioning the remaining OD facility

(v) Facility overdrawn as at March 31, 2019:

Facility	₹ in Crore
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,056.38
Total	**1,056.38**

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**

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

As at March 31, 2019	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	7.73	7.66	15.07	220.76	251.23
PL	12.03	11.99	31.26	147.92	203.20
FITL	0.08	0.08	0.44	23.40	24.00
WCTL	9.66	9.58	28.74	103.19	151.17
NCD	7.32	7.48	14.91	61.18	90.88
STL	-	-	11.24	46.78	58.02
WCDL	-	-	-	-	-
Cash credit	6.58	24.87	30.75	122.17	184.38
Total	**43.40**	**61.66**	**132.41**	**725.41**	**962.88**

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

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
WCDL	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**

(D) Unpaid dividend includes ₹ 0.54 crore (P.Y March 2018: ₹ 0.32 crore) to be transferred to the Investor Education & Protection Fund

(E) Interest accrued includes ₹ 483.90 crore (P.Y March 2018: ₹ 174.94 crore) on account of NPA Interest accrued in the books

(F) **Other Payable:**

An amount of ₹ 87.41 crore is payable to GECPL as at March 31, 2019 on account of payment of ₹ 107.16 crores made from the common pool of funds at the time of demerger during the period July 1, 2016 to March 31, 2017. This amount has been earmarked against the assignment of specific claims and awards in favour of GECPL, for which the Company has written to the clients. No interest is accrued on the aforesaid amount.

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

21 Other Current Liabilities

Particulars	March 31, 2019	March 31, 2018
Client Advances	-	102.31
Contract Liabilities - Client Advances	55.93	-
Duty & Taxes Payable	14.08	6.78
Others	10.91	0.01
Unamortised Guarantee	1.60	5.36
Unamortised Deferred Rent Income	0.10	-
Total	**82.62**	**114.46**

22 Current Tax Liabilities

Particulars	March 31, 2019	March 31, 2018
Provision for taxation (net of taxes paid)	2.96	2.32
Total	**2.96**	**2.32**

23 Revenue from Operations

Particulars	April 2018 - March 2019		April 2017 - March 2018	
Turnover		191.14		255.93
Other Operating Revenue:				
Sale of Scrap	1.58		4.68	
Equipment Rental Income	-		1.91	
Miscellaneous Operating Income	3.89		-	
Sundry Balances Written Back	0.79		2.42	
Share of Profit on Joint Venture	0.78		-	
		7.04		9.01
Total		**198.18**		**264.94**

(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
Contract revenue for the year	255.93
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	5,739.79
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	401.87
Advances received from contractees	102.90
Retention money	57.31
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,190.46
Gross amount due to customers for contract work	44.04

Note : Since Ind AS -11 was applicable till March 31, 2018. No disclosure is given for the current year

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

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

(b) Disaggregation of revenue from contracts with customers :

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

Particulars	March 31, 2019
Primary geographical markets	
In India	191.14
Outside India	-
Total	**191.14**

(c) Contract balances

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

Significant changes in contract asset and contract liabilities balances during the year are as follows:

Particulars		March 31, 2019
(i)	**Due from contract customers:**	
	At the beginning of the reporting period	56.78
	Cost incurred plus attributable profits on contracts-in-progress	-
	Progress Billings made towards contracts-in-progress	2.39
	Due from contract customers impaired during the reporting period	(1.83)
	Receipts from contract customers.	(4.82)
	Significant change due to other reasons	-
	At the end of the reporting period	**52.52**
(ii)	**Due to contract customers:**	
	At the beginning of the reporting period	148.28
	Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))	-
	Significant change due to other reasons	(65.57)
	At the end of the reporting period	**82.71**

(d) Performamce obligation

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

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) Performance obligations to be performed in next year is amounting to ₹ 55.23 crores.

(C) Disclosures for Correction of Error

Some awards received by the Company during the year 2017-18 were not booked in that year. The financial statements of 2017-18 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below. There is no effect in 2018-19.

(₹ in Crores)

Particulars	Effects on 2017-18
Increase in Revenue	22.50
(Increase) in Income Tax	-
Decrease in Loss	22.50
Increase in Basic & Diluted EPS	0.61
Increase in Income Tax Payable	-
Increase in Equity	22.50

Extract from Statement of Profit & Loss

Particulars	2018-19	2017-18	2017-18
	Restated		*Reported Earlier*
Revenue	310.15	377.36	354.86
Cost	751.27	782.06	782.06
Profit before Tax and Exceptional Items	**(441.12)**	**(404.70)**	**(427.20)**
Exceptional Items	(1,313.00)	(1,586.65)	(1,586.65)
Profit before Tax	**(1,754.12)**	**(1,991.35)**	**(2,013.85)**
Tax Expenses	0.93	(32.55)	(32.55)
Profit After Tax	**(1,755.05)**	**(1,958.80)**	**(1,981.30)**
Basic EPS	(47.58)	(53.11)	(53.72)
Diluted EPS	(47.58)	(53.11)	(53.72)

Statement of Changes in Other Equity

Particulars	2017-18	2017-18
	Restated	*Reported Earlier*
Reatined Earnings	(3,310.22)	(3,332.71)

24 Other Income

Particulars	April 2018 - March 2019	April 2017 - March 2018
Interest Income on EIR on Financial Assets at amortised cost	15.49	18.52
Rent Income	8.35	-
Excess provision written back	0.28	18.53
Excess Managerial remuneration reversed (refer Note: (a) below)	-	31.14
Profit on Sale of Assets	6.40	9.68
Profit on Sale of Investments	19.31	0.45
Gain on Fair Valuation of Current Investments	-	0.46
Corporate Guarantee Commission	5.36	11.44
Exchange Gain	53.61	12.71
Gain on remeasurement of Loan to Subsidiaries	0.03	7.79
Dividend on Current Investments	-	0.05
Miscellaneous Income	3.14	1.65
Total	**111.97**	**112.42**

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

25 Cost of Materials Consumed

Particulars	April 2018 - March 2019	April 2017 - March 2018
Opening Stock	28.86	50.69
Add : Purchases (Net of Discount)	16.82	18.48
Less : Closing Stock	23.52	28.86
Total	**22.16**	**40.31**

26 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2018 - March 2019		April 2017 - March 2018	
Work in progress				
Opening				
- Construction	-		73.59	
-Manufacturing	-		-	
		-		73.59
Less : Closing				
- Construction	-		(69.90)	
-Manufacturing	-		-	
		-		(69.90)
Total		**-**		**3.69**

27 Employee Benefits

Particulars	April 2018 - March 2019	April 2017 - March 2018
Salaries, Bonus, Perquisites etc.	8.12	10.73
Contribution to Providend and other fund	0.22	0.76
Staff Welfare Expenses	0.14	0.34
Total	**8.48**	**11.83**

28 Finance Cost

Particulars	April 2018 - March 2019	April 2017 - March 2018
Interest Expense	561.77	575.11
Unwinding Interest on financial Liabilities	0.06	-
Other Borrowing Costs	0.59	0.80
Total	**562.42**	**575.91**

During the period one of the lenders has levied penal interest and charges as reversal of benefit of CDR of Rs 107.28 crores. The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.

On account of the company being marked as non performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.

29 Depreciation & Amortisation

Particulars	April 2018 - March 2019	April 2017 - March 2018
Depreciation	10.56	11.77
Amortisation	-	-
Total	**10.56**	**11.77**

30 Other Expenses

Particulars	April 2018 - March 2019	April 2017 - March 2018
Plant Hire Charges	2.05	1.84
Consumption of Spares	1.20	1.49
Outward Freight	-	-
Power & Fuel	1.96	4.15
Fees & Consultations	7.91	11.70
Rent	1.01	1.63
Rates & Taxes (incl indirect taxes)	0.51	1.68
Travelling Expenses	1.50	1.70
Communication	0.05	0.02
Insurance	0.35	0.69
Repairs to Plant & Machinery	0.03	0.24
Other Repairs & Maintenance	0.07	0.05
Bank Charges & Guarantee Commission	2.92	1.86
Other Site Expenses	5.89	3.08
Sundry Expenses	0.93	1.93
Loss on Overseas Project	-	13.19
Sundry Balance Written Off	8.60	0.06
Bad debts	1.37	8.89
Provision for Doubtful Debts and Advances	35.12	22.71
Audit Fees	0.35	0.39
Total	**71.82**	**77.30**

(a) Remuneration to Statutory Auditors

Particulars	April 2018 - March 2019	April 2017 - March 2018
Audit Fees	0.30	0.30
Limited Review	0.03	0.05
Certification & Other Attest Services	0.02	0.04
Total	**0.35**	**0.39**

31 Exceptional Items

Particulars	April 2018 - March 2019	April 2017 - March 2018
Impairment provision of investment (net of Deferred Tax)	56.52	658.93
Impairment provisions of Loans	984.71	940.90
Provision for Risks & Contingency	274.97	-
Loss on Foreclosure	-	44.80
Write back of Provision of Loans	(3.21)	(57.98)
Total	**1,313.00**	**1,586.65**

Notes related to Exceptional Items:

i) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹ 963.39 crores (net of provisions made upto ₹ 227.45 crores March 31, 2018) as at March 31, 2019 including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure of ₹ 966.96 Crore and has debited the same as exceptional item in the statement of profit and loss notwithstanding its ongoing endeavor to recover the value of the non core assets.

ii) One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali. 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. The Company has already made a provision for impairment of its investment in the subsidiary of ₹ 505.44 Crores net of the reversal of the provision of deferred tax liability recognised on transition date of ₹ 101.09 Crores and provision of ₹ 268.90 Crores has been made against its exposure as loan & interest receivable as on March 31, 2018. Further provision of ₹ 95.70 Crore is made towards impairment on the basis of current valuation report of the land issued by Joint Sub Registrar, Kalyan

iii) One of the subsidiary ("Gammon Realty Limited) has sold its stake in its subsidiary ("Preeti Township Private Limited). Pursuant thereto the company has already made a provision of ₹ 120 Crores as on March 31, 2018 against its exposure, considering the value of its residuary assets.

iv) The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited , the company through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is ₹ 43.97 crores for the year ended March 31, 2019 (₹ 153.49 crores for the year ended March 31, 2018). The impairment provision is made based on the market price of the said shares of GIPL.

v) The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹1203.72 crores of which Gammon International BV (GIBV) is ₹ 857.47 Crores and Gammon Holding Mauritius Limited (GHML)is ₹ 346.25 Crores. 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 ₹ 234.50 Crores. However on the prudent basis Company has provided ₹ 41 crores in March 2019 (₹ 350 crores in March 2018) during the year against its exposure to GIBV.

vi) 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 ₹ 438.55 crores. The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. The company has already made the provision of ₹ 230.41 Cr upto March 2018 against its exposure based on internal estimates of the realisable value. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field further provision of ₹ 208.14 Cr is made during the year and the same has been shown as exceptional item in the statement of profit and loss.

vii) The Company having exposure in One of the subsidiary ("Patna Water Supply Distribution Network Private Limited") of ₹ 55.18 crores. Due to delay in arbitration process the subsidiary is facing problems. The Company has made a provision of Rs 10 crores against its exposure based on internal estimates of the realisable value

viii) The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is ₹ 324.74 crores. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. During previous year the management has on a conservative basis made a provision of ₹ 100 crores 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.

32 Tax Expense

Particulars	April 2018 - March 2019	April 2017 - March 2018
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Excess short provision for tax	-	-
Deferred tax	0.93	(32.55)
Income tax recognised in statement of profit or loss	**0.93**	**(32.55)**

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	(1,754.12)	(2,013.85)
Enacted tax rates in India (%)	31.20%	31.20%
Computed expected tax expenses	(547.28)	(628.32)
Effect of non- deductible expenses	576.23	639.79
Effect of tax losses and deductable expenses	(28.94)	(10.91)
Net Tax Effects	0.00	0.56

B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2018
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)**
Property, Plant and Equipment	(81.61)	(0.93)	-	(82.54)
Non Current Investments (*)	(28.45)	8.81	-	(19.64)
Trade Receivable- Provision for doubtful debts	-	-	-	-
Disallowances u/s 43B	-	-	-	-
Employee benefits	-	-	-	-
ICDS Adjustments	-	-	-	-
Remeasurement gain/(loss) on defined benefit plans	-	-	-	-
Mar-19	**(110.06)**	**7.88**	**-**	**(102.18)**

(*) Adjusted in Exceptional Items

33 Earning Per Share

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

Particulars	April 2018 - March 2019	April 2017 - March 2018
Net Profit attributable to the Equity Share holders	(1755.05)	(1958.80)
O/s number of Equity Shares at the end of the year	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Basic	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,95,73,105
Earning Per Share – Basic (₹)	(47.58)	(53.11)
Earning Per Share – Diluted (₹)	(47.58)	(53.11)

Reconciliation of weighted number of outstanding during the year :

Particulars	April 2018 - March 2019	April 2017 - March 2018
Nominal Value of Equity Shares (Rupee Per Share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	36,88,47,305	36,88,47,305
Add : Issue of shares	-	-
Outstanding Equity shares at the year end	36,88,47,305	36,88,47,305
Weighted Average of Equity Shares at the end	36,88,47,305	36,88,47,305
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	36,88,47,305	36,88,47,305
Add : Shares kept in abeyance	7,25,800	7,25,800
Weighted Avg no. of shares in calculating Dilutive EPS	36,95,73,105	36,95,73,105

34 Contingent Liability

Particulars		March 31, 2019	March 31, 2018
i	Liability on contracts remaining to be executed on Capital Account	-	-
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)	1,258.57	1,259.79
iii	Disputed Sales Tax Liability for which the Company has gone into appeal	30.39	31.63
iv	Claims against the Company not acknowledged as debts	73.83	294.41
v	Disputed Service Tax Liability	9.48	9.48
vi	Outstanding Letters of Credit Pending Acceptance	-	-
vii	In respect of Income Tax Matters of Company and its Joint Ventures	326.46	328.36
viii	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
ix	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
x	Other Matter	-	-
xi	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96

xii There is a disputed demand of UCO Bank pending since 1986, of USD 436251 i.e. ₹ 3.02 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹ 0.21 Crore, which adjustment has not been accepted by the Company.

xiii Counter Claims in arbitration matters referred by the Company – Liability unascertainable.

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

xv 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 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 Ind AS -108 is done in respect of this segment.

Revenue of ₹ 169.34 Crore (PY: ₹ 89.99 Crore) arising from four (PY three) major customer each contributing more than 10% of the total revenue of the Company.

36 Foreign & Domestic Venture

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

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

(b) The Gammon group owns 67.50% of the total equity capital of Sofinter through two of its wholly owned overseas subsidiaries. However to facilitate continued support on lines of credit, the Board of Sofinter S.p.A has been reconstituted effective from November 2016 with majority vesting with the lending banks of Sofinter group.

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

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

The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹1203.72 crores of which Gammon International BV (GIBV) is ₹ 857.47 Crores and Gammon Holding Mauritius Limited (GHML) is ₹ 346.25 Crores. 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 ₹ 234.50 Crores. However on the prudent basis Company has provided ₹ 41 crores in March 2019 (₹ 350 crores in March 2018) during the year against its exposure to GIBV.

(c) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹ 963.39 crores (net of provisions made upto ₹ 227.45 crores March 31, 2018) as at March 31, 2019 including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure of ₹ 963.39 Crore and has debited the same as exceptional item in the statement of profit and loss notwithstanding its ongoing endeavor to recover the value of the non core assets.

(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 ₹ 438.55 crores. The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. 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 the provision of ₹ 230.41 Cr upto March 2018 against its exposure based on internal estimates of the realisable value and further provision of ₹ 208.14 Cr is made during the year and the same has been shown as exceptional item in the statement of profit and loss.

(e) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi of ₹ 25.72 Crore. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV. The Company has made provision as risks and contingencies aggregating to ₹ 1.66 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said subsidiary for making investment into Sadelmi, in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets considering the net worth and operations of the said Sadelmi.

(f) The Court of Monza in respect of one of the step down Subsidiary SAE Powerlines S.r.L. (Held through ATSL Holdings BV) has declared the bankruptcy. The company has made full provision against it's exposure in SAE .

37 Material Uncertainty Relating to Going Concern

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. As on March 31, 2019 the Company's current liabilities exceed the current assets by ₹ 6305.69 crores. 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 (GIPL) which were pledged as security (for the loan taken by Company) by one of the Company's wholly owned subsidiary towards recovery of its dues to the Company.

The CDR lenders also invoked pledge of Company's holdings of 23.15% in Gammon Engineers and Contractors Private Limited and 23.08% holding in Transrail Lighting Limited apart from sale of further shares of GIPL 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 Company's subsidiary has sold 33,40,00,200 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of ₹ 94.99 crores.

The Company has repaid term loan of Canara bank aggregating to ₹ 286 crores (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited

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

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

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

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

The Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The management feels subject to lenders approval the proposal of the investor would be still valid. The broad terms of the proposal were;

(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 at ₹ 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 asset will be developed and sold by entering into a development agreement with leading developers. As per the estimates provided by the developer funds to the tune of Rs 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 company is also actively exploring various options for monetisation of various assets to repay the debt. 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. 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 realisation of the claim amounts filed by the Company, monetisation of the stake sale of investments and also the acceptance of the Investors proposal by the lenders.

38 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Statement B.

39 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars		Carrying Value		Fair Value	
		March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	884.62	1,993.25	884.62	1,993.25
	Others	120.25	222.83	120.25	222.83
	Trade receivables	390.49	339.71	390.49	339.71
	Cash and cash equivalents	2.81	10.11	2.81	10.11
	Bank Balance	0.58	3.05	0.58	3.05
(ii)	FVTPL			-	-
	Mutual Funds & Equity Instrument	0.95	3.93	0.95	3.93
	FVTOCI				
	Equity Instrument	7.52	-	7.52	-
	Total Financial Assets	**1,407.22**	**2,572.88**	**1,407.22**	**2,572.88**
	Financial Liabilities				
(i)	Amortised Cost				
	Borrowings	-	-	-	-
	Trade payables	148.65	148.52	148.65	148.52
	Others	5,947.32	5,770.76	5,947.32	5,770.76
	Total Financial Liabilities	**6,095.97**	**5,919.29**	**6,095.97**	**5,919.29**

(ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and floating interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Particulars	Fair Value measurement using				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Valuation Technique
Financial assets measured at fair value					
Investment in Current Investments					
Shares	March 31, 2019	0.95	-		Market Value of Shares
Mutual Funds	March 31, 2019	-	-		Market Value of Mutual Funds
Equity Investments - FVTOCI					
Equity Shares	March 31, 2019	-	7.52		Based on Valuation considered by lenders for pledge invokation
Total financial assets		**0.95**	**7.52**	**-**	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2019	-	-		Valuation from Banks.
Total financial Liabilities		**-**	**-**	**-**	
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		**-**	**-**	**-**	

(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, 2019		March 31, 2018	
Foreign currency	Receivable	Payable	Receivable	Payable
USD - US Dollar	34,22,25,494	-	24,84,08,008	-
EUR - Euro	7,01,63,862	1,83,059	4,70,82,339	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, 2019 is ₹ 2922.53 Crore and March 31, 2018 is ₹ 2,005.53 Crore.

Payable : As at March 31, 2019 is ₹ 1.42 Crore and March 31, 2018 is ₹ 1.48 Crore

Hedge Foreign currency :

Receivable : As at March 31, 2019 is ₹ NIL and March 31, 2018 is ₹ NIL

Payable : As at March 31, 2019 is ₹ NIL and March 31, 2018 is ₹ NIL.

Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	March 31, 2019		March 31, 2018	
Increase/(decrease) in profit or loss	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD - US Dollar	23.67	(23.67)	16.16	(16.16)
EUR - Euro	5.44	(5.44)	3.80	(3.80)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.09	(0.09)	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 ₹ 391.48 crore and ₹ 363.06 crore as of March 31, 2019 and March 31, 2018 respectively, unbilled revenue amounting to ₹ 894.41 crore and ₹ 912.36 crore as of March 31, 2019 and March 31, 2018, respectively. To manage this, the Company monitors whether the collections are made within the contractually established deadlines. In addition to this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(c) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2019	Plus 100 basis point	(37.02)
	Minus 100 basis points	37.02
March 31, 2018	Plus 100 basis point	(38.94)
	Minus 100 basis points	38.94

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, 2019	March 31, 2018
Cash and Cash Equivalent	2.81	10.11
Bank Balance	0.58	3.05
Current Investments in mutual Funds and Shares	0.95	3.93
Inventory	45.47	123.82
Trade Receivable Current	120.90	132.00
Loans & Advances Current	7.96	8.65
Other Financial Assets Current	26.51	25.81
Total	**205.18**	**307.37**

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	137.57	10.95	148.52
Other financial liabilities	5,758.76	12.00	5,770.76
Total	**5,896.33**	**22.95**	**5,919.29**

Particulars	Within One year	One - Five year	Total
As at March 31, 2019			
Long term Borrowing			-
Short term borrowings			-
Trade payables	135.83	12.82	148.65
Other financial liabilities	5,935.32	12.00	5,947.32
Total	**6,071.15**	**24.82**	**6,095.97**

(e) Competition Risk:

The Company is operating in a highly competitive environment with various Companies wanting a pie in the project. This invariably results in bidding for projects at low margins to maintain a steady flow of the projects to enable the group to retain the projects team and to maintain sustainable operations for the Company and the SPVs. The ability of the

Company to build the infrastructure at a competitive price and the ability to start the tolling operations is very important factor in mitigating the competition risk for the group.

(f) Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

40 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	**March 31, 2019**	**March 31, 2018**
Gross Debt	4,598.70	4,754.75
Less:		
Cash and Cash Equivalent	2.81	10.11
Bank Balance	0.58	3.05
Marketable Securities -Liquid Mutual Funds	0.95	3.93
Net debt (A)	4,594.36	3,877.05
Total Equity (B)	(3,067.75)	(1,315.02)
Gearing ratio (A/B)	**(1.50)**	**(2.95)**

41 Significant Accounting Judgments, Estimates And Assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgments

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

42 Details of Rounded Off Amounts

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

All the amounts Below are in Rupees

Particulars	March 31, 2019	March 31, 2018
Non Current Investment		
Airscrew (India) Limited	1,000	1,000
Alpine Environmental Engineers Limited	20,000	20,000
Bhagirathi Bridge Construction Company Limited	30,000	30,000
Modern Flats Limited (Unquoted)	22,100	22,100
Neptune Tower Properties Private Limited	-	-
Investment In Partnership-Capital Contribution-Gammon Shah	25,000	25,000
Current Investment		
HDFC Mutual Fund - Floating Rate Income Fund	24,881	23,578

Contingent Liability:

Contingent Liability on Partly Paid Shares

43 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, 2019.

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 : November 7, 2019

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Soumendra Nath Sanyal
Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

ANNEXURE - 1 - Statement A

A	Related Party Disclosure		
	SUBSIDIARIES		**ASSOCIATES**
1	Ansaldocaldai Boilers India Private Limited	1	Finest S.p.A Italy
2	ATSL B.V., Netherland	2	Transrail Lighting Limited (TLL) (*)
3	ATSL Infrastructure Projects Limited	3	Gammon Engineers and Contractors Private Limited (*)
4	Associated Transrail Structures Limited, Nigeria	4	Gammon Infrastructure Projects Limited
5	Campo Puma Oriente S.A.		
6	Deepmala Infrastructure Private Limited		**KEY MANAGERIAL PERSONNEL**
7	Gammon Real Estate Developers Private Limited	1	Mr Abhijit Rajan (Managing Director till 07/06/2018 and Non Executive Chairman w.e.f 07/06/2018)
8	Franco Tosi Turbines Private Limited	2	Mr Ajit B. Desai
9	Gactel Turnkey Projects Limited	3	Mr. Anurag Choudhry (Executive Director from 20/08/2018 to 18/02/2019)
10	Gammon & Billimoria Limited	4	Sugato Prosanno Ghosh (Nominee Director - Axis Trustee Services Limited w.e.f 07/02/2019)
11	Gammon Holdings (Mauritius) Limited	5	Mr. Jaysing Ashar (w.e.f. 19th February, 2019)
12	Gammon Holdings B.V.		
13	Gammon International B.V.		**INDEPENDENT DIRECTOR**
14	Gammon International FZE	1	Naval Choudhary (Independent Director till 31/03/2019)
15	Gammon Power Limited	2	Urvashi saxena (Independent Director till 31/03/2019)
16	Gammon Realty Limited	3	Atul Kumar Shukla (Independent Director till 31/03/2019)
17	Gammon Retail Infrastructure Private Limited	4	Chayan Battacharya (Executive Director till 03/08/2018)
18	Metropolitan Infrahousing Private Limited		
19	P.Van Eerd Beheersmaatschappaji B.V.		
20	Patna Water Supply Distribution Network Pvt Ltd		
21	Gammon Transmission India Limited		
	STEPDOWN SUBSIDIARIES		
1	Franco Tosi Meccanica S.p.A		
2	Gammon & Billimoria LLC		
3	Gammon Italy S.r.l		
4	Preeti Township Private Limited **		
5	SAE Powerlines S.r.l		
	JOINT VENTURE		
1	Gammon OJSC Mosmetrostroy		
3	Gammon SEW		
4	Gammon Srinivasa		
5	Haryana Bio Mass Power Limited		
6	Hyundai Gammon		
8	Sofinter S.p.A		
9	Gammon FECP JV Naigeria		
10	Consortium of Jyoti Structure & GIL		
11	GIPL GIL Jv		

* Consequent to invocation of pledge of shares of Transrail Lighting Limited (TLL) and Gammon Engineers and Contractors Private Limited(GECPL) ceased to be an associate hence only previous years figures are shown in the related party disclosure.

** Preeti Township Private Limited ceased to be a subsidiary during the year on account of stake sale.

ANNEXURE - 1 - Statement B

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
						-
	Subcontracting Expense	-	-	-	-	-
		-	-	(0.32)	-	(0.32)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	-	(0.32)	-	(0.32)
	Guarantee Income	4.44	-	-	-	4.88
		(8.96)	-	-	-	(9.65)
	Ansaldo Caldaie Boilers India Pvt Ltd	1.04	-	-	-	1.04
		(1.04)	-	-	-	(1.04)
	Gammon Holdings BV	0.55	-	-	-	0.55
		(2.48)	-	-	-	(2.48)
	Gammon International BV	-	-	-	-	-
		(2.58)	-	-	-	(2.58)
	Gactel Turnkey Projects Limited	0.80	-	-	-	0.80
		(0.80)	-	-	-	(0.80)
	Metropolitan Infrahousing Private Limited	0.88	-	-	-	0.88
		(0.88)	-	-	-	(0.88)
	SAE Power Lines s.r.l	1.18	-	-	-	1.18
		(1.18)	-	-	-	(1.18)
	Remeasurment Gain and Loss	0.03	-	-	-	0.03
		(1.33)	-	-	-	(1.33)
	RAS Cities and Townships Pvt Ltd	-	-	-	-	-
		(1.33)	-	-	-	(1.33)
	Gammon Retail Infrastructure Private Limited	0.03	-	-	-	0.03
		-	-	-	-	-
	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)
	Finance provided for Loans, expenses & on a/c payments	-	1.01	-	-	1.01
		(27.10)	-	(18.99)	-	(52.02)
	Gammon International BV	-	-	-	-	-
		(9.50)	-	-	-	(9.50)
	Metropolitan Infrahousing Private Limited	-	-	-	-	-
		(17.60)	-	-	-	(17.60)
	Transrail Lighting Limited (TLL)	-	-	-	-	-
		-	-	(18.99)	-	(18.99)
	Gammon OJSC Mosmetrostroy	-	0.52	-	-	0.52
		-	-	-	-	-
	Gammon SEW	-	0.49	-	-	0.49
		-	-	-	-	-

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Amount liquidated towards the finance provided	**323.74**	**-**	**-**	**-**	**358.16**
		(57.48)	**-**	**-**	**-**	**(58.76)**
	Gammon Power Limited	37.18	-	-	-	**37.18**
		(57.48)	-	-	-	**(57.48)**
	Metropolitan Infrahousing Private Ltd	286.56	-	-	-	**286.56**
		-	-	-	-	**-**
	Interest Income during the year	**15.09**	**-**	**-**	**-**	**15.11**
		(14.47)	**-**	**-**	**-**	**(15.23)**
	Patna Water Supply Distribution Network Pvt Ltd	4.62	-	-	-	**4.62**
		(4.62)	-	-	-	**(4.62)**
	Gammon Holdings (Mauritius) Ltd	10.47	-	-	-	**10.47**
		(9.85)	-	-	-	**(9.85)**
	Finance received for Loans, expenses & on a/c payments	**-**	**6.06**	**-**	**-**	**6.42**
		(10.60)	**-**	**(45.95)**	**-**	**(58.83)**
	RAS Cities and Townships P Ltd					**-**
		(10.60)				**(10.60)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		-	-	(14.23)	-	**(14.23)**
	Gammon OJSC Mosmetrostroy	-	4.49	-	-	**4.49**
		-	-	-	-	**-**
	Gammon SEW	-	1.57	-	-	**1.57**
		-	-	-	-	**-**
	Gammon Engineer and Contractors Private Limited	-	-	-	-	**-**
		-	-	(31.72)	-	**(31.72)**
	Amount liquidated towards the above finance	**-**	**-**	**-**	**-**	**-**
		(10.00)	**-**	**-**	**-**	**(10.00)**
	RAS Cities and Townships P Ltd	-				**-**
		(10.00)				**(10.00)**
	Interest expenses during the year	**0.02**	**-**	**-**	**-**	**0.02**
		(0.02)	**-**	**-**	**-**	**(0.75)**
	Gammon Road Infrastructure Ltd	0.02	-	-	-	**0.02**
		(0.02)	-	-	-	**(0.02)**
	Guarantees and Collaterals Outstanding	**1,460.87**	**-**	**-**	**-**	**1,674.31**
		(1,428.69)	**-**	**-**	**-**	**(2,574.39)**
	Gammon Holdings B.V.	286.17	-	-	-	**286.17**
		(269.10)	-	-	-	**(269.10)**
	Gammon International B.V.	204.46	-	-	-	**204.46**
		(194.21)	-	-	-	**(194.21)**
	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	203.99	-	-	-	**203.99**
		(191.82)	-	-	-	**(191.82)**
	SAE Powerlines S.r.l	224.256	-	-	-	**224.26**
		(231.56)	-	-	-	**(231.56)**

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	Key Managerial Personnel	**-**	**-**	**-**	**0.33**	**0.33**
	Managerial Paid	**-**	**-**	**-**	**(1.36)**	**(1.36)**
	Mr. Rajul A. Bhansali	-	-	-	-	**-**
		-	-	-	(0.80)	**(0.80)**
	Mr. Ajit B. Desai	-	-	-	-	**-**
		-	-	-	(0.56)	**(0.56)**
	Mr. Anurag Choudhry	-	-	-	0.27	**0.27**
		-	-	-	-	**-**
	Mr. Jaysing Ashar	-	-	-	0.06	**0.06**
		-	-	-	-	**-**
	Director Sitting fees and Commission	**-**	**-**	**-**	**0.04**	**0.04**
		-	**-**	**-**	**(0.10)**	**(0.10)**
	Chandrahas C. Dayal	-	-	-	-	**-**
		-	-	-	(0.02)	**(0.02)**
	Naval Choudhary	-	-	-	0.01	**0.01**
		-	-	-	(0.03)	**(0.03)**
	Urvashi saxena	-	-	-	0.01	**0.01**
		-	-	-	(0.03)	**(0.03)**
	Atul Kumar Shukla	-	-	-	0.01	**0.01**
		-	-	-	(0.02)	**(0.02)**
	Outstanding Balances Receivables					
	Loans & Advances	**1,798.55**	**-**	**-**	**-**	**3,308.21**
		(2,286.77)	**-**	**-**	**-**	**(3,608.39)**
	Metropolitan Infrahousing Private Limited	-	-	-	-	**-**
		(549.41)	-	-	-	**(549.41)**
	Gammon Holdings B.V.	709.62	-	-	-	**709.62**
		(682.55)	-	-	-	**(682.55)**
	Gammon International B.V.	682.82	-	-	-	**682.82**
		(659.18)	-	-	-	**(659.18)**
	Campo Puma Oriente S.A.	406.11	-	-	-	**406.11**
		(395.63)	-	-	-	**(395.63)**
	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	**1.36**	**-**	**-**	**-**	**1.36**
		(6.17)	**-**	**(0.73)**	**-**	**(6.90)**
	Gammon Holdings BV	-	-	-	-	**-**
		(0.55)	-	-	-	**(0.55)**
	Gammon International BV	-	-	-	-	**-**
		(0.38)	-	-	-	**(0.38)**
	SAE S.r.l	-	-	-	-	**-**
		(1.18)	-	-	-	**(1.18)**
	Ansaldo Caldaie Boilers Private Limited	0.52	-	-	-	**0.52**
		(1.55)	-	-	-	**(1.55)**
	Metropolitan Infrahousing Private Limited	0.44	-	-	-	**0.44**
		(1.31)	-	-	-	**(1.31)**

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
	GACTEL Turnkey Project Ltd	0.40	-	-	-	**0.40**
		(1.20)	-	-	-	**(1.20)**
	Transrail Lighting Limited	-	-	-	-	**-**
		-	-	(0.73)	-	**(0.73)**
	Provision made for doubtful debts	**1,531.37**	**-**	**-**	**-**	**2,607.31**
		(1,235.80)	**-**	**-**	**-**	**(1,736.97)**
	Metropolitan Infrahousing Private Limited	325.72	**-**	**-**	**-**	**325.72**
		(268.90)	**-**	**-**	**-**	**(268.90)**
	Gammon Holdings B.V.	803.81	-	-	-	**803.81**
		(183.87)	-	-	-	**(183.87)**
	Gammon International BV	401.84	-	-	-	**401.84**
		(352.96)	-	-	-	**(352.96)**
	ATSL B.V., Netherland	-	-	-	-	**-**
		(199.66)	-	-	-	**(199.66)**
	Campo Puma Oriente SPA	-	-	-	-	**-**
		(230.41)	-	-	-	**(230.41)**
	Interest Receivable	**268.42**	**-**	**-**	**-**	**433.04**
		(257.91)	**-**	**-**	**-**	**(412.92)**
	Deepmala Infrastructure Private Limited	-	-	-	-	**-**
		(38.35)	-	-	-	**(38.35)**
	Metropolitan Infrahousing Private Limited	63.15	-	-	-	**63.15**
		(63.15)	-	-	-	**(63.15)**
	Gammon Holdings B.V.	94.58	-	-	-	**94.58**
		(90.06)	-	-	-	**(90.06)**
	Gammon Holdings (Mauritius) Ltd	44.33	-	-	-	**44.33**
		-	-	-	-	**-**
	Gammon International B.V.	66.35	-	-	-	**66.35**
		(66.35)	-	-	-	**(66.35)**
	Trade & Other Receivable	**195.06**	**772.09**	**-**	**-**	**1,058.89**
		(195.06)	**(772.09)**	**-**	**-**	**(903.32)**
	SAE Power Lines s.r.l	195.06	**-**	**-**	**-**	**195.06**
		(195.06)	**-**	**-**	**-**	**(195.06)**
	Gammon OJSC Mosmetrostroy	-	772.09	-	-	**772.09**
		-	(772.09)	-	-	**(772.09)**
	Outstanding Balances Payable					
	Trade & Others Payable	**3.72**	**7.39**	**-**	**-**	**12.88**
		(8.04)	**(29.56)**	**(155.08)**	**-**	**(139.69)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		-	-	(7.64)	-	**(7.64)**
	Franco Tosi Meccanica SpA	-	-	-	-	**-**
		(8.04)	-	-	-	**(8.04)**
	Gammon OJSC Mosmetrostroy	-	6.40	-	-	**6.40**
		-	(29.56)	-	-	**(29.56)**
	Gammon Engineer and Contractors Private Limited	-		-	-	**-**
		-	-	(147.44)	-	**(147.44)**
	Gammon SEW	-	0.99	-	-	**0.99**
		-	-	-	-	**-**
	Deepmala Infrastructure Private Limited	1.24	-	-	-	**1.24**
		-	-	-	-	-
	RAS Cities and Townships P Ltd	2.48	-	-	-	**2.48**

(Previous Period figures are in brackets)

Transactions pertaining to contract revenue and contract expenses with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Gammon India Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Gammon India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group"), its Associates and Jointly Controlled Entities, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019 and consolidated loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

a) We invite attention to note no 10, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is ₹ 894.41 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, 2019.

b) We invite attention to note no 6(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of ₹ 256.25 crores in respect of disputes in four projects of the Company. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.

c) We invite attention to note no 11(d) 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 ₹ 324.74 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 ₹ 785.04 crores (net of provision).

d) We draw attention to note no 31 relating to penal interest of ₹107.28 crores during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest.

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 Ind AS effects have been appropriately considered , as follows

   i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financial statements reflects total assets of ₹ 288.47 crores and total revenues of ₹ 16.36 crores. the groups share in the net loss being ₹ 56.38 Crores. The JV is accounted on equity method. There, are no audited financial statements after 31st December 2012.

   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 31st December 2017 & 31st December 2018 has been not received.

   iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 1,072.54 crores and total revenues of ₹ 47.82 crores.

   iv. M/s Gammon & Billimoria Limited, a subsidiary of the Company whose financial statements reflects total assets of ₹ 104.79 crores and total revenues of ₹ Nil.

   v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of ₹ 154.03 Crores, Revenue of ₹ NIL Crores for the year ended March 31, 2019, the groups share in the net loss is ₹ 0.12 Crores. The JV is accounted on equity method.

vi. M/s G&B Contracting LLC a, associate of the group whose financial statements reflect Total Assets of ₹ 134.67 Crores, Revenue of ₹ 201.62 Crores for the year ended March 31, 2019, the groups share in the net loss is ₹ 0.63 Crores. Associate 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 two subsidiaries of the Company have qualified their auditors' report as follows

i) In the case of Ansaldo Caldaie Boilers India Pvt Ltd

- 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 replied 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.

ii) In the case of Patna Water Supply Pvt. Ltd

- The client has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of Rs 65.85 Cr. 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 advise received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their banker's 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.

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

Material Uncertainty Related to Going Concern

We draw attention to the following material uncertainty related to going concern included in the notes on the consolidated financial statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under.

a) In respect of Holding Company

We invite attention to the note no 41 relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and the present excess of Current Liabilities over Current Assets is ₹ 6305.69 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. Further due to the issues detailed in the note 41 the Company has continuously delayed 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 41 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.

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:

Ansaldo Caldaie Boilers India Pvt Ltd

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.

Patna Water Supply Distribution network Pvt Ltd

There is no activities presently happening at the project, since the project is terminated by client and Bank Guarantees have been en-cashed by the client. The matter is presently under arbitration and outcome of which will determine the position of the company. There are significant uncertainties of continuation of the project which ultimately has an impact on going concern assumption of the company. Our report is not qualified on this matter.

ATSL Holding BV

As at March 31, 2019 Current liabilities exceed current assets by Euro 1.70 Crores (₹ 133.09 Crores), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

Gammon Holding BV

As on 31st March 2019, current liabilities exceed current assets by Euro 6.14 Crores (₹ 477.38 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However, the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A. which in turn depends upon the value of non-core assets of the said Franco Tossi Mechanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these condensed Ind AS financial statements.

