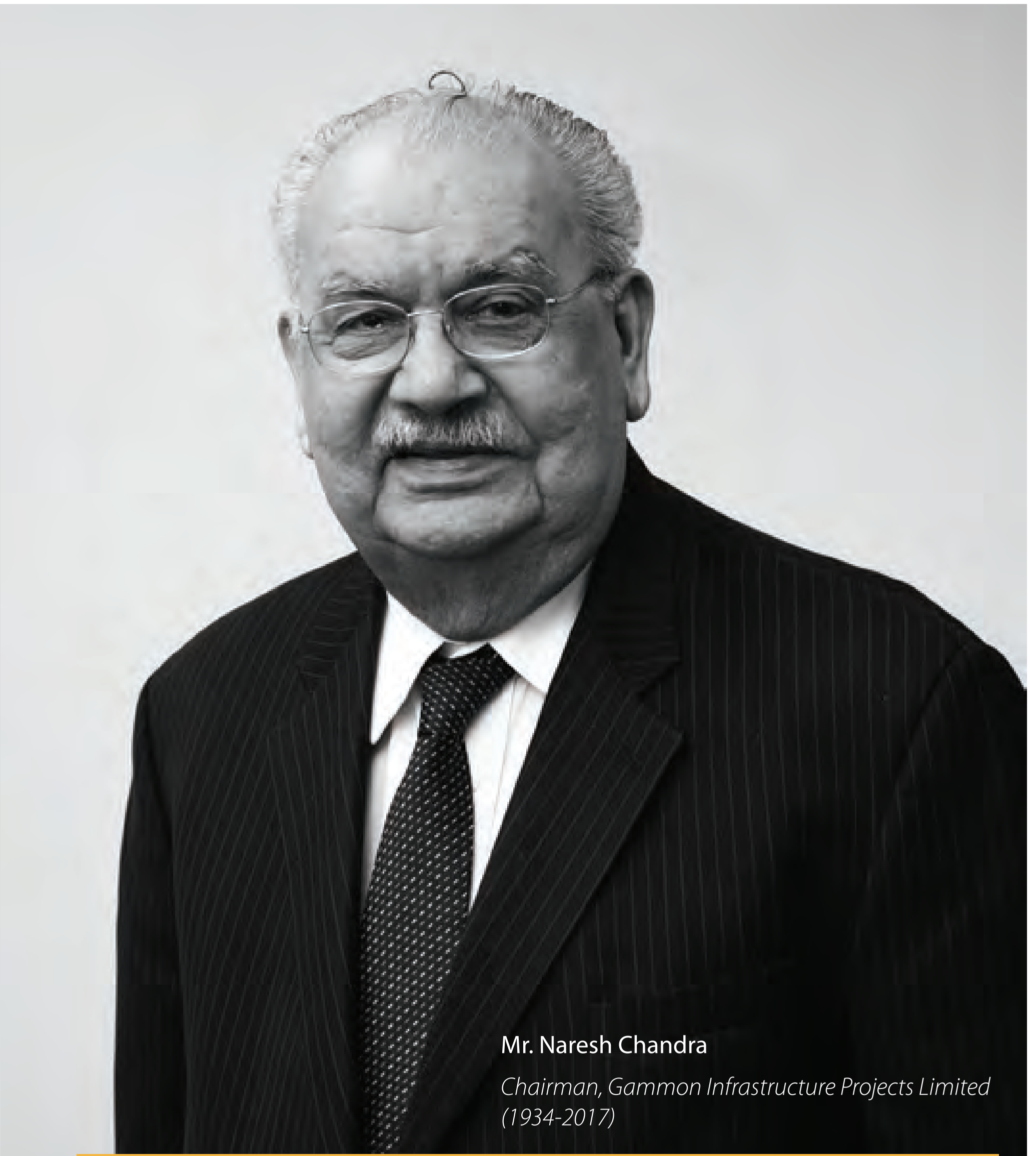
SUSTAINING RESILIENCE AND BUILDING STABILITY FOR GROWTH

GAMMON INFRASTRUCTURE PROJECTS LIMITED

16TH ANNUAL REPORT
2016-17



Mr. Naresh Chandra

Chairman, Gammon Infrastructure Projects Limited
(1934-2017)

We pay homage to our Chairman who left us for heavenly abode on July 9, 2017. It was a privilege and honour for the Company to have him as one of the founder director, since the time the Company was listed in 2007-08. He was instrumental in guiding the Company's overall strategic direction. He helped in stabilising the Company's overall present and future outlook in the field of corporate governance.

CONTENT

SUSTAINING RESILIENCE AND BUILDING STABILITY FOR GROWTH

We are in the midst of one of the most challenging times. The Indian infrastructure sector continues to be sullied by a number of factors, affecting the sector's stability. Many projects continue to face inordinate delays, with sizeable cost over-runs and strained financials. Other key reasons for continued pain of this sector are delays in land acquisition; roadblocks in getting environment and forest clearances; arduous local body permissions; complex rehabilitation and resettlement processes; and contentious contractual issues.

While there are widespread challenges, we focused on building equilibrium amidst the sectoral instability. Gammon Infrastructure is determined to transform and lead the way of exploring new pastures. Today, we are carefully consolidating our position without straining our cash flows. We are also adopting improved strategies into our operational framework. These plans are poised to forge us ahead with efficacy, passion and purpose.

As part of our master blueprint, the Company has systematically divested its stake over recent years in six projects. This has helped us strengthen our balance sheet. We enhanced our focus towards getting our under-construction projects on track, giving good cause for the confidence our stakeholder's are reposing in us.

At Gammon Infrastructure, we remain committed to reinvent ourselves by toughening our business model, and by unceasingly consolidating our business. This includes the proactive divestment of assets; a keen focus on project execution; and the clever alignment of business selection that play to our strengths. As a result, the long-term prospects of our business are perking up markedly. Going forward, we are confident that Gammon Infrastructure's performance will re-bound briskly and return to produce considerable value for its stakeholders.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Naresh Chandra
Chairman
upto July 9, 2017

Mr. Kishor Kumar Mohanty
Managing Director

Mr. Abhijit Rajan
Non-Executive Director

Mr. Chandrahas Charandas Dayal
Independent Director
upto September 29, 2017

Mr. Sushil Chandra Tripathi
Independent Director

Ms. Homai A Daruwalla
Independent Director

Mr. Sanjay Sachdev
Independent Director
appointed on November 9, 2017

Mr. Vardhan Dharkar
Non-Executive Director
appointed on November 20, 2017

AUDITORS

M/s. Natvarlal Vepari & Co.

Mr. Kaushik Chaudhuri
Chief Financial Officer

Ms. Renuka Matkari
Company Secretary
upto November 10, 2017

REGISTERED OFFICE

Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai – 400 025
Telephone: +91 22 6111 4000
Fax: +91 22 2430 0221
Website: www.gammoninfra.com

CORPORATE OFFICE

Orbit Plaza, 5th Floor,
Plot No. 952/954,
New Prabhadevi Road, Prabhadevi,
Mumbai – 400 025
Telephone: +91 22 6748 7200
Fax: +91 22 6748 7201

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited,
C-101, 247 Park, Lal Bahadur Shastri
Marg, Gandhi Nagar, Vikhroli (West),
Mumbai - 400083
Tel. no.: 022 - 49186000
Fax no.: 022 - 49186060

BOARD OF DIRECTORS

Mr. Kishor Kumar Mohanty
Managing Director

An engineer with an MBA degree in Finance & Marketing from XIM (Bhubaneshwar) and AMP from Harvard Business School, Boston.

He has over three decades of managerial experience in various capacities.

Mr. Abhijit Rajan
Non-Executive Director

A successful industrialist with over three decades of business experience.

His zeal and vision is driving the Gammon Group of Companies.

Mr. Sushil Chandra Tripathi
Independent Director

A retired officer of the Indian Administrative Service with over 38 years of experience at senior levels in the State and Central Governments.

He is the head of the Audit Committee of the Company.

Mr. Chandrahas C. Dayal
Independent Director

A Chartered Accountant with vast experience and expertise in audit, internal audit, finance and valuation.

Ms. Homai A Daruwalla
Independent Director

A Chartered Accountant with over three decades of experience in the banking sector.