Gammon International BV

As on 31st March 2019, current liabilities exceed current assets by Euro 6.61 Crores (₹ 513.79 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.P.A.. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. 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 2019, current liabilities exceed current assets by AED 1.24 Crores (₹ 23.52 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. 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 B.V

As on 31st March 2019, current liabilities exceed current assets by Euro 1.44 Crores (₹ 112.15 Crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However, the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SPA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. 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 6A(a)(i) & 6A(a)(ii) relating to recoverability of an amount of ₹ 235.77 crores as at March 31, 2019 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of ₹ 7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

b) We draw attention to Note 6A(a)(iv) relating to the projects of real estate sector where the exposure is ₹ 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

Key Audit Matters

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

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

Other Information

The Holding Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the Annual Report but does not include the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly Controlled Entities in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities is responsible for assessing the ability of the Group and of its Associates and Jointly Controlled Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are also responsible for overseeing the financial reporting process of the Group and of its Associates and Jointly Controlled Entities.

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matters

a. We did not audit the financial statements and other financial information, in respect of 16 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 1,597.34 crores as at March 31, 2019, total revenues of ₹ 881.70 crores and net cash outflow amounting to ₹ 10.54 crores for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit of Rs 0.82 crores in respect of 3 joint ventures for the year ended March 31, 2019, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates in India, is based solely on the reports of the other auditors.
b. We did not audit the financial statements of 2 subsidiary, whose financial statements reflect total assets of ₹ 1,177.32 crores as at March 31, 2019, total revenues of ₹ 47.82 crores and net cash outflow amounting to ₹ 0.25 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. We also did not audit the financial statements of 2 joint ventures and 1 associates whose financial statements reflect total assets of ₹ 577.17 crores and total revenue of ₹ 225.71 crores, the Company's share of loss in such joint ventures accounted under equity method being ₹ 57.12 crores. These financial statements are unaudited and have been furnished to us by the Management including the application of the Ind AS 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 and has been qualified for the material subsidiary as detailed in Basis of Qualified Opinion paragraph.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a. We / the other auditors whose reports have relied upon except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, have sought obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
b. In our opinion, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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, 2019 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, 2019 from being appointed as a director in terms of section 164(2) of the Act except for Mr. Jaysingh Ashar.

   ii. Mr. Ajit B Desai in case of Patna water supply distribution network private limited.

   iii. In case of Ansaldo Caldaie Boilers India Pvt Ltd. Based on the information available from Ministry of Corporate Affairs Portal, Mr. Ramesh Patel and Ms Barbara Ellen Lefebvre is being disqualified from being appointed as a director in terms of section 164(2). 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 DIN is deactivated due to non-filing of DIR-3.

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

g. With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

h. With respect to other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the act as amended in our opinion and to the best of our information and according to explanations given to us, the remuneration paid or provided by the holding company to its director during the year is in accordance with the provision of section 197 of the act; and

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 38 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses. The Group has not entered into any derivative contracts;

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

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

K N Padmanabhan
Partner
M. No. 36410

Mumbai, Dated: - November 7, 2019
UDIN : 19036410AAAADW6682

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated Ind AS Financial Statements of Gammon India Limited ("herein after referred to as "the Holding Company") 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, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its 10 subsidiary companies, 3 joint ventures and 1 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, 2019:

Holding Company;

a) The Company has laid down internal financial controls with reference to financial statements, however, its implementation and effectiveness in certain areas are affected due to severe manpower issues affecting timely preparation of financial statements.

b) Our test of transactions revealed instances of control weaknesses which have inter-alia resulted from manpower and liquidity issues

c) Internal Audit carried out by the Company was not adequate considering the size and operations of the Company and was required to be more extensive with timely follow up and actions to correct the issues promptly. The internal audit has also revealed weaknesses in the systems and processes

Other covered entities;

We did not audit the internal financial controls system with reference to Ind AS financial statements in so far as it relates to a subsidiary company, which is company covered under the Act, whose financial statement reflect total assets of ₹ 1,177.32 crore as at 31 March 2019, total revenues of ₹ 47.82 crores and net cash outflows of Rs 0.25 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 Rs 0.12 crore for the year ended 31 March 2019, 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.

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, 2019, 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

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to standalone financial statements of 10 subsidiaries, 3 joint venture and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

K N Padmanabhan
Partner
M. No. 36410

Mumbai, Dated: - November 7, 2019
UDIN : 19036410AAAADW6682

Consolidated Balance Sheet as at 31, March 2019

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

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	444.01	459.34
(b) Capital work-in-progress	3	3.33	10.38
(c) Intangible Asset	2B	-	0.18
(d) Goodwill on Consolidation	4	-	147.42
(e) Financial assets			
(i) Investments	5	853.86	1,200.01
(ii) Trade receivable	6	269.85	279.27
(iii) Loans	7	193.11	90.31
(iv) Others financial assets	8	28.90	54.19
(f) Deferred tax assets (net)	9	0.25	0.36
(g) Other non-current assets	10	1,399.82	1,346.05
TOTAL NON-CURRENT ASSETS		**3,193.13**	**3,587.51**
CURRENT ASSETS			
(a) Inventories	11	911.72	1,801.47
(b) Financial assets			
(i) Investments	5	0.96	3.92
(ii) Trade receivables	6	156.74	199.04
(iii) Cash and cash equivalents	12	6.64	33.55
(iv) Bank balances	12	6.58	4.66
(v) Loans	7	68.72	67.86
(vi) Others financial assets	8	28.88	27.09
(c) Other current assets	10	191.04	84.36
TOTAL CURRENT ASSETS		**1,371.28**	**2,221.94**
TOTAL ASSETS		**4,564.41**	**5,809.45**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	74.11	74.11
(b) Other equity	14	(3,449.28)	(2,240.97)
Equity attributable to owners of the Company		**(3,375.17)**	**(2,166.86)**
(c) Non-controlling interests	15	(116.78)	(87.12)
TOTAL EQUITY		**(3,491.95)**	**(2,253.98)**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	16	48.56	116.28
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	17	-	-
- Total outstanding dues to other than Micro and Small Enterprises	17	20.99	34.53
(b) Provisions	18	0.46	3.64
(c) Deferred tax liabilities (net)	9	102.33	110.36
(d) Other non-current liabilities	19	207.07	224.12
TOTAL NON-CURRENT LIABILITIES		**379.41**	**488.93**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	20	622.78	699.86
(ii) Trade payables			
- Total outstanding dues to Micro and Small Enterprises	17	0.84	0.44
- Total outstanding dues to other than Micro and Small Enterprises	17	233.68	249.56
(iii) Other financial liabilities	21	6,415.77	6,208.79
(b) Other current liabilities	22	129.53	245.36
(c) Provisions	18	264.41	162.05
(d) Current tax liabilities (net)	23	9.94	8.44
TOTAL CURRENT LIABILITIES		**7,676.95**	**7,574.50**
TOTAL EQUITY AND LIABILITIES		**4,564.41**	**5,809.45**

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 : November 7, 2019

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Soumendra Nath Sanyal
Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

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

Sr No	Particulars	Note No.	2018-19	2017-18
I	Revenue from Operations	24	984.38	726.63
II	Other Income	25	78.31	329.66
III	**Total Income (I +II)**		**1,062.69**	**1,056.29**
IV	**Expenses**			
	Cost of Sales	26	770.67	225.29
	Purchases of stock-in-trade	27	0.09	2.00
	Changes in inventories of finished goods, work-in progress and stock-in-trade	28	-	16.45
	Subcontracting Expenses	29	127.56	188.62
	Employee benefits expense	30	28.54	38.59
	Finance Costs	31	683.71	782.80
	Depreciation & amortization expenses	32	13.46	46.39
	Other expenses	33	203.50	113.66
	Total Expenses		**1,827.53**	**1,413.80**
V	**Profit/(Loss) before exceptional items and tax(III- IV)**		**(764.85)**	**(357.51)**
VI	Exceptional items Expense / (Income)	34	443.32	1,225.98
VII	**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax**		**(1,208.17)**	**(1,583.49)**
	Share of profit / (loss) of associates and joint ventures		(79.33)	(21.76)
VIII	**Profit/(loss) before tax**		**(1,287.50)**	**(1,605.25)**
IX	**Profit/(Loss) from continuing operations**		**(1,287.50)**	**(1,605.25)**
X	**Tax expenses**			
	Current Tax		8.01	6.79
	Excess / Short Provision of Earlier years		0.03	2.58
	Deferred Tax Liability / (asset)		0.90	(15.67)
	Total tax expenses		**8.94**	**(6.30)**
XI	**Profit/(Loss) for the period from continuing operations (IX-X)**		**(1,296.44)**	**(1,598.95)**
XII	**Profit/(Loss) from discontinued Operations**			-
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)**		**-**	**-**
XV	**PROFIT FOR THE YEAR (XI) + (XIV)**		**(1,296.44)**	**(1,598.95)**
XVI	**Other Comprehensive Income:**			
A	**Items that will not be reclassified to profit or loss:**			-
	- Remeasurements of the defined benefit plans [net of tax]		(0.14)	0.19
B	**Items that will be reclassified to profit or loss**			
	- Exchange differences through OCI		46.56	(127.60)
	- Net gain/ (loss) on fair value of equity instruments through OCI		(32.42)	(90.53)
	Other Comprehensive Income for the year (A+B)		**14.00**	**(217.95)**
XVII	**Total Comprehensive Income / (Loss) For The Period (XV +XVI)**		**(1,282.44)**	**(1,816.90)**
	Profit for the year attributable to:			
	- Owners of the Company		**(1,209.89)**	**(1,551.33)**
	- Non- Controlling interest		**(86.55)**	**(47.62)**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		**13.99**	**(217.96)**
	- Non- Controlling interest		**0.01**	**0.01**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		**(1,195.90)**	**(1,769.29)**
	- Non- Controlling interest		**(86.54)**	**(47.61)**
XVIII	**Earnings per equity share (FV: Rs 2 each)**	36		
	Basic		(32.80)	(42.06)
	Diluted		(32.80)	(42.06)

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 : November 7, 2019

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

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Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

Consolidated Cash Flow Statement for the year ended 31 March 2019

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

	Particulars	2018-19		2017-18	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax		(1,208.17)		(1,583.49)
	Adjustments for :				
	Depreciation	13.46		46.39	
	Interest Expenses and Other Finance Cost	683.71		781.66	
	(Profit) / Loss on Sale of Assets	(6.40)		(9.66)	
	(Profit) / Loss on Sale of Investments	(51.44)		(0.90)	
	Income recognised towards corporate guarantee	(0.49)		(0.49)	
	Dividend Income	(0.00)		(0.05)	
	Excess Managerial Remuneration reversed	-		(31.14)	
	Provision for Doubtful Debts and Advances	43.05		4.77	
	Foreign Exchange Loss / (Gain)	53.28		(239.29)	
	Bad Debts	3.61		12.64	
	Interest Income	(5.41)		(14.26)	
	Exceptional Items	443.32		1225.98	
	Loss on account of divestment of stake	52.04		30.65	
	Sundry Balances Written off	8.65		3.72	
	Asset written off	0.18		0.00	
	Sundry Balances Written Back	(2.60)		(19.63)	
	Transfer to Non Controlling Interest	-		35.76	
	Share of NCI in profits/(losses) in Other Equity	0.01		1.27	
	Amortisation of grant	-	1234.97	(1.39)	1826.03
	Operating Profit Before Working Capital Changes		**26.80**		**242.54**
	Trade Receivables	(101.58)		(84.93)	
	Inventories	762.76		89.97	
	Other financial and non financial Asset	(107.50)		(66.00)	
	Trade Payables and Provision	10.54		(17.09)	
	Other financial and non financial liabilities	(217.51)		62.16	
			346.71		(15.89)
	CASH GENERATED FROM THE OPERATIONS		**373.50**		**226.65**
	Direct Taxes Paid		10.88		17.01
	Net Cash from Operating Activities		**362.63**		**209.64**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Purchase of Fixed Assets	(0.12)		(33.62)	
	Sale of Fixed Assets	14.12		20.99	
	Sale of Subsidiary, Joint Ventures & Associates	-		66.52	
	Sale of Non - Current Investments	126.99		2.72	
	Sale of Current Investments	2.20			
	Dividend received	0.00		0.05	
	Other bank balance	(1.92)		2.30	
	Loans Given to Subsidiaries, Associates and Others	(4.69)		21.29	
	Interest Received	3.10		24.14	
	Net Cash from Investment Activities		139.67		104.39

Consolidated Cash Flow Statement for the year ended 31 March 2019

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

Particulars	2018-19		2017-18	
C CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(129.74)		(255.35)	
(Repayment)/ Proceeds from Short term Borrowings	(389.78)		(98.01)	
Net Cash from Financing Activities		(519.52)		(353.36)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(17.22)**		**(39.33)**
Opening Balance		33.55		105.93
Less: Cash and Cash Equivalent transferred on demerger of Business/ divestment of Subsidiary		9.69		33.05
Closing Balance		6.64		33.55
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(17.22)**		**(39.33)**
Components of Cash and Cash Equivalents				
Cash on Hand		0.05		0.19
Balances with Bank		6.59		33.36
Total Balance		**6.64**		**33.55**

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 : November 7, 2019

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Soumendra Nath Sanyal
Independent Director
DIN No. 06485683

Niki Shingade
Company Secretary
M.No.ACS 19594

Notes to Financial Statements for the year ended March 31, 2019

Statement of Changes in Equity for the period ended March 31, 2019

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

A Equity Share Capital

Particulars	March 31, 2019		March 31, 2018	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Subscribed and Fully Paid up Capital				
Equity shares of INR 10 each				
Opening Balance	36,88,47,305	73.77	36,88,47,305	73.77
Changes in equity share capital during the year	-	-	-	-
Closing Balance	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**
Share Forfeiture Account				
Money received in respect of Right Shares of ₹10/- each forfeited	1,70,948	0.34	1,70,948.00	0.34
Total	**36,90,18,253**	**74.11**	**36,90,18,253**	**74.11**

B Other Equity

	Reserves & Surplus												Other Comprehensive Income		
Particulars	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Security Premium Reserve	Debenture Redemption Reserve	General Reserve	Promoters Contribution	Treasury Shares	Share Options Outstanding Account	Special Contingency Reserve	Share Forfeiture of Subsidary	Other Reserves of Joint Venture & Associates	Net gain/ (loss) on fair value of equity instruments	Gain/ (loss) on exchange fluctualtions	Total
Balance as at 1st April 2017	**(3,248.57)**	**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	(1,551.33)	-	-	-	-	-	-	-	-	-	-	-	-	-	**(1,551.33)**
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**
On Divestment of Subsidiaries	(0.33)	-	-	(329.42)	-	(0.14)	-	-	(0.05)	-	(0.81)	330.76			**(0.00)**
Other Adjustments	2.14	-	(0.20)	-	-	-	-	-	-	0.00	-	-	-	-	**1.94**
Balance as at 31 March 2018	**(4,797.90)**	**105.00**	**11.53**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**-**	**0.17**	**-**	**351.05**	**324.75**	**(40.14)**	**(2,240.97)**
Profit for the year	(1,209.89)	-	-	-	-	-	-	-	-	-	-	-	-	-	**(1,209.89)**
Fair Valuation of Investment carried at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	(32.42)		**(32.42)**
Exchange difference through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	46.56	**46.56**
Re-measurement of net defined benefit plans	(0.14)	-	-	-	-	-	-	-	-	-	-	-	-		**(0.14)**
Other Reserves of Jv and Associates merged with reatained earning	333.55	-		-	-	-	-	-	-	-	-	(333.17)	-	-	**0.38**
On Divestment of Associates	1.25	-	-	-	-	-	-	-	-	(0.17)	-	(17.87)	-	-	**(16.79)**
Other Adjustments / Reclassification	0.05	-	3.96	-	-	-	-	-	-	-	-	-	-	-	**4.01**
Balance as at 31 March 2019	**(5,673.08)**	**105.00**	**15.49**	**1,262.20**	**81.00**	**363.06**	**100.00**	**(1.69)**	**-**	**-**	**-**	**-**	**292.32**	**6.42**	**(3,449.28)**

(a) The General Reserve is created to comply with The Companies (Transfer of Profit and Reserve rules 1975).

(b) Securities premium reserve

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

(c) Debenture Redemption Reserve

In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11.02.2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. In accordance with the Companies (Share Capital and Debenture) Rules, 2014 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. The Company has however not set aside or earmarked liquid assets of ₹ 43.40 crores (PY: ₹ 43.40 crore) being 15% of the amount of Debenture due for redemption as at March 2019 as required by the aforesaid Circular in view of the financial crunch faced by the Company. Since the entire facility is recalled by the lenders the entire amount of Non Convertable Debenture is considered as current and 15% of earmarked fund is calculated on the entire amount.

(d) Capital Reserve

Pursuant to a Scheme of Arrangement between the company, Transrail Lighting Limited (TLL) and their respective shareholders and creditors pursuant to Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 for transfer of the retained Transmission and Distribution Undertaking (as defined in the scheme) of GIL, 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 received from TLL by way of 725,000 Equity Shares issued by TLL as Non-Current Investments and has derecognised book values of the assets and liabilities of retained T&D Undertaking transferred to TLL. The resultant difference of Rs 11.52 crore has been credited to Capital reserve account.

(e) Promoters Contribution

The Company had pursuant to the Shareholders approval in May, 2015, received ₹ 100 Cr to issue Unsecured Zero Coupon Compulsorily Convertible Debentures to the promoters against their contribution made to the Company’s Corporate Debt Restructuring (“CDR”) package. However no allotment was made, since the in-principle approval for allotment was awaited from BSE Ltd.

On 26th April,2016 , BSE has directed the Company to modify the “relevant date” adopted by the Company for the pricing of the CCD’s and seek shareholders approval afresh.

(f) Treasury Shares

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

As per our report of even date

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

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

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

Anurag Choudhry	**Ajit B. Desai**
Executive Director & CFO	Chief Executive Officer
DIN No. 00955456	DIN No. 00105836
Soumendra Nath Sanyal	**Niki Shingade**
Independent Director	Company Secretary
DIN No. 06485683	M.No.ACS 19594

GAMMON INDIA LIMITED

Summary of significant accounting policies and other explanatory information to the consolidated Financial Statements for the year ended March 31, 2019.

A. CORPORATE INFORMATION

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

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

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

B. RECENT ACCOUNTING PRONOUNCEMENT

Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate at the date of initial application or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the ‘Modified Retrospective Approach’ for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability. The effect on adoption of Ind AS 116 is expected to be insignificant.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments).

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

C. 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,2015as amended by the Companies (Indian Accounting Standards) (Amendment) Rules,2016.As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (`Act’) (to the extent notified).

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than 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 2019. 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 2019 except for the financial statements of SAE, ATSL Nigeria, Gammon Italy s.r.l., Finest Spa and whose financial statements were prepared for the period ended December 31, 2016.

(ii) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(iii) Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iv) "Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

- Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.
- Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

D. The following entities are considered in the Consolidated Financial Statements listed below:

Sr. no.	Name of Entity	March 2019			March 2018	
		Nature of Relationship	Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
1.	Gammon India Limited	Parent	-	-	-	-
2.	ATSL Infrastructure Projects Limited	Subsidiary	51.00%	61.09%	51.00%	69.85%
3.	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary	100.00%	100.00%	100.00%	100.00%
4.	Gammon & Billimoria Limited. ('GB')	Subsidiary	50.94%	50.94%	50.94%	50.94%
5.	G & B Contracting LLC ('GBLLC')	Subsidiary	-	-	49.00%	24.96%
6.	Gammon International FZE ('GIFZE')	Subsidiary	100.00%	100.00%	100.00%	100.00%
7.	P.Van EerdBeheersmaatschappaji B.V. Netherlands ('PVAN')	Subsidiary	100.00%	100.00%	100.00%	100.00%
8.	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary	51.00%	70.52%	51.00%	70.52%
9.	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary	99.00%	99.00%	99.00%	99.00%
10.	Gammon Power Limited. ('GPL')	Subsidiary	90.00%	100.00%	90.00%	100.00%
11.	ATSL Holding B.V. Netherlands	Subsidiary	100.00%	100.00%	100.00%	100.00%
12.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary	100.00%	100.00%	100.00%	100.00%
13.	Associated Transrail Structures Limited., Nigeria	Subsidiary	100.00%	100.00%	100.00%	100.00%
14.	Gammon Realty Limited. ('GRL')	Subsidiary	75.06%	75.06%	75.06%	75.06%
15.	Gammon Holdings B.V., Netherlands('GHBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%
16.	Gammon Italy S.r.L	Subsidiary	100.00%	100.00%	100.00%	100.00%
17.	Gammon International B.V., Netherlands('GIBV')	Subsidiary	100.00%	100.00%	100.00%	100.00%
18.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary	84.16%	84.16%	84.16%	84.16%
19.	Gammon Transmission Limited('GTL')	Subsidiary	100.00%	100.00%	100.00%	100.00%
20.	Gammon Real Estate Developers Private Limited (GRDL)	Subsidiary	100.00%	100.00%	100.00%	100.00%
21.	Preeti Townships Private Limited	Subsidiary	-	-	60.00%	45.04%
22.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary	73.40%	85.37%	73.40%	85.37%
23.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary	100.00%	100.00%	100.00%	100.00%
24.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary	73.99%	73.99%	73.99%	73.99%
25.	GIPL - GIL JV	Joint Venture	5.00%	41.61%	5.00%	41.61%
26.	Gammon – OjscMosmetrostroy – JV('GOM')	Joint Venture	51.00%	51.00%	51.00%	51.00%
27.	Ansaldocaldaie-GB Engineering Private Limited. ('ACGB')	Joint Venture	50.00%	36.70%	50.00%	36.70%

Sr. no.	Name of Entity	March 2019			March 2018	
		Nature of Relationship	Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
28.	Gammon SEW('GSEW')	Joint Venture	90.00%	90.00%	90.00%	90.00%
29.	Campo Puma Oriente S.A.	Subsidiary	73.76%	66.39%	73.76%	66.39%
30.	Sofinter SPA	Subsidiary	67.50%	67.50%	67.50%	67.50%
31.	Gammon Infrastructure Projects Limited	Associates	20.60%	20.60%	38.54%	38.54%
32.	G &B Contracting LLC (GBLLC) *	Associates	24.00%	12.24%	-	-
33.	Gammon Engineers and Contractors Private Limited. (GECPL) **	Associates	-	-	25.00%	25.00%
34.	Transrail Lighting Limited (TLL) **	Associates	-	-	25.00%	25.00%

***** GBLLC was subsidiary in the previous year and due to decrease in stake and loss of control over the Company the same is considered as an associate in the current year.

** Consequent to invocation of pledge of shares TLL and GECPL ceased to be an associate

E. 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.

F. Summary of other significant accounting policies

a) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

b) Current and non-current classification

"The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

c) **Revenue Recognition**

i. **Revenue from Construction Services:**

- **Accounting policy as per new revenue standard**

  The Company applied Ind AS 115 for the first time with effect from April 01, 2018. The changes in accounting policy on account of adoption of this new accounting standard are described in note in explanatory notes.

  Construction Activity

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

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

  Measurement of performance obligation

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

  Contract costs

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

  Provision for future losses

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

  Contract balances

  a. **Contract assets**

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

  b. **Trade receivables**

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

  c. **Contract liabilities**

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

- **Accounting policy till previous years**

  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 escalation), which in the opinion of the management are recoverable on the contract, are recognized at the time of evaluating the job.

Turnover

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

ii. Interest Income

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

iii. Dividend Income

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

iv. Lease income:

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

v. Income from insurance claim

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

d) Joint Ventures

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

e) Employee benefits

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

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/ period on projected Unit Credit Method.

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

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

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

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

Long-term employee benefits

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

Termination benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

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

f) Property, plant and equipment and depreciation/amortization

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.
- Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.
- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.
- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case maybe. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

g) 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 Goods and Service Tax, wherever applicable.

Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average method

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

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

Work In Progress – Real Estate reflects value of land, material inputs and project expenses.

Bought Out and Stock in Transit are valued at lower of cost and Net realisable value.

Other -Scrap Material are valued at realisable value.

Finished Unsold Properties - Unsold finished properties are valued at lower of cost (which includes all direct and indirect costs of construction of the properties including land, materials, labour and other construction overhead) and net realizable value.

o) Foreign currency transactions

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

p) Taxes on income

Current Income Tax

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

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

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

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

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

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

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

MAT Credit

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

q) Earnings per share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

Contingent liabilities and Contingent Assets

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

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

Onerous contracts

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

s) Employee Share – based payment plans (‘ESOP’)

The Company accounts for the benefits of Employee share based payment plan in accordance with Ind AS 102 “Share Based Payments” except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in Ind AS 101 first time adoption.

t) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

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

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

u) Financial instruments

Financial assets

I. Initial recognition and measurement

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

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

II. Subsequent measurement

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

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

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

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

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

A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

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

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

III. Derecognition

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

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

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

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

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

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

IV. Impairment of financial assets

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

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

- the12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

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

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

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

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

Financial liabilities

I. Initial recognition and measurement

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

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

II. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

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

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

Financial guarantee contracts

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

Derecognition

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

III. Offsetting of financial instruments

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

IV. Derivative financial instruments

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

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

v) Exceptional Items

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

w) Trade Payables

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

Note 2

Property Plant and Equipment

A) 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 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**
Additions	-	-	-	0.11	-	0.01	-	0.12
Disposals/Adjustments	-	-	-	(1.46)	-	(0.01)	(0.00)	(1.46)
On account of decrease in stake in subsidiary*	-	-	(0.78)	(23.64)	(1.48)	(1.44)	(2.14)	(29.47)
As at 31st March 2019	**393.14**	**0.00**	**41.71**	**123.40**	**3.45**	**4.62**	**3.20**	**569.52**
DEPRECIATION								
As at 1st April 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**
Charge for the Year	-	-	0.87	12.11	0.20	0.14	0.13	**13.45**
Disposals/Adjustments	-	-	-	(0.78)	-	(0.01)	0.18	**(0.61)**
On account of decrease in stake in subsidiary*	-	-	(0.44)	(23.52)	(1.31)	(1.06)	(1.97)	**(28.31)**
As at 31st March 2019	**-**	**-**	**30.56**	**84.16**	**3.15**	**4.54**	**3.11**	**125.51**
NET BLOCK								
As at 31st March 2018	**393.14**	**0.00**	**12.36**	**52.03**	**0.66**	**0.59**	**0.57**	**459.34**
As at 31st March 2019	**393.14**	**0.00**	**11.15**	**39.24**	**0.30**	**0.08**	**0.09**	**444.01**

B) Intangible Assets

Particulars	Tower Design	Computer Software	BOT Concession Rights	Technical Know -how	Toll Concession Rights	Total
GROSS BLOCK						
As at 1st April 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**
Additions	**-**	**-**	**-**	**-**	**-**	**-**
Disposals/Adjustments	**-**	**-**	**-**	**-**	**-**	**-**
On account of decrease in stake in subsidiary*	**-**	**(0.41)**	**-**	**-**	**-**	**(0.41)**
As at 31st March 2019	**(0.00)**	**2.91**	**-**	**3.20**	**-**	**6.11**
AMORTISATION						
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**
Charge for the Year	**-**	0.01	**-**	**-**	**-**	0.01
On account of decrease in stake in subsidiary*		(0.24)	**-**	**-**	**-**	(0.24)
Disposals/Adjustments	**-**	**-**	**-**	**-**	**-**	**-**
As at 31st March 2019	**-**	**2.91**	**(0.00)**	**3.20**	**0.00**	**6.11**
NET BLOCK						
As at 31st March 2018	**(0.00)**	**0.18**	**0.00**	**-**	**(0.00)**	**0.18**
As at 31st March 2019	**(0.00)**	**0.00**	**0.00**	**-**	**(0.00)**	**0.00**

(*) Note: GBLLC was subsidiary in the previous year and due to decrease in stake and loss of 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 assets during the year.

(**) Note: in Pervious GIPL was subsidiary in the previous year and due to decrease in stake and loss of 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 assets during the year.

3 Capital Work in Progress

Particulars	March 31, 2019		March 31, 2018	
Residential Flats under construction	3.33		10.38	
Other Expenses	-	3.33	-	10.38
Less: Capital Work in Progress capitalised		-		-
Total		**3.33**		**10.38**

4 Goodwill/ Capital Reserves on Consolidation

Particulars	March 31, 2019		March 31, 2018	
Goodwill on Consolidation	699.33		699.33	
Less: Goodwill / Capital Reserve of divested subsidiaries	(87.11)	612.22	(87.00)	612.33
Less Provision for Impairment of Goodwill		(616.18)		(464.91)
Total		**(3.96)**		**147.42**

Particulars	March 31, 2019		March 31, 2018	
Provision for Impairment of Goodwill Consists of:-				
Goodwill of acquisition of-				
SAE Powerlines S.r.L		18.78		18.78
Metropolitan Infrahousing Private Limited		597.29		446.13
Gactel Trunkey Project Limited		0.00		-
Deepmala infrastructure Private Limited		0.01		-
Pvan Eerd Beheersmaatschappij BV		0.09		-
Total		**616.17**		**464.91**

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

5 Financial Assets - Investments (All figures are in ₹ in Crore unless otherwise stated)

		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		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	5.82	186.04	-	-
2	In Associate Outside India	(8.49)	1.08	-	-
3	In Joint Venture in India	-	13.28	-	-
4	In Joint Venture Outside India	(121.28)	(83.76)	-	-
5	In Others in India	0.46	0.46	-	-
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))	969.25	1,082.37		
2	Entity in India	7.55	-	-	-
C	**Investment in Government Securities**	0.55	0.55	-	-
D	**Investment in Partnership**	-	0.00	-	-
E	**Other Investments (At Fair value through P&L)**				
1	Equity Shares	-	-	0.95	1.73
2	Liquid Mutual Funds	-	-	0.00	2.19
	Total	**853.86**	**1,200.01**	**0.95**	**3.92**
	<u>Disclosure:</u>				
1	Investment carried at Cost	(122.94)	117.64		
3	Investment carried at FVTOCI	976.80	1,082.37		
4	Investment carried at FVTPL	-	-	0.95	3.92
		853.86	**1,200.01**	**0.95**	**3.92**

I **Details of Investments**

Non Current Investments

Particulars		March 31, 2019		March 31, 2018	
		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
	Gammon Engineers & Contractors Private Limited	-	-	24,00,000	63.14
	Gammon Infrastructure Projects Limited *	19,39,99,800	26.81	36,29,99,700	109.54
			26.81		**245.79**
	Less: Provision				
	Gammon Infrastructure Projects Limited		(20.99)		(59.75)
	Total		**5.82**		**186.04**

* During the Previous 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
G & B Contracting LLC *		504	(9.57)		
Sadelmi SpA			58.32		58.32
Less: Provision					
Finest S.p.A, Italy			(19.52)		(19.52)
Sadelmi SpA			(58.32)		(58.32)
Total			**(8.49)**		**1.08**

* GBLLC was subsidiary in the previous year and due to decrease in stake and loss of control over the company the same is considered as an associate in the current year. as required by the standard the said GBLLC is accounted at cost for the first time is reclassified at the fair value on the date of reclassification.

3 **In Joint Venture in India**

Ansaldo GB-Engineering Pvt Ltd	2,00,00,000	13.28	2,00,00,000	13.28
Less: Provision				
Ansaldo GB-Engineering Pvt Ltd		(13.28)		-
		-		**13.28**

4 **In Joint Venture Outside India**

Campo Puma Oriente S.A.*	USD 1	6,441	(121.28)	6,441	(83.76)
Total			**(121.28)**		**(83.76)**

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

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

The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid.The Company has already made a provision of Rs 230.41 crores against its exposure.

Under the previous IGaap, CPO was being accounted as a subsidiary with the partner's share being accounted as minority interest. Under the 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 in the earlier years. The Management of Gammon India Limited, for the purpose of preparing financials for the purposes of consolidation have not considered such adjustments as the losses have been accounted in consolidated financial statement from the joint venture.

The partner in the Joint Venture has filed a suit against the Company in the Court of Oklahoma,USA,inter-alia,for purportedly failing to fund its share of cash calls amounting to $4.4m,due to which it has overpaid its share and is claiming reimbursement.The Company has contested this claim and furthermore has issued a Notice of Breach against the partner and the claims and counterclaims will finally be settled through a combination of court process and arbitration.The hearings are expected to commence in due course on completion of both parties respective responses.The financial statements of CPO S.A.will therefore be signed and released only after the cases are resolved.

The Statutory Auditors have continued to qualify their report since the financial statements are unaudited. The management however believes that there will not be material differences between the financials considered and the financial pursuant to the audit being completed of the said CPO.

5 Investment in equity instruments -Others- Indian

Particulars	Face Value	March 31, 2019		March 31, 2018	
	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
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
Rajahmundry Godavari Bridge Limited	10	4,41,250	0.44	4,41,250	0.44
Tidong Hydro Power Limited	10	25,500	0.03	25,500	0.03
Indira Container Terminal Private Limited	10	2,64,07,160	26.41	2,64,07,160	26.41
Franco Tosi Turbines Private Limited	10	10,000	0.01	10,000	0.01
			27.12		**27.13**
Less: Transfer of Beneficial Interest in lieu of Deposit received			(26.43)		(26.43)
			0.69		**0.70**
Less: Provision					
Air Screw India Ltd.			(0.00)		(0.00)
Bhagirathi Bcc Ltd.			(0.00)		(0.00)
Shah Gammon Limited			(0.01)		(0.01)
STFA Piling India Ltd.			(0.22)		(0.22)
Others			(0.00)		(0.00)
			0.46		**0.46**

- 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, 2019		March 31, 2018	
	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				
Gammon Midest Ltd.		(0.18)		(0.18)
Total		-		-

B Investment in Equity Shares Valued carried at FVTOCI

Particulars		Face Value	March 31, 2019		March 31, 2018	
		In ₹	Nos	Amount	Nos	Amount
1)	**In Associate Outside India**					
	Sofinter S.p.A.	Euro 0.76	7,86,82,127.00	969.25	7,86,82,127	988.81
	Franco Tosi Meccanica S.p.A.			396.39		411.29
				1,365.64		**1,400.10**
	Less: Provision					
	Franco Tosi Meccania S.p.A.			(396.39)		(317.73)
	Total			**969.25**		**1,082.37**

(i) Sofinter:

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

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

In view of what is stated above,the said Sofinter is neither accounted as a Subsidiary nor as an Associate. The Company has accounted the said Investment at Fair Value through Other Comprehensive Income from the transition date by making the election as required by the Standards.

The Company has obtained valuation report form third party Independent Valuer in this regard and has accounted for the changes in the fair value of the Sofinter Investment through Other Comprehensive Income.

(ii) Francotosi Mecanica S.p.A (FTM)

The Board of Francotosi Mecanica S.p.A (FTM) filed on May 30th 2013 with the court of Milan (and with the Companies Registry) a “preliminary” request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts (“concordato preventivo”), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 No 267 – further amended in September 2012 in light of acute financial stress being faced by the Company due to several extraneous reasons. The said application was admitted by the Court on 7 June 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations. Thereafter .The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

On account of the above facts and the absence of financial statements of the said FTM, FTM functions under severe long term restrictions which impair its ability to transfer funds to its parent. Further the parent does not have any control whatsoever as the entire control lies with the commissioner and the paret does not have access to information also. The Management of the Company and the Board of FTM have no say in the matter and have no access to records which are with the Commissioner. Therefore, in accordance with Ind AS 110 – Consolidated Financial Statements , in the absence of control, the said FTM is excluded from Consolidation. This was also done under the previous IGAAP as per para 11(b) of AS-21 – Consolidated Financial Statements from the period ended 30th September 2014. There is also no influence that can be exercised by the Group despite having 83.94% of the Share holding.

The investment in the equity shares has been shown as financial asset accounted on fair Value through Other Comprehensive Income (FVTOCI).

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure of ₹ 499.63 Crore. notwithstanding its ongoing endeavor to recover the value of the non core assets.

Investment in Equity Shares Valued carried at FVTOCI

2) In India

Transrail Lighting Limited *	10	80,474	3.17		-
Gammon Engineers & Contractors Private Limited*	10	10,94,881	4.38		-
			7.55		**-**

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

C Government Securities

Particulars	**March 31, 2019**	**March 31, 2018**
	Amount	**Amount**
Unquoted		
Government Securities Lodged with Contractees as Deposit :		
Sardar Sarovar Narmada Nigam Ltd - Bonds	0.30	0.30
Others	0.12	0.12
Government Securities Others :	0.12	0.12
(Indira Vikas Patras and National Savings Certificates)		
Total	**0.55**	**0.55**

D Investment in Partnership Firm

Particulars	**March 31, 2019**	**March 31, 2018**
	Amount	**Amount**
Unquoted		
Gammon Shah (fully provided for)	0.00	0.00
Less: Provision		
Gammon Shah	(0.00)	(0.00)
Total	**-**	**0.00**

E Current Investments:-

Investment in Shares and Mutual Funds

Particulars	**Face Value**	**March 31, 2019**		**March 31, 2018**	
	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	0.27	21,000	0.30
Cords Cable Industries Ltd.	10	33,502	0.22	33,502	0.27
Gujarat State Financial Corporation	10	4,600	0.00	4,600	0.00
Technofeb	10	55,000	0.46	55,000	1.16
Total			**0.95**		**1.73**

	Particulars	March 31, 2019		March 31, 2018	
		Nos/ Units	Amount	Nos/ Units	Amount
2	**Mutual funds**				
	SBI Dynamic Bond Fund	-	-	6,67,967	1.42
	HDFC Balanced Fund	-	-	20,553	0.30
	ICICI Liquid Plan	-	-	18,478	0.47
	HDFC Floating Rate Income Fund	2,048	0.00	2,048	0.00
	Birla Sun Life Mutual Fund	150	0.00	150	-
	Total		**0.00**		**2.19**
	Total current investments		**0.95**		**3.92**
	Total Non - Current and Current Investments		**854.81**		**1,203.93**
	Aggregate amount of quoted investments		**0.95**		**3.92**
	Market Value of Quoted Investment		**0.95**		**3.92**
	Aggregate amount of unquoted investments		**853.86**		**1,200.01**

6 Financial Assets - Trade Receivables

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Trade Receivables : (At amortised cost)				
(Unsecured, considered good unless otherwise stated)				
Considered good	270.81	157.04	280.07	199.37
Considered Doubtful	8.61	28.97	-	2.57
Provision for Doubtful debts	(8.61)	(28.97)	-	(2.57)
	270.81	**157.04**	**280.07**	**199.37**
Less: Expected credit loss	0.96	0.30	0.80	0.33
	269.85	**156.74**	**279.27**	**199.04**
Total	**269.85**	**156.74**	**279.27**	**199.04**

A Holding company

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

(i) The Company in evaluating its jobs has considered an amount of ₹ 7.56 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

(ii) In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of ₹. 235.77 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favourable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favourable verdict from the courts.

(iii) There are disputes in Four projects of the Company. The total exposure against these projects is ₹ 256.25 Crore consisting of receivable of ₹ 140.48 crores, inventory ₹ 38.72 crore and other receivables ₹ 77.05 crores. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

(iv) The Company has receivable including retention and work in progress aggregating to ₹ 44.51 Crore (inventory - ₹ 21.19 crores and receivables ₹ 23.31crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.