Mr. Sanjay Sachdev
Independent Director

He has a Master's Degree in International Management from the USA and a Degree in Law from the University of Bombay. He is a Certified Financial Planner. He has international experience of over 30 years.

Mr. Vardhan Dharkar
Non-Executive Director

A Science Graduate and a Chartered Accountant with over 27 years of experience in areas of Finance, Accounting, Taxation, Controls, Compliance, Risk & General Management.

COMPANY
AT A GLANCE

Gammon Infrastructure Projects Limited is a pan-India infrastructure project development company with a diverse portfolio across road, power and port sector. The Company derives its strength from its multi-segment presence in the infrastructure sector, two decadal experience and technical expertise.

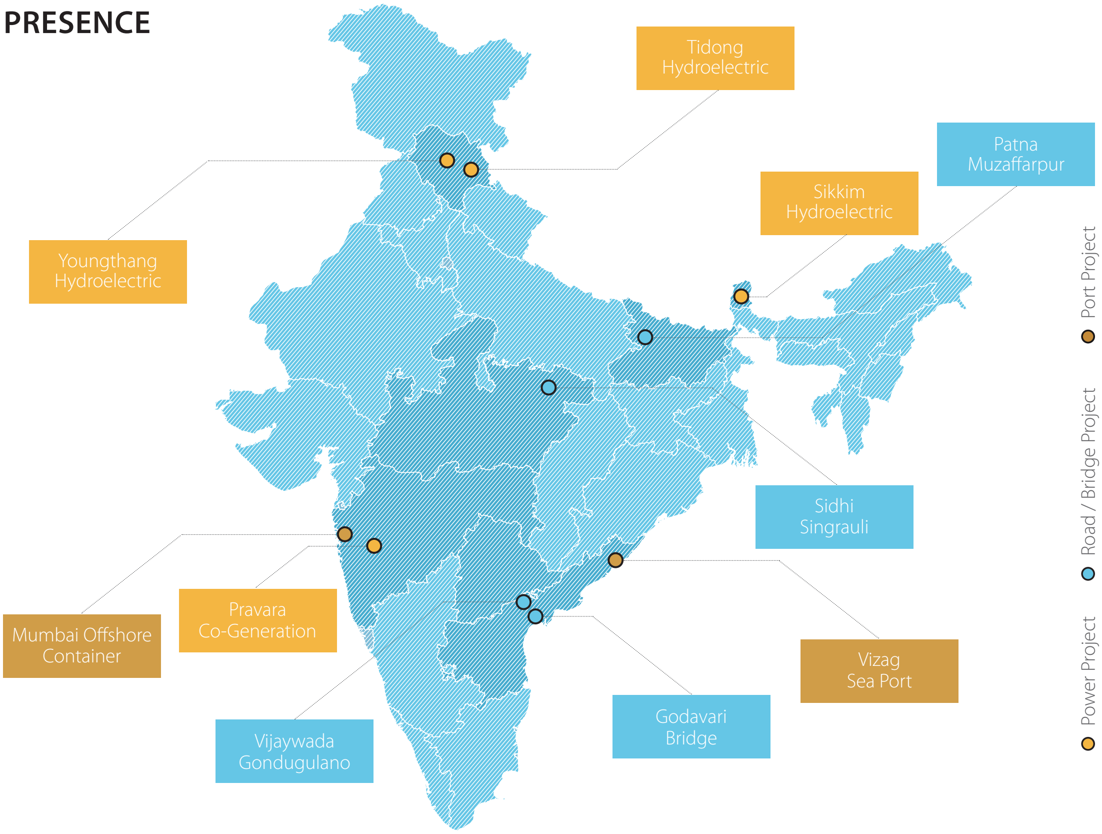
- Participation in projects based on BOT, BOOT, BOO and other PPP models.

OFFERINGS

The Company has a well-strategised business model with presence in the following areas of infrastructure development

- Provides services in areas of project development including operations & maintenance and project advisory services.

OUR PAN INDIA PRESENCE



PORTFOLIO

The current portfolio of the Company (after the divestment of 6 projects – 5 operational and 1 under development) comprises of 3 operational assets and 7 projects under different stages of development. The Company's projects are spread across 6 states in India.

06

Presence across Indian States

20

Years of Experience

10

Total Projects

268

Team Size

PROFICIENCY: The Company has over two decades of rich industry experience and expertise in infrastructural development.

PORTFOLIO: The Company has the experience of executing more than 17 projects including 3 toll projects, 5 power projects and 2 port projects.

SECTORAL PRESENCE: The Company has a diverse infrastructure presence across multiple business verticals. These include highways, bridges, power transmission and ports. This varied exposure de-risks the business from the risk of having a singular dependence on a sector.

TRACK RECORD: The Company is a well recognised player in the Indian Infrastructure space sector with a proven record of successful completion, operations and efficient project execution (post all authoritative clearances).

DERIVING STABILITY BY BUILDING ON OUR STRENGTHS

AGILITY: The Company has the ability to respond swiftly to the emerging opportunities. This agility has been derived from the fact that it qualifies as per the norms of NHAI, other statutory corporations and government companies to bid for OMT and tolling projects, Port and Power Projects.

BUSINESS STRATEGY: : The Company selects locations and projects enjoying attractive revenue visibility. This strategy has helped the Company to build a portfolio of assets, which generates assured and market driven returns.

ENDURING RELATIONSHIPS: The Company enjoys longstanding customer relationships marked by repeat engagement on account of strong execution capabilities.

REACH: The Company is a service provider with a terrain experience of having executed infrastructure projects across Maharashtra, Andhra Pradesh, Uttar Pradesh and Bihar, among others.

FINANCIAL CAPABILITY: The Company has demonstrated a capability in achieving financial closure in its past projects.

COUNTERING CHALLENGES THROUGH RESILIENT BUSINESS STRATEGY

WIDENING PRESENCE: GIPL is leveraging India's growing demand for infrastructure developments to attract projects with assured and market-linked returns. The Company is identifying and analysing potential projects in the existing as well as new sectors to diversify its revenue sources.

ADVANCING GROWTH: GIPL's key focus remains on faster execution of projects. The Company is working towards seamless movement of projects through the development cycle, to make them operational and contribute to the Company's revenues. Furthermore, to advance growth, the Company is exploring opportunities in OMT and hybrid annuity projects with smaller gestation period and lower capital-intensive project.

MANAGING LIQUIDITY: GIPL has a strong focus on efficient liquidity management. The Company has successfully refinanced its former high cost debts with lower cost debts. The combination of refinancing existing debts with subsequent repayments of debts, will help the Company improve its liquidity. GIPL has also undertaken proactive measures towards improving its operational efficiencies through optimal resource utilisation and cost effective initiatives.

MONETISING ASSETS: In response to the financial stress triggered by the sectoral challenges, the Company has systematically monetised six of its Special Purpose Vehicles through divestments. The sale of strategic stakes has helped GIPL unlock value and streamline its balance sheet.

EXPLORING OPPORTUNITIES: The Company has widened its product portfolio by offering fee-based O&M services for external infrastructure projects. Going forward, the Company will explore opportunities to enhance the scope and size of O&M services, especially in roads sector.

MESSAGE FROM THE MANAGING DIRECTOR

> "We focused on efficient execution and resolution of our on-going projects, sharpened our cost and time efficiencies, and primed our abilities to capitalise on newer opportunities.

K.K. Mohanty
Managing Director

Dear Shareholders,

FY2017 was a year in which we braved various challenges to retain our organisational and financial stability. While there is strong government impetus on the infrastructure sector, the prevailing macro-economic headwinds have cast a shadow on the sector's development and delivery landscape. As India's infrastructure sector continues to be at the crossroads, we too have faced our fair share of angst.

However, knowing that external factors would improve sooner, we have chosen to strengthen our current capabilities. We focused on efficient execution and resolution of our on-going projects, sharpened our cost and time efficiencies, and primed our abilities to capitalise on newer opportunities.

Overcoming Challenges

The key obstruction for our business has been delay in project completion. Failures in timely clearance and limited support from capital markets and lenders, remained the prime cause of deferments. Many of our projects have been delayed by more than three years in last five years for the reasons not attributable to us and beyond our control. These postponements have resulted in mismatch of the cashflows, causing financial disruption.