(b) Retention by customers up to March,2018 is Part of trade receivables. It is part of Contract Assets w.e.f 1.4.2018, as per Ind AS 115 - Revenue from Contracts with Customers.

(c) Expected Credit Loss

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

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

B Subsidiary, Associates and Joint Venture:

ACBI

The Company has completed substantial portion of Contract value which was to be executed. However there is still balance outstanding of Rs 9.62 Cr as at March 31, 2019. The Company is confident of recovering the aforesaid receivables from the Client which is backed by Corporate Guarantee given by the Client.

C Movement in the expected credit loss allowance

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	0.80	0.33	1.49	0.33
Reversal on account of Transfer of Business	-	-	0.00	0.00
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.16	(0.03)	(0.69)	(0.02)
Provision at the end of the period	**0.96**	**0.30**	**0.80**	**0.33**

7 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	105.19	2.71	2.07	0.79
Considered Doubtful	334.17	-	335.61	0.00
Provision for Doubtful Loans	(334.17)	-	(335.61)	0.00
Deposits				
Considered Good	5.61	4.59	5.93	6.04
Considered Doubtful	-	3.60	-	3.60
Provision for Doubtful deposits	-	(3.60)	-	(3.60)
Other Loans and Advances				
Considered Good	82.31	61.42	82.31	61.03
Considered Doubtful	32.94	4.94	33.22	4.94
Provision for Doubtful Loans	(32.94)	(4.94)	(33.22)	(4.94)
Total	**193.11**	**68.72**	**90.31**	**67.86**

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

	'March 31, 2019	'March 31, 2018
Details of Related parties : Non Current	**Amount**	**Amount**
Considered good:		
G & B Contracting LLC (refre note 5(A)(2))	104.12	-
RAS Cities and Township Private Limited	1.00	2.00
Hareda Projects Limited	0.07	0.07
Total	**105.19**	**2.07**
Considered doubtful:		
Franco Tosi Meccanica SPA	103.24	104.67
Campo Puma Oriente S.A.	230.41	230.42
Finest S.p.A	0.52	0.52
Total	**334.17**	**335.61**

	March 31, 2019	March 31, 2018
Details of Related parties : Current	**Amount**	**Amount**
Considered good:		
Preeti Township Pvt Ltd	2.37	-
Transrail Lighting Limited	0.03	0.03
GAMMON SEW JV	-	0.09
GGJV	(0.01)	(0.01)
Franco Tosi Meccanica S.P.A	0.11	0.11
Rajahmundry Godavari Bridge Limited	-	0.35
Tidong Hydro Power Limited	-	0.02
SAE Transmission India Limited	0.20	0.20
Total	**2.71**	**0.79**

(ii) **Invstment by the loanee in the shares of the Company**

None of the loanees have, per se , made investments in the shares of the company

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

8 Other Financial Assets (at amortised cost)

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	28.90	0.63	35.93	0.62
Considered Doubtful	10.58	-	1.25	-
Less : Provision for Doubtful Interest	(10.58)	-	(1.25)	-
Other Receivable (Refer Note (ii) below)	-	3.72	18.82	1.94
Less: Expected credit Loss		-	(0.56)	-
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Total	**28.90**	**28.88**	**54.19**	**27.09**

(i) Excess Managerial Remuneration Receivable :

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

(ii) In Previous Year The amount of ₹ 18.82 crores represent the amount receivable from Nagai on account of bank Guarantee encashment . However same has been received during the Year.

9 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2019		March 31, 2018	
Deferred Tax Liability:				
Property, Plant and Equipment	82.68		81.90	
Non Current Investments- Fair Value changes	19.64	102.32	28.46	110.36
Net Deferred tax Liability		**102.32**		**110.36**
Deferred Tax Asset:				
Property, Plant and Equipment	0.23		0.34	
Tax Disallowances	0.02	0.25	0.02	0.36
Net Deferred tax Assets		**0.25**		**0.36**

10 Other Assets

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Capital Advances	15.00	-	15.00	-
Unbilled Revenue (Refer note below)	-	-	912.36	-
Contract Assets	953.86	82.46	-	-
Prepaid Expenses	-	0.15	-	1.06
Prepaid Upfront fees	-	-	-	1.28
Advance to Creditors/Subcontractors				
Unsecured Considered goods	11.05	35.49	10.20	53.44
Unsecured Considered doubtful		1.42		
Less: Provision		(1.42)		
Staff Advances	-	0.73	-	0.89
Balance with Tax Authority	14.18	31.95	7.10	20.41
Advance Tax Net of Provision	405.73	-	401.38	-
Others	-	40.26	-	7.28
Total	**1,399.82**	**191.04**	**1,346.05**	**84.36**

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 favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to ₹ 894.41 crores (P.Y. ₹ 912.36 crore) will be reasonably certain to be settled in favour of the Company. During the year the entire amount forms part of Contract Assets. The management contends that the same are due to them and they have a very good chance of realisation.

11 Inventories

Particulars	March 31, 2019	March 31, 2018
Raw Material	1.19	1.48
Material at Construction Site	26.18	33.09
Stores and Spares	0.05	0.05
Work In Progress:		
Construction-Work In Progress (Refer Note 24 (ii) (d))	-	87.05
Real Estate- Work In Progress	831.17	1,545.95
Manufacturing -Work In Progress	-	1.22
Finished goods	-	2.20
Completed Shops	53.13	130.43
Total	**911.72**	**1,801.47**

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

Particulars	March 31, 2019		March 31, 2018	
Balance at the beginning of the year		1,545.95		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	
Cost of Material Consumed	0.27		266.36	
Finance Costs	38.65		62.30	
Other Expenses	0.14	39.06	0.71	332.45
Less : Cost of Shops Sold	(3.11)		(71.24)	
Less : Cost of sales of Land	(977.16)			
Less : Cost of Unsold Completed Units Inventory			(283.03)	
Less : Reduction due to sale of Subsidiary	(8.92)			
Less : Impairment of land value	(123.91)		(459.26)	
Add: Reversal Impairment of land value	359.26	(753.84)		(813.54)
Closing Balance		**831.17**		**1,545.95**

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

Particulars	March 31, 2019	March 31, 2018
Cost of Leasehold Land	343.56	343.56
Cost of Freehold land	777.78	777.78
Land Development Expenses	506.51	506.24
Finance Cost	934.57	895.92
Other Expenses	40.97	40.82
Less : Cost of Shops Sold	(128.14)	(125.03)
Less : Cost of Unsold Completed Units Inventory - Shops	(434.10)	(434.10)
Less : Cost of Land Sold	(977.16)	-
Less : Impairment of land value	(223.91)	(459.26)
Less : Reduction due to sale of Subsidiary	(8.92)	-
Total	**831.17**	**1,545.96**

c) Metro

During the year, Subsidiary has sold its part and parcel of the land called “PART-A LAND” of 132.33 acres. Accordingly proportionate cost of the land sold transfer to Profit and Loss account.

Balance Land called “PART-B LAND” of 45 acres is valued as per the valuation report issued by Joint Sub Registrar, Kalyan.

d) DIPL

The Group’s exposure to a real estate project being carried out in one of the subsidiary company in Bhopal is ₹ 885.01 Crores (PY: ₹ 932.99 Crore). 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 Previous year the management has on a conservative basis made a provision of ₹ 100 crores 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.

e) GIL

Inventory of Raw Material and Stores and Spares at site amounting to ₹ 2.67 Crore (P.Y. Nil) has been written off as expenses due to obsolescence.

f) ACBI

Raw Material Stock of ACBI of Rs 1.19 Cr are in the custody of the lenders of the Ansaldo GB-Engineering Pvt Ltd who have taken over the possession of the Subsidiary as at March 31, 2019.

g) PWS

The Company is not having accessibility to the Inventories since all the materials and consumables as at March 31, 2019 and the same are in the custody of the Client with whom the Company is under arbitration. Also there is no confirmation available from the Client that they are having the custody of the Companies Material.

12 Cash and Bank Balance

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on Hand	0.05	0.19
Balances with Bank	6.59	33.36
Total	**6.64**	**33.55**
Other Bank Balances		
Unpaid dividend	0.58	0.58
Other Bank Balance	0.00	2.00
Bank deposits (on margin account)	6.00	2.08
Total	**6.58**	**4.66**

(a) Other Bank Balances

Other bank balances represents balances in foreign branches relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries. The balance as on March 31, 2019 is Nil, (net of provisions of ₹ 2.00 Crore in view of the above), however the Company has provided the entire amount of bank balances in foreign countries on prudent basis.

13 Equity Share Capital

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

Particulars	March 31, 2019		March 31, 2018	
	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, 2019		March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	36,88,47,305	73.77	36,88,47,305	73.77
Add: Issued during the year	-	-	-	-
As at the end of the year	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**

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

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2019		March 31, 2018	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,92,72,129	10.63%	3,97,74,612	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	5.98%	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.

14 Other Equity

Particulars	March 31, 2019	March 31, 2018
Capital Redemption Reserve	105.00	105.00
Capital Reserve	15.49	11.53
Securities Premium Account	1,262.20	1,262.20
Debenture Redemption Reserves	81.00	81.00
Employee Stock Options Outstanding	-	-
General Reserve	363.06	363.06
Special Contingency/ Statutory reserve	-	0.17
Retained earnings	(5,673.08)	(4,797.90)
Perpetual Promoter Contribution	100.00	100.00
Treasury Shares	(1.69)	(1.69)
Other Reserve of JV and Associates	-	351.05
Other Comprehensive Income:		
Foreign Currency Translation Reserve	6.42	(40.14)
Net gain/ (loss) on fair value of equity instruments	292.32	324.75
TOTAL	**(3,449.28)**	**(2,240.97)**

15 Non-controlling interests

Particulars	March 31, 2019		March 31, 2018	
Balance, beginning of the period		(87.12)		243.81
Share of NCI in profits/(losses) for the current period	(86.55)		(47.60)	
Share of NCI in profits/(losses) in Other Equity for the current period	0.01		1.27	
(Decrease) in minority's share on account of subsidiaries divested	56.89		(284.60)	
		(29.65)		(330.93)
TOTAL		**(116.77)**		**(87.12)**

16 Non Current Financial Liabilities - Borrowings

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current Maturities	Non Current	Current Maturities
Non Convertible Debentures	-	-	-	-
Term Loans	-	-	-	-
Loan taken for Public Private Partnership	-	-	-	-
Loan taken for Foreign Companies	-	-	-	-
Loan taken - Other Companies				
From Banks	-	135.00	67.72	79.76
From Others	48.56	-	48.56	-
Non Convertible Debentures(secured by mortgage of immovable property)	-	-	-	175.00
TOTAL	**48.56**	**135.00**	**116.28**	**254.76**
The above amount includes				
Secured Borrowings	**-**	**135.00**	**67.72**	**254.76**
Unsecured Borrowings	**48.56**	**-**	**48.56**	**-**

Note:

Classification of all credit facilities under Current Financial Liabilities - Refer Note 21

(a) Holding Company:

The facilities from the lenders have become Non Performing Assets in the month June'17. The Lenders have recalled all the loans and therefore all the long term loan facilities of ₹ 2,645.65 crores (P.Y ₹ 2,922.99 crores) are classified as current and disclosed under Current Liabilities togather with the disclosures.

On account of the above a number of lenders have not shared their confirmations as at the year ended March 31, 2019 and to that extent the balances are unconfirmed

(b) GTPL

(i) The Term Loan for GACTEL is Secured by Hypothecation of Current Assets and Fixed Assets and negative Lien on 75% of land at Bhopal and construction thereon standing in the name of Deepmala Infrastructure Private Limited. - Fellow Subsidiary and Corporate Guarantee of Gammon India Limited, the Holding Company.

Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards.

(ii) Interest on Term Loans -

Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards

(c) METRO

Non Convertible Debenture

During the year, the company has sold its part and parcel of the land of 132.33 acres and redeemed its whole Non-convertible Debentures (Secured by mortgage of Immovable Property) of ₹ 175 crores.

(d) ACBI

(i) 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 ₹ 6.75 Cr payable over a period of ten years.
- Funding of interest on WCTL and existing rupee term loan (RTL) by way of a fresh rupee term loan (RTL 2) of ₹ 3.75 Cr. This loan is further split into two loans a) ₹ 2.81 Cr and b) ₹ 0.94 Cr.
- 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.

(ii) Securities for Term Loans :

Rupee Term Loan (RTL)

1) 1st charge by way of hypothecation over all the stocks and book debts and other current assets present and future except for the specifically charged assets , if any.
2) 1st charge over all the fixed assets of the Company both present and future.
3) Corporate Guarantee of Gammon India Limited.

Working Capital Term Loan (WCTL) -

1) 1st charge by way of hypothecation over all the stocks and book debts and other current assets present and future except for the specifically charged assets , if any.
2) 1st charge over all the fixed assets of the Company both present and future.

(iii) 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.

(iv) 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

(e) 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 2019	As At 31st Mar 2018
Gammon Holdings B.V., Netherlands ('GHBV')	€ 100	180	180
Gammon International B.V., Netherlands ('GIBV')	€ 100	180	180
P.Van Eerd Beheersmaatschappaji B.V., Netherlands ('PVAN')	€ 454	35	35
ATSL Holding B.V., Netherlands	€ 100	180	180
GACTEL Turnkey Projects Limited. ('GACTEL')	₹ 10/-	50,49,940	50,49,940
Deepmala Infrastructure Private Limited ('DIPL')	₹ 10/-	5,100	5,100
Transrail Lighting Limited. ('TLL')	₹ 10/-	80,474	10,49,940
Ansaldocaldaie Boilers India Private Limited ('ACB')	₹ 10/-	3,65,00,000	3,65,00,000
Gammon Infrastructure Projects Limited	₹ 2/-	19,39,99,800	36,29,99,700
Gammon Holdings (Mauritius) Limited	$ 1	15,000	15,000
Gammon Engineers & Contractors Private Limited	₹ 10/-	10,87,217	1,41,85,714
TOTAL		**23,67,38,106**	**41,98,05,969**

(f) Maturity profile of Term Loans and NCD

Period	March 31, 2019	March 31, 2018
Credit Facility recalled by Lenders	4,522.20	4,679.56
Principal Overdue	77.00	-
With in 1 years	58.00	254.76
1 to 5 years	-	67.72
beyond 5 years	-	-
TOTAL	**4,657.20**	**5,002.04**

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

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

As at March 31, 2019:

The entire credit facilities of Holding Company and its Foreign SPV's are recalled by the lenders and hence the entire credit facility is shown as default. Total amount credit facility recalled is ₹ 4522.20 which is shown in current liabilities.

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.

17 Financial Liabilities - Trade Payable

Particulars	March 31, 2019		March 31, 2018	
	Non-Current	Current	Non-Current	Current
Trade Payables				
- Micro and Small Enterprises	-	0.84	-	0.44
- Others	20.99	233.68	34.53	249.56
Total	**20.99**	**234.52**	**34.53**	**250.00**

(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, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.84	0.44
Principal amount due	0.25	0.30
Interest due on the above	0.59	0.14
The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
Principal amount paid beyond appointed day	-	-
Interest paid thereon	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest under MSME Act where payment has been made beyond appointed day during the year.	0.25	0.30
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.59	0.14

18 Provisions

Particulars	March 31, 2019		March 31, 2018	
	Non-Current	Current	Non-Current	Current
Employee Benefits:				
Provision for Gratuity				
- Indian Companies	0.17	0.19	0.05	0.35
- Foreign Companies	-	-	3.21	-
Provision for Leave Encashment	0.29	0.47	0.38	1.62
Others:				
Provision for Risk and Contingencies	-	263.75	-	160.08
Total	**0.46**	**264.41**	**3.64**	**162.05**

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

Provision for Risk and Contingencies

Particulars	Opening	Addition	Utilisation	Closing
Provision for Risk and Contingencies				
Current Year	160.08	103.67	-	**263.75**
Previous Year	160.08	18.30	(18.30)	**160.08**

(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, 2019	As at March 31, 2018
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.24	0.16
Net Interest Cost	0.14	0.03
Actuarial (Gains)/Losses	(0.07)	0.28
Expenses Recognized	**0.31**	**0.46**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.15)	(0.19)
Return on Plan Assets, Excluding Interest Income	0.01	0.02
Net (Income)/Expense For the Period Recognized in OCI	**(0.14)**	**(0.17)**

Table Showing Change in the Present Value of Projected Benefit Obligation	As at March 31, 2019	As at March 31, 2018
Balance Sheet Reconciliation		
Opening Net Liability	0.40	1.35
Expenses Recognized in Statement of Profit or Loss	0.07	0.37
Liability transferred due to loss of control	0.12	
Expenses Recognized in OCI	(0.02)	(0.17)
Net Liability/(Asset) Transfer Out	-	(0.92)
Benefit Paid Directly by the Employer	(0.02)	(0.02)
Employer Contribution	(0.21)	(0.21)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.35**	**0.40**
Category of Assets		
Insurance fund	0.34	0.48
Total	**0.48**	**0.48**

Assumptions	2018-19	2017-18
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	2018-19	2017-18
Projected Benefit Obligation on Current Assumptions	0.45	0.56
Delta Effect of +1% Change in Rate of Discounting	(0.01)	(0.02)
Delta Effect of -1% Change in Rate of Discounting	0.02	0.02
Delta Effect of +1% Change in Rate of Salary Increase	0.02	0.02
Delta Effect of -1% Change in Rate of Salary Increase	(0.01)	(0.02)
Delta Effect of +1% Change in Rate of Employee Turnover	0.00	0.00
Delta Effect of -1% Change in Rate of Employee Turnover	(0.00)	(0.01)

Note :

1 Gratuity is payable as per company’s scheme as detailed in the report.

2 Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

3 The Company’s Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities. The Company’s Gratuity Liability is entirely funded except LMR employees.

4 Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

5 Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

6 In the absence of data of experience adjustments, the same is not disclosed.

7 The Company’s Leave Encashment Liability is entirely unfunded.

8 Risk Factors / Assumptions

a) Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan’s liability.

c) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

d) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

e) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

f) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(C) GTPL

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

19 Other Non-Current Liabilities

Particulars	March 31, 2019	March 31, 2018
Contact Liabilities- Client Advances	163.12	180.88
Financial Guarantee Liability	-	0.24
Unamortised Deferred Rent Income	0.23	-
Rent Deposit	0.72	-
Others liability	43.00	43.00
Total	**207.07**	**224.12**

20 Current Financial Liabilities - Borrowings

The borrowings are analysed as follows :

Particulars	March 31, 2019	March 31, 2018
Short Term Loan	451.33	450.78
Other Loans and Advances :		
Others	171.45	249.08
TOTAL	**622.78**	**699.86**
The above amount includes		
Secured Borrowings	**451.33**	**450.78**
Unsecured Borrowings	**171.45**	**249.08**

Note: The entire short term credit facilities of ₹ 1056.38 crores (P.Y ₹ 971.16 crores) of holding company is recalled by the lenders and hence disclosed under current Financial liabilities.

A Holding Company

(i) Securities - Cash Credit from Consortium Bankers :

a) 1st pari-passu charge on the entire Current Assets, Loans and Advances, Long Term Trade Receivables and other assets of the Company.

b) 2nd pari-passu charge over the entire Fixed Assets (immovable and movable) of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

c) 2nd pari-passu charge on Gammon House.

(ii) The rate of interest on above loan is linked to MI base rate + 175 bps to 225 bps.

Some of the loans are at spread below Bank base rate or Bank Prime lending rate or at Negotiable rates. The Spread range from 100 to 250 bps.

(iii) Buyers Credit are secured by guarantee of consortium bankers.