Today, at GIPL, we are focused on building strong business fundamentals to weather these macro level challenges.

We remained conservative and watchful of striking a balance between our borrowings and the Company's net worth. With this thought, we undertook bold steps by divesting stake in six of our projects (5 road projects and 1 power project) to streamline our balance sheet during the previous year.

We are also placing emphasis on building healthy internal accruals and capturing the value of existing projects. Our focus remains on getting our on-going projects to fast-track completion and to operationalise them as quickly as possible. Despite delays beyond our control, 2 of our projects have been made operational during the last three years. With our sustained efforts, our SPV-Patna Highway Projects Limited received the Provisional Completion Certificate, during the year.

Way Forward

As challenges remain unabated, we will continue to focus on consolidating and executing our pipeline, without straining our balance sheet. We will continue to pursue austerity in our cash management. Till the time we regain our financial strength, we will be highly selective about the projects to bid and focus on swifter completion of existing projects.

Lot of the economic value of shareholders are locked into our legitimate dues under multiple concession agreements for which the project completion are delayed ranging from 3 – 4 years. The resolution of claims of few of the delayed projects will further bring back the Company into mainstream.

While we saw a contraction in our revenues, the attention on faster execution of projects will help us improve our performance in the near term. We shall also reap rich dividends from sharpened bidding and execution capabilities.

Steadfast to our business strategies, we remain committed in executing a healthy project pipeline, with minimal cost and time over-runs. As further projects are put on stream, we should witness steady growth in our operational profits. Going forward, this will enhance the confidence that the market place will place on us.

Moreover, the infrastructure sector as a whole is receiving high priority by the government. The value of contracts awarded by the government has been increasing sharply over the last two years. Speedy resolution of issues related to land acquisition and environmental clearances, increased regulatory stability, easing of financial norms, bad loan restructuring, exit to concessionaires and better coordination across various authorities, were among the other measures undertaken for improving the development of India's infrastructure sector.

Lastly, I take this opportunity to thank all our stakeholders, including customers, suppliers, bankers, lenders, shareholders and government bodies for their continued support and patronage. I look forward to your trust and togetherness for our journey ahead.

Our future strategy would be to sustain and improve upon our operational and financial performance, while remaining steadfast to deep-rooted values that have nourished the organisation since inception.

Sincerely,

K.K. Mohanty
Managing Director

A FOCUS ON EXECUTION EXCELLENCE TO ENGINEER SUSTAINABLE GROWTH FOR TOMORROW

03

Projects under Execution as on March 31, 2017

Every stride undertaken by us, at GIPL, is in the best interest towards conserving our future cash flows. We believe that timely execution as well as strong on-ground capabilities, will aid us in accomplishing our excellent long-term plans.

In a sector that is categorised for delays, we attempted to respond to the challenges by undertaking measured approach to speed the execution of our projects. We firmly emphasised and practiced a disciplined approach while executing our projects. This unwavering focus on project execution will enable us to steer towards project completion.

“The Company possesses a future visibility of cash-flows owing to its prudent mix of assured and market-driven revenue-generating value-accretive projects.

During the year, Patna Highway Projects Limited received the Provisional Completion Certificate for executing the 63.17 km four lane dual carriageway on National Highway on BOT basis. This project also includes a new bypass of 16.87 km connecting National Highway -28. Furthermore, our SPV - Indira Container Terminal Private Limited (ICTPL) has achieved a record of handling of 6,312 vehicles in a single vessel. It successfully handled world's largest PCTC (pure car truck carrier) vessel Hoegh Tracer and Hoegh Trader. Going forward, we remain poised to commission projects nearing completion to create a visibility of cash-flows. These projects are likely to add ₹ 258 crore to our topline.

Looking ahead, our focus will remain towards developing our capabilities to achieve faster turnarounds, despite execution challenges. We will harness our in-house expertise, deploy advanced technologies and safer practices, that will help us in executing diverse projects with speed and accuracy.