(iv) Short term loan from consortium Bankers :

a) BOB -Security - Short Term Loan V - INR

1st Charge on investments, Loans & Advances, LT Receivables (claims) of Gammon India Limited Residual

2nd charge on Gammon House

2nd charge of Canara Bank on Dombivali Metropolitan Infra Housing Private Limited Land (only on RTL-1 portion)

Pledge on shares of Metropolitan Infra Housing Private Limited (Dombivali)

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

Pledge on shares of Ansaldocaldaie Boilers India Private Limited (73%)

Pledge on sahes and corporate guarantee of Nikhita Estate Developers Private Limited (100%)

Pledge on Promoters holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Pledge on Gammon India Limited’s holding in EPC

Pledge on Gammon India Limited’s holding T&D

Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

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

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

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

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

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

pledge on Promoter’s holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Other contractual comforts and undertakings taken at the time of CDR

c) IDBI - STL

Primary Security

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

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

2nd pari passu charge on Gammon House

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

Collateral Security

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

d) ICICI -STL

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

The OD facility shall be additionally collateralised by way of :

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

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

(v) Facility overdrawn as at March 31, 2019:

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, 2019 and to that extent the balances are unconfirmed

B Others

ACBI

(a) Securities - Cash Credit from IDBI Bank :

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

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

Unconditional and irrevocable Corporate Guarantee of Gammon India Limited.

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

(b) DIPL

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 morotorium of 24 months commencing from March, 2017. (Extention 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.

21 Other Current Financial Liabilities

Particulars	March 31, 2019	March 31, 2018
Current Maturities - Term Loan	58.00	79.76
Current Maturities - Overdue Principal	77.00	-
Current Maturities- Non Convertible debentures	-	175.00
Credit Facilities Recalled by Lenders - Secured Including Foreign SPV Companies	4,522.20	4,679.56
Interest Accrued and Due (Refer Note (e) below)	1,066.67	831.47
Interest Accrued	510.80	263.88
Unpaid Dividend (Refer Note (d) below)	0.58	0.58
Other Payables		
- Related Party	2.00	151.18
- Others	178.52	27.36
Total	**6,415.77**	**6,208.79**

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

As at March 31, 2019	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
GIL (Including overdrawn facilities)	43.40	61.66	132.41	725.41	962.88
ATSL Holding BV	2.39	-	6.31	11.69	20.38
PVAN	2.12	-	5.61	17.14	24.86
GHBV	6.32	-	16.75	52.13	75.19
GIBV	6.75	3.24	14.72	57.21	81.92
	60.97	**64.90**	**175.79**	**863.57**	**1,165.23**

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
	126.09	**80.61**	**275.79**	**450.11**	**932.59**

(b) The above information of default is disclosed only to the extent of information available for the respective Group Companies Financial Statement.

(c) Unpaid dividend includes ₹ 0.54 Crore (P.Y March 2018: ₹ 0.32 Crore) to be transferred to the Investor Education & Protection Fund

(e) GIL

Interest accrued includes ₹ 483.90 (₹ 174.94) crore on account of NPA Interest accrued in the books

GTPL

Interest accrued includes ₹ 29.37 crore on account of NPA Interest accrued in the books

Other Payable

(f) An Amount of ₹ 87.41 crore is payable to GECPL as at March 31, 2019 on account of payment of ₹ 107.16 crores made from the common pool of funds at the time of demerger during the period July 1, 2016 to March 31, 2017. This amount has been earmarked against the assignment of specific claims and awards in favour of GECPL, for which the Company has written to the clients. No interest is accrued on the aforesaid amount..

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

(g) Foreign SPV's:

During the Previous 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

(h) Loan taken by Holding Company

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

Key features of the CDR proposal are as follows :

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

(i) Securities for Term Loans and NCD :

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

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

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

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

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

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

2) 3rd pari-passu charge on the Gammon House.

Working Capital Term Loan (WCTL) -

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

Priority Loan -

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

Non Convertible Debentures (NCD) and FITL thereon -

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

Funded Interest Term Loan (FITL) -

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

(j) Interest on Term Loans -

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

Non Convertible Debentures

Facility	Principal as on 31 March 2019	Rate	Principal as on 31 March 2018
10.50%	65.65	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	**288.60**		**289.34**

(k) Repayment Term

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

(l) Collateral security pari-passu with all CDR lenders

a) Pledge of entire unencumbered Equity Shares (present and future) of GIL held by Promoters subject to section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered Equity Shares as and when such shares are released by the respective existing lender
b) Personal guarantee of Mr Abhijit Rajan, Chairman & Managing Director.
c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the Joint Venture agreement with developer.

d) Corporate Guarantee provided by Nikhita Estate Developers Private Limited ("promoter entity")

e) Pledge over the following shares -

Deepmala Infrastructure Private Limited

Ansaldocaldaie Boilers India Private Limited

Gactel Turnkey Projects Limited

Transrail Lighting Limited

Gammon Engineers and Contractors Private Limited

Nikhita

(m) Investment Spv's (GIBV, GHBV, PVAN, ATSL BV , GHM)

The Loan is secured by charge over DSRA A/c of the Company. The Parent Company has also pledged its entire shareholding of the Company with the Bank and also provided Corporate Guarantee.

During the earlier year Term Loan from ICICI Bank has been rescheduled by which the same are to be repaid by 1 April 2015 by sale of Investments . In case sale doesnot occur or the proceeds are insufficient ,the same is repayable by the parent Company in quarterly installments from 1 April 2015.The applicable interest rate is equal to 3 months LIBOR plus 275 bps for GIBV and PVAN, and 3 months LIBOR plus 250 bps for GHBV & ATSL B.V. Interest & installment is due and paid on Quarterly basis. The interest rate will increase by 100 bps for GIBV and PVAN while 125 bps for GHBV and ATSL BV, if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV's.

During the earlier year Term Loan from ICICI Bank, UK PLC has been rescheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale does not occur or the proceeds are insufficient ,the same is repayable by the parent Company in quarterly installments from 1 April 2015.The applicable interest rate is equal to 3 months EUROLIBOR plus 360 bps for GIBV, Interest & installment is due and paid on 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 Previous 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.

22 Other Current Liabilities

Particulars	March 31, 2019	March 31, 2018
Contract Liabilities	66.09	-
Client Advance	-	127.39
Duty & Taxes Payable	24.23	13.37
Unamortised Guarantee	0.24	0.49
Unamortised Deferred Rent Income	0.10	
Advance Received against Land	-	70.00
Share Application Money Pending allotment (refer note (i) below)	16.64	16.64
Other Payables	22.23	17.48
Total	**129.53**	**245.36**

(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 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 voilation 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 Compnay to generate current and future revenue.
- No sufficient networth of the Company for repayment (₹ 23.27 crores negative as at March 31, 2017)
- Cashflow from the current projects of the Company is limited to pemding dues of completed projects and towards lenders against Principal and interest.
- Gammon India Limited the holding Company is referred to NCLT and hence is unable to extend and kind of financial support.

The management is hopeful of a favourable response to its reply granting its permission not to allot shares and permit non-refund of the amount.

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

23 Current Tax Liabilities

Particulars	March 31, 2019		March 31, 2018	
Provision for taxation (net of taxes paid)		9.94		8.44
Total		**9.94**		**8.44**

24 Revenue from Operations

Particulars	2018-19		2017-18	
Revenue from Operations:				
Sale of Services		332.32		606.46
Sale of Land		642.72		-
Sale of Products		2.61		61.45
Other Operating revenue		6.73		58.72
Total		**984.38**		**726.63**
Breakup of Revenue from Operations:				
Sale of Services:				
Contract Revenue	332.32		509.74	
Toll revenue	-		20.21	
Operating and Maintenance Income	-		2.64	
Service concession revenue	-		0.78	
Revenue from port operations	-		69.00	
Change of Scope	-	332.32	4.08	606.46
Sale of Land		642.72		-
Sale of Products:				
Revenue from power projects	-		20.15	
Sale of Products	2.61	2.61	41.29	61.45
Other Operating revenue:				
Finance Income - Annuity Project	-		42.47	
Rent Income	-		3.63	
Sale of Scrap	1.58		7.90	
Miscellaneous Operating Income	4.35		1.51	
Sundry Balances Written Back	0.79	6.73	3.21	58.72
Total		**984.38**		**726.63**

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

Particulars	
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
Contract revenue for the year	487.24
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	6,383.45
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	472.81
Advances received from contractees	121.43
Retention money	62.10
Gross amount due from customers for contract work (net retention) including unbilled revenue	1,250.43
Gross amount due to customers for contract work	46.38

Note : Since Ind AS -11 was applicable till March 31, 2018. No disclosure is given for the current year

(ii) Disclosure as Disclosure in accordance with Ind AS - 115 “Revenue Recognition Disclosures”, of the Companies (Indian Accounting Standards) Rules, 2015

(The above information of Ind AS 115 is disclosed only to the extent of information available for the respective Group Companies Financial Statement.)

(a) Method used to determine the contract revenue :

	Input Method
Method used to determine the stage of completion of contract :	stage of completion is determined as a proportion of costs incurred upto the reporting date to the total estimated cost to complete

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

c) Disaggreagtion of revenue from contracts with customers :

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

Particulars	March 31, 2019
Primary geographical markets	
In India	899.87
Outside India	84.51
Total	**984.38**

(d) Contract balances

The contract assets primarily relate to the Company’s rights to consideration for work completed but not billed at the reporting date.The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company’s contract activity based on normal operating capacity.

Significant changes in contract asset and contract liabilities balances during the year are as follows:

Particulars		March 31, 2019
(A)	**Due from contract customers:**	
	At the beginning of the reporting period	
	Cost incurred plus attributable profits on contracts-in-progress	65.16
	Progress Billings made towards contracts-in-progress	2.39
	Due from contract customers impaired during the reporting period	(1.83)
	Receipts from contract customers.	(5.18)
	Significant change due to other reasons	
	At the end of the reporting period	**60.55**
(B)	**Due to contract customers:**	
	At the beginning of the reporting period	
	Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))	157.24
	Progress billings made towards contracts-in-progress	(0.16)
	Significant change due to other reasons	(65.57)
	At the end of the reporting period	**91.51**

e) Performance obligation

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

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

GIL

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) Performance obligations amounting to ₹ 55.23 crores.

ACBI

The Company is having estimated Contracts in hand of ₹ 7.75 Cr as at March 31, 2019, and the same is expected to be completed in next year.

(iii) Disclosures for Correction of Error

Some awards received by the Holding Company during the year 2017-18 were not booked in that year. The financial statements of Holding Company for 2017-18 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below. There is no effect in 2018-19.

(₹ in Crore)

Particulars	**Effects on 2017-18**
Increase in Revenue	22.50
Decrease in Loss	22.50
Increase in Basic & Diluted EPS	0.61
Increase in Equity	22.50

Extract from Statement of Profit & Loss

Particulars	**2018-19**	**2017-18**	**2017-18**
	Restated		***Reported Earlier***
Revenue	1,062.69	1,056.29	1,033.79
Cost	1,827.53	1,413.80	1,413.81
Profit before Tax and Exceptional Items	**(764.83)**	**(357.52)**	**(380.02)**
Exceptional Items	(443.32)	(1,225.98)	(1,225.98)
Share of profit / (loss) of associates and joint ventures	(79.33)	(21.76)	(21.76)
Profit before Tax	**(1,287.49)**	**(1,605.25)**	**(1,627.76)**
Tax Expenses	8.94	(6.30)	(6.30)
Profit After Tax	**(1,296.43)**	**(1,598.96)**	**(1,621.46)**
Basic EPS	(32.80)	(42.06)	(42.67)
Diluted EPS	(32.80)	(42.06)	(42.67)

Statement of Changes in Other Equity

Particulars	2017-18 *Restated*	2017-18 *Reported Earlier*
Retained Earnings	(4,797.90)	(4,820.42)

25 Other Income

Particulars	2018-19	2017-18
Interest Income on amortised cost	5.41	14.26
Rent Income	8.35	
Miscellaneous Income	3.61	11.47
Foreign Exchange Gain	-	239.29
Excess provision written back	2.60	19.63
Excess Managerial remuneration reversed	-	31.14
Profit on Sale of Assets	6.40	9.68
Profit on Sale of Investments	51.44	0.95
Unrealised Gain on Fair Valuation of Current Investments	-	1.31
Corporate Guarantee Commission	0.49	0.49
Amortisation of grant	-	1.39
Dividend Income	0.00	0.05
Total	**78.31**	**329.66**

(a) In case of Holding Company:

Pursuant to the rejection of the waiver of recovery of managerial remuneration by the Members in General Meeting, the Company has reversed the managerial remuneration of the Chairman and erstwhile Managing Director and another erstwhile Executive Director aggregating to ₹ 31.14 crore and has shown the net recoverable amount (after reversal of unpaid salary) of ₹ 24.53 crores as excess managerial remuneration receivable.

26 Cost of Sales

Particulars	2018-19		2017-18	
Opening Stock	34.57		71.02	
Add : Purchases	125.00	159.57	194.64	265.66
Less : On account of divestment of Subsidiary	1.86		5.80	
Less : Closing Stock	27.37	29.23	34.57	40.37
Cost of land sold	999.59		-	
Less - Reversal of impairment in carrying value of land sold	359.26	640.33	-	-
Total		**770.67**		**225.29**

27 Purchase of Stock in Trade

Particulars	2018-19		2017-18	
Traded Item - Brought Out Material		0.09		2.00
Total		**0.09**		**2.00**

28 Changes in Inventories of Finished Goods and Work In Progress

Particulars	2018-19		2017-18	
Work in progress:				
Opening Stock - Construction Work In Progress	-		170.42	
Add: Due to exchange Difference	-	-	(65.36)	105.06
Less :				
Closing Stock - Construction Work In Progress	-		(88.26)	
Closing Stock - Manufacturing	-	-	-	(88.26)
Finished goods:				
Opening Stock - Manufacturing Finished Goods	-		0.17	
Less :				
On account of Divestment of Subsidiary	-		(0.51)	
Closing Stock - Manufacturing Finished Goods	-	-	-	(0.35)
Total		**-**		**16.45**

For Work In Progress refer note 24 (ii) (d) above.

29 Subcontracting Expenses

Particulars	2018-19	2017-18
Subcontracting Expenses	127.56	188.62
	127.56	**188.62**

30 Employee Benefits

Particulars	2018-19	2017-18
Salaries, Bonus, Perquisites etc.	28.09	29.92
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	0.27	2.43
Staff Welfare Expenses	0.18	6.22
Other Expenses	-	0.02
Total	**28.54**	**38.59**

31 Finance Cost

Particulars	2018-19	2017-18
Interest Expense on amortised cost	682.86	779.86
Interest on deferred liability payments	-	1.15
Other Borrowing Costs	0.85	1.79
Total	**683.71**	**782.80**

During the period one of the lenders has levied penal interest and charges as reversal of benefit of CDR of Rs 107.28 crores. The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.

On account of the Company being marked as non-performing assets by the lenders no interest has been debited by majority of the lenders. The Company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore, the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.

32 Depreciation & Amortisation

Particulars	2018-19	2017-18
Depreciation	13.45	20.69
Amortisation	0.01	25.69
Total	**13.46**	**46.39**

33 Other Expenses

Particulars	2018-19	2017-18
Plant Hire Charges	3.01	2.91
Consumption of Spares	1.24	1.92
Outward Freight	0.05	0.05
Power & Fuel	3.30	5.83
Fees & Consultations	9.20	15.92
Rent	1.67	3.62
Rates & Taxes (incl indirect taxes)	3.24	3.45
Travelling Expenses	1.69	3.12
Communication	0.29	0.36
Insurance	0.51	1.67
Repairs to Plant & Machinery	0.49	0.61
Other Repairs & Maintenance	0.14	2.22
Bank Charges & Guarantee Commission	2.94	3.12
Other Site Expenses	11.68	6.90
Sundry Expenses	2.72	24.84
Sundry Balance Written Off	8.65	3.72
Bad debts	3.61	12.64
Provision for Doubtful Debts and Advances	43.05	4.77
Loss on account of divestment of stake	52.04	-
Unrealised loss on Fair Valuation of Current Investments	-	0.07

Particulars	2018-19	2017-18
Loss on Sale of Assets	-	0.02
Foreign Exchange Loss	53.28	-
Asset written off	0.18	-
Remuneration to Statutory auditors	0.35	0.47
Component Auditors Remuneration	0.10	0.10
Other (none of the which is more than 1% of the Operating revenue)	0.07	15.33
Total	**203.50**	**113.66**

Remuneration to Auditors of the Company and its Components

Particulars	2018-19		2017-18	
Remuneration to Company Auditor				
Statutory audit & Limited Review	0.30		0.35	
Audit of Components	0.03		0.08	
Attestation and Certification	0.02	0.35	0.04	0.47
Remuneration to Component Auditor				
Statutory audit & Limited Review	0.10		0.10	
Other Services	-	0.10	-	0.10

34 Exceptional Items

Particulars	2018-19	2017-18
Impairment of insurance claim	-	1.85
Impairment provisions of Investments , Goodwill and Loans and Receivables	482.09	1,179.33
Revresal of Provisions	(38.77)	-
Loss on Foreclosure of projects	-	44.80
Total	**443.32**	**1,225.98**

i) During the year One of the subsidiary (“Metropolitan Infrahousing Private Limited”) has sold the Land at Dombivali . After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres. Therefore the company has made a further provision for impairement of goodwill of ₹ 151.16 Cr and written down carrying amount of property development (inventory) by ₹ 123.91 Cr.

ii) During the current year ACGB is declared as Non Performing Asset by the lenders . Lenders have taken over the possession in May 2019 of aforesaid Company and are trying for e- auction for recovering their dues which will be realised by disposing the Assets of the Company . Based on present condition of the Joint vanture , the Company on a prudence basis has provided the investment in Ansaldo GB-Engineering Pvt Ltd .

iii) The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure of ₹ 703.61 Crore (out of which ₹ 199.91 Crore has been provided during the year) notwithstanding its ongoing endeavor to recover the value of the non core assets.

iv) 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). 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 Previous year the management has on a conservative basis made a provision of ₹ 100 crores 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.

v) Impairment provision / reversal on account of difference between the market value and the carrying value of investment in Gammon Infrastructure Projects Limited held through Gammon Power Ltd and Gactel Trunkey Projects is shown under Exceptional Item.

vi) During the previous year the company has made provisions towards the exposures in the form of investment in joint venture - Campo puma after an evaluation of the possibility of recovery in the current business environment.

vii) The Court of Monza inrespect 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 expoure in the net assets of the aforesaid subsidiary during the previous year.

viii) During the previous year the Company has foreclosed one of the projects under dispute amicably with the customer by booking a loss of ₹ 44.80 crores on the said project which has been shown as exceptional item.

35 Tax Expense

Particulars	2018-19	2017-18
Income tax expense in the statement of profit and loss consists of:		
Current Tax	8.01	6.79
Excess short provision for tax	0.03	2.58
Deferred tax	0.90	(15.67)
Income tax recognised in statement of profit or loss	**8.94**	**(6.30)**

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

A Current Tax

Particulars	2018-19	2017-18
Accounting profit before income tax	(1,287.50)	(1,164.45)
Less Non Taxable Profit/(Loss)	2,516.72	1,186.72
Taxable Profit/(Loss)	**(3,804.23)**	**22.27**
Enacted tax rates in India (%)	**33.22%**	**26.81%**
Enacted tax rates in Foreign (%)	**-**	**27.50%**
Computed expected tax expenses	(1,263.71)	5.97
Effect of non- deductible expenses	1,239.72	0.75
Effects of deductible Expenses/ exempt income	(26.29)	(0.24)
Tax Losses Adjusted	(28.94)	-
Set off of brought forward losses	86.67	(1.88)
Effect of Ind-AS impact	-	2.04
Other	0.56	0.07
Income tax expenses - Net as per normal provision	**8.01**	**6.71**
Tax As per MAT provision	**-**	0.08
Total Tax	**8.01**	**6.79**

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	(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)**
Property, Plant and Equipment	(81.57)	(0.89)	-	-	(82.46)
Non Current Investments *	(28.46)	8.81	-	-	(19.65)
Employee Benefits	0.03	(0.01)	-	-	0.02
As at March 31, 2019	**(110.00)**	**7.92**	**-**	**-**	**(102.08)**

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

36 Earning Per Share

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

Particulars	2018-19	2017-18
Net Profit attributable to the Equity Share holders	(1209.89)	(1,551.33)
O/s number of Equity Shares at the end of the year	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Basic	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,95,73,105
Earning Per Share – Basic (₹)	(32.80)	(42.06)
Earning Per Share – Diluted (₹)	(32.80)	(42.06)

Reconciliation of weighted number of outstanding during the year :

Particulars	2018-19	2017-18
Nominal Value of Equity Shares (Rupee Per Share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	36,88,47,305	36,88,47,305
Add : Issue of shares	-	-
Outstanding Equity shares at the year end	36,88,47,305	36,88,47,305
Weighted Average of Equity Shares at the end	36,88,47,305	36,88,47,305
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	36,88,47,305	36,88,47,305
Add : Shares kept in abeyance	7,25,800	7,25,800
Weighted Avg no. of shares in calculating Dilutive EPS	36,95,73,105	36,95,73,105

37 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.

38 Contingent Liability

	Particulars	March 31, 2019	March 31, 2018
i	Liability on contracts remaining to be executed on Capital Account	-	696.83
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.	762.47	797.67
iii	Bank Guarantees (in ordinery course of business)	-	1.41
iv	Disputed Sales Tax Liability for which the Company has gone into appeal	40.49	43.38
v	Claims against the Company not acknowledged as debts	73.83	294.41
vi	Disputed Service Tax Liability	9.48	9.48
vii	In respect of Income Tax Matters of Company and its Joint Ventures	328.64	330.54
viii	Commitment towards capital contribution in subsidiary under contractual obligation	51.32	51.32
ix	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
x	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96
xi	Contingent Liabilities on account of Associates (restricted to the carrying value of investments)	26.81	245.79

xii 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.

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

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

xv 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.

xvi One of the Subusidiary has received notice dated 19th March, 2012 from Tahasildar, Kalyan demanding “Unearned Income” sum of ₹ 463.68 crores on Land at Ghariwali, Thane. Company challanged the demand of Tahasildar, Kalyan in High Court, Bombay in the year 2012. Order of High Court, Bombay came in 2015 for permitting Company to sale “PART-A LAND” and remaining “PART-B LAND” is subject to resolution of demand of “Unearned Income” of ₹ 463.68 crores raise by Tahasildar, Kalyan.

Company filed Special Leave Petition in Supreme Court in the year 2017 for sale of “PART-B LAND” on which proceeding for demand of “Unearned Income” is going on in High Court, Bombay. Suprem Court ordered in February, 2019 giving permission to the company for sale of “PART-B LAND” subject to filling of “Joint Affidevit of Undertaking” by buyer and seller stating that both will be liable jointly and severally for payment of demand of “Unearned Income” raise by Tahasildar, Kalyan, if found payable. The same “Joint Affidevit of Undertaking” is filed with Supreme Court.

39 Segment Reporting as per Ind AS 108 “ Operating Segments”

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

Revenue and expenditure haven been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenditure which relate to enterprise as a whole are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”.

Segment assets and segment liabilities represents assets and liability in respective segments.

Disclosure of segments is given in Statement D

(b) Major Customers

Holding Company (GIL):

Revenue of ₹ 169.34 Crore (PY: ₹ 89.99 Crore) arising from four (PY three) major customer each contributing more than 10% of the total revenue of the Company.

Subsidiary Company (ACB):

Revenue of Rs 242.94 lacs arising from three customer being Privately controlled entities contribute to more than 10% of the total revenue of the Company.

40 The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors’ protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors’ protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi.

41 Material Uncertanity Relating to Going Concern

(a) The Company’s operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company’s overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. As on March 31, 2019 the Company’s current liabilities exceed the current assets by ₹ 6305.69 crores. 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 (GIPL) which were pledged as security (for the loan taken by Company) by one of the Company’s wholly owned subsidiary towards recovery of its dues to the Company.

The CDR lenders also invoked pledge of Company’s holdings of 23.15% in Gammon Engineers and Contractors Private Limited and 23.08% holding in Transrail Lighting Limited apart from sale of further shares of GIPL 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 Company’s subsidiary has sold 33,40,00,200 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of ₹ 94.99 crores.

The Company has repaid term loan of Canara bank aggregating to ₹ 286 crores (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited

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

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

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

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

The Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The management feels subject to lenders approval the proposal of the investor would be still valid. The broad terms of the proposal were;

(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 at ₹ 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 asset will be developed and sold by entering into a development agreement with leading developers. As per the estimates provided by the developer funds to the tune of Rs 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 company is also actively exploring various options for monetisation of various assets to repay the debt. 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. 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 realisation of the claim amounts filed by the Company, monetisation of the stake sale of investments and also the acceptance of the Investors proposal by the lenders.

(b) Other Group Companies

(i) Ansaldo Caldaie Boilers India Pvt Ltd

The Company is facing financial difficulties and material uncertanities relataing to Operations and cashflows which is significantly impairing its ability to continue as a going concern. More specifically the company is facing the following issues:

1. The Company has incurred substantial cash losses in its operations (in previous periods) and more than than 50% of its networth is eroded.
2. The Current liabilities of the Company is more than the Current Assets by Rs 84.89 Cr .
3. There are no Orders on hand and the power sector is already laden with troubled projects and facing uncertainties.
4. The RBI has directed the Company to refund the excess share application money received as detailed in note 18(a).
5. The investment in Ansaldo GB-Engineering Pvt Ltd is facing impairment issues on account of defaults to their bankers resulting in posession of properties of ACGB by lenders for auction.

The management is hopeful of tiding over these problems with amicable resolution with lenders and RBI. The the Company has made profits in the current year and out of the collection repaid its majority of the debts towards lenders. The Company is also in negotiation with various customers for getting manufacturing and spares contracts and suceeded in getting few. The Company is also taking up the overseas opportunities with its associate companies which can give the new order to substantiate future operations of the Company.

The management also is constantly persuing new opprtunities in the power sector and therefore is of the view that there are material uncertainties relating to going concern but is hopeful of reviving the Company.

(ii) ATSL Holding BV

As at March 31, 2019 Current liabilities exceed current assets by Euro 1.70 Crores (₹ 133.09 Crores) , the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

(iii) Gammon Holding BV

As on 31st March, 2019, current liabilities exceed current assets by Euro 6.14 Crores (₹ 477.38 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A.which in turn depends upon the value of non-core assets of the said Franco Tossi Mechanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncetainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

(iv) Gammon International BV

As on 31st March, 2019, current liabilities exceed current assets by Euro 6.61 Crores (₹ 513.79 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A.. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(v) Gammon International FZE

As on 31st March, 2019, current liabilities exceed current assets by AED 1.24 Crores (₹ 23.52 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(vi) Pvan Eerd Beheersmaatschappij B.V

As on 31st March, 2019, current liabilities exceed current assets by Euro 1.44 Crores (₹ 112.15 Crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SpA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

(vii) Patna Water Supply Distribution network Pvt Ltd

The Contract with Bihar Urban Infrastructure Co (‘ BUIDCo’) has been unilaterally terminate by the Client, citing non-compliance with certain terms and conditions. The Client has also encashed the bank guarantee of Gammon India Limited, the parent company at an aggregate amount of Rs 65.85 Cr The encashment has been accounted in the books of the Company by making a claim on BUIDCo at equivalent amount which is shown under trade receivable after adjusting of the outstanding mobilisation advance and interest payable. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court, Pending the outcome, the receivable has, been shown as current and considered good based on the legal advice received by the Company.

The Subsidiary has raised final bill of encashment of Bank Guarantee aggregating to Rs 125 crores. The Subsidiary has also invoked arbitration and appointed its arbitrator.Arbitration proceedings is in process and it is expected to complete in one year.

As disclosed in note above , there is no activities presently happening at the project , since the project is terminated by Client and Bank Guarantees have been en-cashed by the Client . The matter is presently under arbitration and the outcome of which will determine the position of the company. There are significant uncertainties of continuation of the project which ultimately has an impact on the going concern assumption of the company. The Management is hopeful of getting the favourable outcome in their favour.

42 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Statement A.

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

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

45 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars		Carrying Value		Fair Value	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	261.83	158.17	261.83	158.17
	Others	57.78	81.28	57.78	81.28
	Trade receivables	426.59	478.31	426.59	478.31
	Cash and cash equivalents	6.64	33.55	6.64	33.55
	Bank Balance	6.58	4.66	6.58	4.66
(ii)	FVTPL				
	Mutual Funds & Equity Instrument	0.96	3.92	0.96	3.92
(iii)	FVTOCI				
	Investments	976.79	1,082.37	976.79	1,082.37
	Total Financial Assets	**1,737.17**	**1,842.26**	**1,737.17**	**1,842.26**
	Financial Liabilities				
(i)	Amortised Cost				
	Borrowings	671.34	816.13	671.34	816.13
	Trade payables	255.52	284.53	255.52	284.53
	Others	6,415.77	6,208.79	6,415.77	6,208.79
	Total Financial Liabilities	**7,342.62**	**7,309.45**	**7,342.62**	**7,309.45**

(ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and floating interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Particulars	Fair Value measurement using				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Valuation Technique
Financial assets measured at fair value					
Investment in Current Investments - FVTPL					
Shares	March 31, 2019	0.95			Market Value of Shares
Mutual Funds	March 31, 2019	0.00			Market Value of Mutual Funds
Equity Investments - FVTOCI					
Equity Shares	March 31, 2019		7.55		Based on Valuation considered by lenders for pledge invocation
Equity Shares	March 31, 2019			969.25	Based on Independent Valuation Report
Total financial assets		**0.96**	**7.55**	**969.25**	
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
Equity Investments - FVTOCI					
Equity Shares	March 31, 2018	-		988.81	Based on Independent Valuation Report
Total financial assets		**3.92**	**-**	**988.81**	

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

In the absence of data of FTM, the same cannot be fair valued and therefore the same is carried at its carrying value as per books although the said investment is being accounted on FVTOCI. Carrying value ₹ Nil as invetsment has been fully provided (March 2017 : ₹ 93.56 crores net of provision made).

(ii) Valuation Details of Sofinter as per Ind AS 113 " Fair Value Measurements"

Valuation Approach & Methodology:

For arriving at the fair value of equity of Sofinter S.p.A as of the Valuation Date, the valuer have considered following valuation approach & methodologies:

Approach Methodologies

Approach	Methodologies
Income Approach	Discounted Cash Flow Method ("DCF")
Market Approach Comparable	Comparable Companies Method ("CCM")

For the purpose of arriving at the concluded fair value of equity of Sofinter S.p.A, the valuer have considered the Income Approach. The CCM has been used for corroborative purpose only.

Inputs Used

Date	Key Inputs	Sofinter SpA	AC Boilers SpA	Europower SpA	Itea SpA
March 31, 2019	Discount Rate	**10%**	**11%**	**9%**	**9%**
March 31, 2019	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-19	1,84,800
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-19	969.25	(32.42)
31-Mar-18	988.81	(90.53)

46 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, 2019		March 31, 2018	
Foreign currency	**Receivable**	**Payable**	**Receivable**	**Payable**
USD - US Dollar	34,22,25,494	5,34,362	24,84,08,008	5,34,362
EUR - Euro	7,01,71,565	19,82,574	4,70,82,339	19,82,574
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, 2019 is ₹ 3,142.61 Crore and March 31, 2018 is ₹ 2,005.53 Crore.

Payable : As at March 31, 2019 is ₹ 52.61 Crore and March 31, 2018 is ₹ 20.62Crore

(b) Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	March 31, 2019		March 31, 2018	
Increase/(decrease) in profit or loss	**1 % Increase**	**1 % decrease**	**1 % Increase**	**1 % decrease**
USD - US Dollar	23.64	(23.64)	16.16	(16.16)
EUR - Euro	4.70	(4.70)	3.80	(3.80)
AED - UAE Dirham	0.01	(0.01)	0.00	(0.00)
ETB - Ethiopian Birr	2.56	(2.56)	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 ₹ 426.58 crore and ₹ 478.30 crore as of March 31, 2019 and March 31, 2018 respectively, unbilled revenue amounting to ₹ 894.41 crore and ₹ 912.36 crore as of March 31, 2019 and March 31, 2018, respectively. To manage this, the Company monitors whether the collections are made within the contractually established deadlines. In addition to this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(d) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. The Company intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms at the SPV-level of relevant projects. However, the Company believes that its ability to continue to arrange for capital requirements is dependent on various facto ₹ 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, 2019	Plus 100 basis point	(52.52)
	Minus 100 basis points	52.52
March 31, 2018	Plus 100 basis point	(57.50)
	Minus 100 basis points	57.50

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, 2019	March 31, 2018
Cash and Cash Equivalent	6.64	33.55
Bank Balance	6.58	4.66
Current Investments in mutual Funds and Shares	0.96	3.92
Inventory	911.72	1,801.47
Current Trade Receivable	156.74	199.04
Current Loans & Advances	68.72	67.86
Current Other Financial Assets	28.88	27.09
Total	**1,180.24**	**2,137.59**

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, 2019			
Long term Borrowing	1,124.67	48.56	1,173.22
Short term borrowings	622.78	-	622.78
Trade payables	-	-	-
Other financial liabilities	5,291.10	-	5,291.10
Total	**7,038.55**	**48.56**	**7,087.10**
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**

(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.

47 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, 2019	March 31, 2018
Gross Debt	5,251.53	5,750.45
Less:		
Cash and Cash Equivalent	6.64	33.55
Bank Balance	6.58	4.66
Marketable Securities - Liquid Mutual Funds and Equity Shares	0.96	3.92
Net debt (A)	5,237.36	5,708.32
Total Equity (B)	(3,375.17)	(2,189.37)
Gearing ratio (A/B)	**(1.55)**	**(2.61)**

48 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.

49 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2019.

50 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 and on behalf of the Board of Directors	
	Gammon India Limited	
For Nayan Parikh & Co.		
Chartered Accountants	**Anurag Choudhry**	**Ajit B. Desai**
Firm Registration No. 107023W	Executive Director & CFO	Chief Executive Officer
	DIN No. 00955456	DIN No. 00105836
K N Padmanabhan		
Partner	**Soumendra Nath Sanyal**	**Niki Shingade**
M.No. 36410	Independent Director	Company Secretary
Mumbai, Dated : November 7, 2019	DIN No. 06485683	M.No.ACS 19594

Statement A

Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 “Related Party Disclosures”

A List of Related Parties

JOINT VENTURE

1 Gammon OJSC Mosmetrostroy
2 Gammon SEW
3 Campo Puma Oriente S.A
4 Sofinter S.p.A
5 GIPL GIL Jv

ASSOCIATES

1 Finest S.p.A Italy
2 Transrail Lighting Limited (TLL)*
3 Gammon Engineers and Contractors Private Limited*
4 Gammon Infrastructure Projects Limited
5 G & B Contracting LLC**

* During the year , consequent to invocation of pledge of shares of Transrail Lighting Limited (TLL) & Gammon Engineers and Contractors Private Limited (GECPL) ceased to be an associate hence only previous years figures are shown in the related party disclosure.

** GBLLC 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.

Entities Having Significant Influence

1 Franco Tosi Turbines Private Limited
2 Franco Tosi Meccanica S.p.A

Key Managerial Personnel

1 Mr Abhijit Rajan (Managing Director till 07/06/2018 and Non Executive Chairman w.e.f 07/06/2018)
2 Mr Ajit B. Desai
3 Mr. Anurag Choudhry (Executive Director from 20/08/2018 to 18/02/2019)
4 Mr. Jaysing Ashar

Independent Director

1 Naval Choudhary (Independent Director till 31/03/2019)
2 Urvashi saxena (Independent Director till 31/03/2019)
3 Atul Kumar Shukla (Independent Director till 31/03/2019)
4 Chayan Battacharya (Executive Director till 03/08/2018)
5 Sugato Prosanno Ghosh (Nominee Director - Axis Trustee Services Limited w.e.f 07/02/2019)

(₹ in Crore)

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Subcontracting Expense	**-**	**-**	**-**	**-**	**-**
		-	(0.32)	**-**	**-**	**(0.32)**
	Transrail Lighting Limited (TLL)		-	-	-	**-**
		-	(0.32)	**-**	**-**	**(0.32)**
	Guarantee Income	-	-	**-**	**-**	**-**
		-	(0.49)	-	-	**(0.49)**
	Transrail Lighting Limited (TLL)	-	-	-	-	
		-	(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)**
	Finance provided for Loans, expenses & on a/c payments	**1.01**	**-**	**-**	**-**	**1.01**
		-	**(18.99)**	**-**	**-**	**(19.35)**
	Gammon Mosmetrostroy	0.52	**-**	**-**	**-**	**0.52**
		-	**-**	**-**	**-**	
	Gammon SEW	0.49	**-**	**-**	**-**	**0.49**
		-	**-**	**-**	**-**	
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
			(18.99)			**(18.99)**
	Amount liquidated towards the finance provided	**-**	**1.00**	**-**	**-**	**1.00**
		-	**(10.60)**			**(10.60)**
	RAS Cities and Townships P Limited	**-**	1.00	**-**	**-**	**1.00**
			(10.60)			**(10.60)**
	Interest Income during the year	**-**	**-**	**-**	**-**	
		-	**(0.73)**	**-**	**-**	**(0.73)**
	RAS Cities and Townships P Limited	-	-	-	-	**-**
			(0.73)			**(0.73)**
	Finance received for expenses & on a/c payments	**6.06**	**-**	**-**	**-**	**6.06**
		-	**(45.95)**	**-**	**-**	**(46.43)**
	Transrail Lighting Limited (TLL)	-	-	-	-	**-**
		-	(14.23)			**(14.23)**
	Gammon Engineer and Contractors Private Limited	-	-	-	-	**-**
		-	(31.72)	-	-	**(31.72)**
	Gammon Mosmetrostroy	4.49	-	-	-	**4.49**
		-	-	-	-	**-**
	Gammon SEW	1.57	-	-	-	**1.57**
		-	-	-	-	**-**
	Interest expenses during the year	-	-	-	-	**-**
		-	**(0.02)**	**-**	-	**(0.02)**

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Gammon Road Infrastructure Limited		-			**-**
			(0.02)			**(0.02)**
	Guarantees and Collaterals Outstanding	**126.76**	**-**	**203.99**	**-**	**330.75**
		(126.76)	**(97.00)**	**(191.82)**	**-**	**(415.57)**
	Gammon OJSC Mosmetrostroy	126.76	-	-	-	**126.76**
		(126.76)	-	-	-	**(126.76)**
	Transrail Lighting Limited (TLL)	-	-	-	-	
		-	(97.00)	-	-	**(97.00)**
	Franco Tosi Meccanica S.p.A	-	-	203.99	-	**203.99**
		-	-	(191.82)	-	**(191.82)**
	Key Managerial Personnel	**-**	**-**	**-**	**0.33**	**0.33**
	Managerial Remuneration	**-**	**-**	**-**	**(1.36)**	**(1.36)**
		-	-	-	-	**-**
	Mr. Anurag Choudhry	-	-	-	0.27	**0.27**
		-	-	-	-	**-**
	Mr. Jaysing Ashar	-	-	-	0.06	**0.06**
		-	-	-	-	**-**
	Mr. Rajul A. Bhansali	-	-	-	-	**-**
		-	-	-	(0.80)	**(0.80)**
	Mr. Ajit B. Desai	-	-	-	-	**-**
		-	-	-	(0.56)	**(0.56)**
	Director Sitting fees and Commission	**-**	**-**	**-**	**-**	**-**
		-	**-**	**-**	**(0.09)**	**(0.09)**
	Chandrahas C. Dayal	-	-	-	-	**-**
		-	-	-	(0.02)	**(0.02)**
	Naval Choudhary	-	-	-	-	**-**
		-	-	-	(0.03)	**(0.03)**
	Urvashi saxena	-	-	-	-	**-**
		-	-	-	(0.03)	**(0.03)**
	Atul Kumar Shukla	-	-	-	-	**-**
		-	-	-	(0.02)	**(0.02)**
	Loans & Advances	**387.36**	**104.12**	**103.24**		**597.66**
		(377.15)	**-**	**(104.97)**		**(486.85)**
	Fin Est S.P.A	-	-	-	-	**-**
		-	-	-	-	**-**
	Campo Puma Oriente S.A.	387.36	-	-	-	**387.36**
		(377.15)	-	-	-	**(377.15)**
	G & B Contracting LLC	-	104.12	-	-	**104.12**
		-	-	-	-	**-**
	Franco Tosi Meccanica S.p.A	-	-	103.24	-	**-**
		-	-	(104.97)	-	**(104.97)**
	Provision made for doubtful debts	**230.41**	-	-	-	**334.17**
		(230.41)	-	-	-	**(337.15)**
	Franco Tosi Meccanica S.p.A	-	-	103.24	-	**103.24**
		-	-	(104.97)	-	**(104.97)**
	Campo Puma Oriente S.A.	230.41	-	-	-	**230.41**
		(230.41)	-	-	-	**(230.41)**

B	Nature of Transactions / relationship / major parties	Joint Ventures	Associates	Entities having Significant Influence	Key Managerial Personnel and their relative	Total
	Interest Receivable	**19.42**	**-**	**-**	**-**	**20.67**
		(18.26)	**-**	**-**	**-**	**(26.78)**
	Campo Puma Oriente SPA	19.42	-	-	-	**19.42**
		(18.26)	-	-	-	**(18.26)**
	Trade & Other Receivable	**772.09**	**-**	**-**	**-**	**772.21**
		(772.09)	**-**			**(772.09)**
	Gammon OJSC Mosmetrostroy	772.09	**-**	**-**	**-**	**772.09**
		(772.09)	**-**	**-**	**-**	**(772.09)**
	Trade & Others Payable	**6.78**	**1.79**	**-**	**-**	**9.06**
		(29.56)	**(147.44)**	**-**	**-**	**(193.36)**
	G & B Contracting LLC	-	1.79	-	-	**1.79**
		-	-	-	-	**-**
	Gammon OJSC Mosmetrostroy	6.57	-	-	-	**6.57**
		(29.56)	-	-	-	**(29.56)**
	Gammon Engineer and Contractors Private Limited	-	-	-	-	**-**
		-	(147.44)	-	-	**(147.44)**
	Gammon SEW	0.21	-	-	-	**0.21**
		-	-	-	-	**-**

(Previous Period figures are in brackets)

Transactions pertaining to contract revenue and contract expenses with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Statement-B

1 **The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations**

Particulars	ACB		DIPL	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	38.75	77.69	0.37	0.39
Current assets	8.36	5.35	1,072.17	1,086.97
Non-current liabilities	(0.06)	(9.80)	(143.69)	(143.03)
Current liabilities	(86.44)	(90.74)	992.15	(976.17)
Capital Contributions	(5.84)	(5.84)	-	-
Net assets	**(45.23)**	**(23.34)**	**1,920.99**	**(31.84)**
Net assets attributable to NCI	**(12.03)**	**(6.21)**	**566.31**	**(9.39)**
Revenue	3.08	41.83	47.82	107.92
Profit for the year	(21.91)	5.80	(31.48)	(33.11)
Profit/(Loss) allocated to NCI	**(5.83)**	**1.54**	**(9.28)**	**(11.43)**
Other comprehensive income	0.02	(0.04)		
OCI allocated to NCI	0.01	(0.01)	-	-
Cash flow from operating activities	14.31	20.51	(31.48)	(33.11)
Cash flow from investing activities	(5.46)	0.02	-	-
Cash flow from financing activities	(11.56)	(17.74)	-	-
Net increase/ (decrease) in cash and cash equivalents	(2.71)	2.78	(31.48)	(33.11)

Particulars	GBL		GBLLC *	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	104.76	104.84	-	32.83
Current assets	0.03	0.01	-	56.06
Non-current liabilities	(107.81)	(107.81)	-	(121.83)
Current liabilities	(0.00)	(0.00)	-	(37.62)
Net assets	**(3.03)**	**(2.97)**	**-**	**(70.56)**
Net assets attributable to NCI	**(1.48)**	**(1.45)**	**-**	**(56.87)**
Revenue	-	-	-	81.60
Profit for the year	(0.06)	(0.03)	-	1.08
Profit/(Loss) allocated to NCI	**(0.03)**	**(0.01)**	**-**	**0.81**
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	(0.06)	(0.02)	-	(5.58)
Cash flow from investing activities	0.08	0.16	-	(2.15)
Cash flow from financing activities	0.00	(0.98)	-	14.99
Net increase/ (decrease) in cash and cash equivalents	0.02	(0.84)	-	7.25

Particulars	GRIPL		PWS	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	0.03	0.36	6.68	6.70
Current assets	0.17	0.08	26.47	27.93
Non-current liabilities	-	(0.26)	(0.01)	(0.01)
Current liabilities	(0.14)	(0.13)	(68.86)	(70.31)
Net assets	**0.06**	**0.04**	**(35.72)**	**(35.70)**
Net assets attributable to NCI	**-**	**-**	**(9.29)**	**(9.28)**
Revenue	-	-	-	-
Profit for the year	0.02	(0.01)	(0.02)	(6.31)
Profit/(Loss) allocated to NCI	**-**	**-**	**(0.01)**	**(1.64)**
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	0.09	(0.00)	(0.00)	1.43
Cash flow from investing activities	0.32	-	-	-
Cash flow from financing activities	(0.36)	0.00	(1.45)	-
Net increase/ (decrease) in cash and cash equivalents	0.05	0.00	(1.46)	1.43

Particulars	GRL		METRO	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	23.38	22.49	89.57	82.93
Current assets	90.64	92.18	83.20	1,176.90
Non-current liabilities	(143.07)	(175.71)	(417.07)	(703.64)
Current liabilities	(8.09)	(0.10)	(168.36)	(480.28)
Capital Contributions	-	-	(4.38)	(4.38)
Net assets	**(37.15)**	**(61.15)**	**(417.04)**	**71.55**
Net assets attributable to NCI	**(9.26)**	**(15.25)**	**(66.06)**	**11.33**
Revenue	-	-	-	-
Profit for the year	24.00	(1.34)	(488.59)	(4.76)
Profit/(Loss) allocated to NCI	**5.99**	**(0.33)**	**(77.39)**	**(0.75)**
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	30.98	3.66	486.17	1.18
Cash flow from investing activities	0.61	1.26	-	-
Cash flow from financing activities	(32.64)	(3.84)	(489.13)	2.21
Net increase/ (decrease) in cash and cash equivalents	(1.05)	1.08	(2.96)	3.39

Particulars	PREETI *		ATSLInfra	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	-	-	-	-
Current assets	-	9.81	2.53	2.53
Non-current liabilities	-	-	-	-
Current liabilities	-	(9.85)	(2.51)	(2.51)
Capital Contributions	-	-	-	-
Net assets	-	**(0.04)**	**0.02**	**0.03**
Net assets attributable to NCI	-	**(0.02)**	**0.01**	**0.01**
Revenue	-	-	-	-
Profit for the year	-	(0.01)	(0.00)	(0.00)
Profit/(Loss) allocated to NCI	-	**(0.00)**	**(0.00)**	**(0.00)**
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-
Cash flow from operating activities	-	4.59	(0.00)	-
Cash flow from investing activities	-	-	-	-
Cash flow from financing activities	-	(3.90)	-	-
Net increase/ (decrease) in cash and cash equivalents	-	0.69	(0.00)	-

* Ceased to be Subsidiary as on March 31,2019 hence details are not given for the current year.

2 **Table below provide summarised financial information for Joint venture** **₹ in Crore**

Particulars	ACGB		GGJV	
	36.70%		5.00%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	56.32	56.30	0.06	0.05
Current assets				
Cash and Cash equivalents	0.01	0.01	-	-
- Other assets	1.34	1.19	-	-
Current assets	1.35	1.20	-	-
Non-current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	12.93	12.93	-	-
- Other liabilities	0.48	0.49	-	-
Non-current liabilities	13.40	13.41	-	-
Current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	15.49	15.49	-	-
- Other liabilities	6.96	6.91	0.25	0.23
Current liabilities	22.46	22.40	0.25	0.23
Net assets	21.81	21.69	(0.19)	(0.18)
Group share of net assets	13.32	7.96	(0.01)	(0.01)
Revenue	1.98	2.60	-	-
Interest Income		-	-	-
Depreciation and amortisation	-	-	-	-
Finance cost	-	0.42	-	-
Profit/ (Loss) for the year before tax	0.12	(0.36)	(0.01)	(0.00)
Income tax expenses	-	-	-	-
Profit/ (Loss) for the year	0.12	(0.36)	(0.01)	(0.00)
Other comprehensive income	-	-	-	-
Total comprehensive income	0.12	(0.36)	(0.01)	(0.00)
Group share of profit/ (Loss)	0.04	(2.14)	-	-
Group share of OCI	-	-	-	-
Group share of total comprehensive income	0.04	(2.14)	-	-

₹ in Crore

Particulars	GOMCHN / OJSC		GSEW	
	51%		90%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current assets	149.60	160.11	10.56	6.73
Current assets				
Cash and Cash equivalents	0.34	0.09	0.30	0.12
- Other assets	4.10	-	2.25	0.00
Current assets	4.43	0.09	2.55	0.12
Non-current liabilities				
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-	6.16	0.07
- Other liabilities	206.25	53.65	4.34	6.77
Non-current liabilities	206.25	53.65	10.51	6.84
Current liabilities				
- Financial liabilities (excluding trade payables , other payables and provisions)	-	-	0.13	-
- Other liabilities	0.00	158.54	2.62	-
Current liabilities	0.00	158.54	2.75	-
Net assets	(52.23)	(52.00)	(0.14)	(0.00)
Group share of net assets	(2.49)	(2.37)	0.78	(0.90)
Revenue	-	-	26.08	-
Interest Income	-	0.00	0.35	-
Depreciation and amortisation	-	0.00	-	-
Finance cost	-	-	0.38	-
Profit/ (Loss) for the year before tax	(0.23)	(0.12)	1.35	(0.00)
Income tax expenses	-	-	0.48	-
Profit/ (Loss) for the year	(0.23)	(0.12)	0.87	(0.00)
Other comprehensive income	-	-	-	-
Total comprehensive income	(0.23)	(0.12)	0.87	(0.00)
Group share of profit/ (Loss)	(0.12)	(0.08)	0.78	0.00
Group share of OCI	-	-	-	-
Group share of total comprehensive income	(0.12)	(0.08)	0.78	0.00

Particulars	CAMPO	
	66.39%	
	March 31, 2019	March 31, 2018
Non-current assets	253.96	265.90
Current assets		
Cash and Cash equivalents	0.34	1.26
- Other assets	34.16	35.84
Current assets	34.50	37.10
Non-current liabilities		
- Financial liabilities (excluding trade payables, other payables and provisions)	-	-
- Other liabilities	369.30	351.87
Non-current liabilities	369.30	351.87
Current liabilities		
- Financial liabilities (excluding trade payables , other payables and provisions)	-	-
- Other liabilities	93.08	85.26
Current liabilities	93.08	85.26
Net assets	(173.91)	(134.13)
Group share of net assets	(282.89)	(235.17)

Particulars	CAMPO	
	66.39%	
	March 31, 2019	March 31, 2018
Revenue	15.88	15.46
Interest Income	-	-
Depreciation and amortisation	-	-
Finance cost	15.81	15.57
Profit/ (Loss) for the year before tax	(40.22)	(44.70)
Income tax expenses	-	-
Profit/ (Loss) for the year	(40.22)	(44.70)
Other comprehensive income	-	-
Total comprehensive income	(40.22)	(44.70)
Group share of profit/ (Loss)	(26.70)	(29.68)
Group share of OCI	-	-
Group share of total comprehensive income	(26.70)	(29.68)

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

Particulars	GECPL**		TLL**		GIPL	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-Current Assets	-	1788.43	-	356.18	4,250.49	5,065.05
Current Assets	-	2651.36	-	1,260.48	599.75	586.86
Non-Current liabilities	-	1199.82	-	291.82	2,010.65	3,757.76
Current liabilities	-	2985.91	-	1,082.19	2,525.38	1,371.43
Net Assets	-	254.06	-	242.65	314.22	522.72
Group Share of Net Assets		63.14		60.66	5.82	109.54
Group Share of Net Assets	25%		25%		20.60%	

	GBLLC	
Particulars	March 31, 2019	March 31, 2018
Non-Current Assets	38.80	-
Current Assets	95.87	-
Non-Current liabilities	6.71	-
Current liabilities	99.11	-
Net Assets	28.85	-
Group Share of Net Assets	**(10.21)**	-
Group Share of Net Assets	12.23%	

Summarised statement of profit and loss

Particulars	GECPL		TLL		GIPL	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	-	2,282.61	-	1,886.42	496.72	624.74
Other Income	-	34.20	-	5.82	30.03	18.28
Project Cost	-	645.18	-	241.87	170.26	279.71
Contract Cost	-	712.85	-	1,035.52	24.21	24.34
Employee Cost	-	259.42	-	104.22	23.22	22.07
Depreciation and amortisation	-	98.36	-	30.38	108.75	87.24
Finance Cost	-	266.20	-	81.52	361.28	339.93
Other Expenses	-	361.23	-	297.71	79.72	54.20
Profit/ (Loss) for the year	**-**	(26.43)	-	101.02	(240.68)	(164.46)
Tax Expense		(32.20)	-	25.17	(54.77)	15.87
Exceptional items Income/(Expense)		-	-	-	(24.02)	(5.20)
Profit/ (Loss) for the year after tax	**-**	5.77	-	75.85	(209.94)	(185.54)
Other Comprehensive Income	**-**	0.12	-	(0.53)	0.07	(0.12)
Total comprehensive income	**-**	5.89	-	75.32	(209.87)	(185.66)
Group share of profit/(loss)	**-**	0.92	-	18.96	(34.99)	38.93
Group share of OCI		-	-	(0.13)	-	-

	GBLLC ***
Particulars	**March 31, 2019**
Revenue	200.67
Other Income	7.73
Project Cost	-
Contract Cost	185.87
Employee Cost	-
Depreciation and amortisation	1.81
Finance Cost	0.02
Other Expenses	16.62
Profit/ (Loss) for the year	**4.08**
Tax Expense	
Exceptional items Income/(Expense)	
Profit/ (Loss) for the year after tax	**4.08**
Other Comprehensive Income	**-**
Total comprehensive income	**4.08**
Group share of profit/(loss)	**(0.42)**
Group share of OCI	-

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

(**) TLL and GECPL Ceased to be associates as on March 31, 2019 hence no details are given for the current year.

(***) GBLLC was subsidiary in the previous year and due to decrease in stake and loss of control over the company the same is considered as an associate in the current year therefore the figures for previous year are not disclosed.

Statement C

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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	92.86%	(3,134.03)	45.16%	(546.43)
Subsidiaries:				
ACB	0.13%	(4.26)	0.69%	(8.31)
ATSLBV	3.52%	(118.90)	0.21%	(2.55)
ATSLInfra	(0.00%)	0.01	0.00%	(0.00)
ATSLNigeria	0.00%	(0.05)	0.00%	-
DIPL	(0.37%)	12.40	1.84%	(22.22)
GACTEL	5.84%	(197.20)	4.42%	(53.45)
GBL	(1.69%)	57.08	(1.10%)	13.37
GBLLC	0.00%	-	(0.14%)	1.71
GHBV	9.27%	(313.01)	13.94%	(168.64)
GHM	(9.61%)	324.33	1.10%	(13.27)
GIBV	(2.31%)	78.11	7.15%	(86.46)
GIFZE	0.12%	(3.89)	2.10%	(25.42)
GPL	(0.11%)	3.74	0.56%	(6.81)
GRDL	0.00%	(0.01)	0.00%	(0.01)
GRIPL	(0.02%)	0.56	(0.00%)	0.02
GRL	(2.20%)	74.14	(1.48%)	17.91
GTL	(0.01%)	0.43	0.00%	(0.05)
ISRL	0.00%	(0.13)	0.00%	-
METRO	(5.39%)	181.98	16.71%	(202.22)
PREETI	0.00%	-	(0.01%)	0.14
PVEB	3.11%	(104.85)	1.31%	(15.89)
PWS	(1.15%)	38.75	0.00%	(0.02)
SAE	0.00%	-	0.00%	-
Joint Ventures				
ACGB	(0.39%)	13.32	(0.00%)	0.04
GOMCHN / OJSC	0.07%	(2.49)	0.01%	(0.12)
GSEW	(0.02%)	0.78	(0.06%)	0.78
GGJV	0.00%	(0.01)	0.00%	(0.00)
CAMPO	8.24%	(278.23)	4.66%	(56.38)
Associates				
GIPL	(0.17%)	5.82	2.89%	(34.99)
GBLLC	0.28%	(9.57)	0.00%	(0.63)
Grand Total	**100%**	**(3,375.17)**	**100%**	**(1,209.89)**

Statement D

Segment Reporting as per Ind AS 108 " Operating Segments" **(₹ in Crore)**

	Particulars	Real Estate Business		Construction and Engineering		Total	
		2018 - 19	**2017 - 18**	**2018 - 19**	**2017 - 18**	**2018 - 19**	**2017 - 18**
1	**Segment Revenue**						
	External Turnover	690.53	107.34	293.85	619.29	**984.38**	**726.63**
	Less : Internal Segment Turnover	-	-	-	-	**-**	**-**
	Net	690.53	107.34	293.85	619.29	**984.38**	**726.63**
2	**Segment Result before Interest and Taxes**	(304.32)	(500.75)	(377.76)	(651.35)	**(682.09)**	**(1,152.11)**
	Less: Interest Expense	6.79	7.75	676.92	775.06	**683.71**	**782.80**
	Add: Other Income		1.14	72.90	306.98	**72.90**	**308.11**
	Add: Interest Income	0.00	7.28	5.41	14.26	**5.41**	21.54
	Profit Before Tax	(311.11)	(500.08)	(976.38)	(1,105.17)	(1,287.49)	(1,605.25)
	Less: Current Tax	-	2.00	8.04	7.36	**8.04**	**9.36**
	Less: Deferred Tax	-	-	0.90	(15.67)	**0.90**	**(15.67)**
	Profit after Tax (before adjustment for Non - Controlling Interest)	(311.11)	(502.08)	(985.31)	(1,096.87)	(1,296.43)	(1,598.95)
	Add: Share of (Profit) / Loss transferred to Non - Controlling Interest	86.67	12.18	(173.22)	(59.80)	**(86.55)**	**(47.62)**
	Profit after Tax (after adjustment for Non-Controlling Interest)	**(397.79)**	**(514.26)**	**(812.09)**	**(1,037.06)**	**(1,209.88)**	**(1,551.33)**
3	**Other Information**						
	Segment Assets	1,010.28	1,900.75	3,554.13	3,908.70	**4,564.41**	**5,809.45**
	Segment Liabilities	900.62	1,193.42	7,155.74	6,870.01	**8,056.36**	**8,063.43**
	Capital Employed	109.66	707.33	(3,601.61)	(2,961.31)	**(3,491.95)**	**(2,253.98)**
	Capital Expenditure	-	0.14	0.12	2.25	**0.12**	2.39
	Depreciation / Amortisation and Depletion Expense	0.02	0.03	13.43	46.36	**13.46**	**46.39**

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