₹258 crore

Expected Revenue from Projects under Execution

REINFORCING OUR FINANCIAL MANAGEMENT STRENGTH TO EMERGE AS AN INVIGORATED ENTITY

0.16

Debt equity ratio as on 31 March, 2017 *(Standalone)*

70%

Reduction in Interest Outflow, FY2017 *(Standalone)*

At GIPL, we focused on pursuing an even-handed approach to financial management. We right-sized our Balance Sheet through measured debt restructuring and divestment of our assets. We believe that a balance sheet that is relatively liquid, will enhance our ability to fund the equity requirements and enable us to gear up for newer opportunities.

The last few years were amongst the most challenging for India's infrastructure companies. Our business returns remained dependent on realisations beyond Company's control. This warranted an overriding need to build a robust balance sheet to fund growth across economic cycles.

During the year under review, we focused on consolidating our business, strengthening long-term prospects and streamlining our balance sheet. We successfully completed the transaction for divestment of our stake in six assets. The proceeds were prudently used to repay debts and de-leverage our balance sheet to raise equity for new assets. The debt reduction has resulted in reduced financial charges outgo by 70% over the previous year. This has improved debt equity ratio from 0.09 in the previous year to 0.04 as on 31 March, 2017.

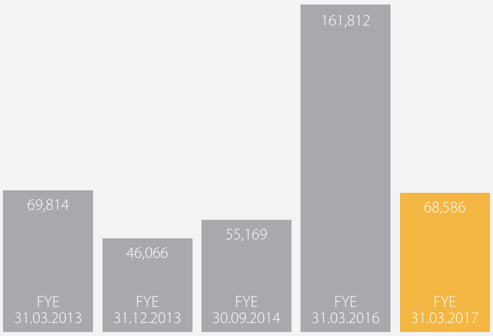
Our business strategy comprised focusing on commissioning the projects under execution to make them revenue accretive. We are also in late stages of discussion to restructure debt for our two projects to revamp the repayment schedule on account on delays in project completion.

Looking ahead, we believe that GIPL will possess a better financial and operating structure. This will empower us to capitalise on emerging opportunities more effectively than ever before. The reinforced Balance Sheet will also help in protecting the interests of our stakeholders. Going forward, our focus will remain on enhancing order book, increasing business surplus, de-leveraging the Balance Sheet and emerging as a more valuable entity.

> At GIPL, we focused on enhancing shareholder value through a conservative approach by right sizing its Balance Sheet.

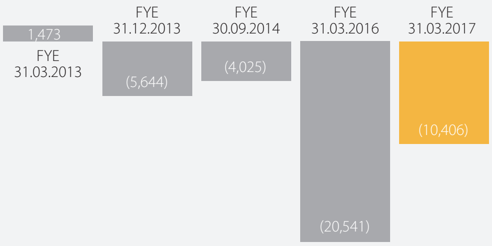
CONSOLIDATED FINANCIAL HIGHLIGHTS

Total Income (₹ Lakhs)

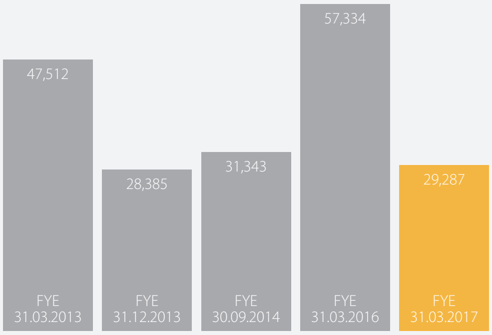


Amidst sectoral challenges, we remain committed towards building and robust balance sheet and improving cost efficiencies.

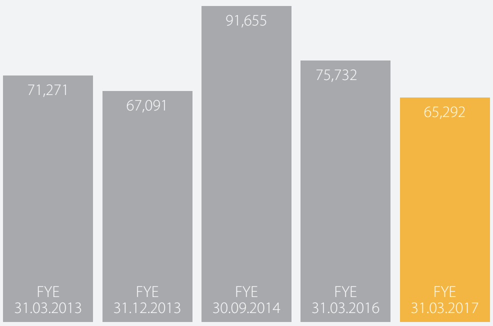
Profit After Tax (₹ Lakhs)



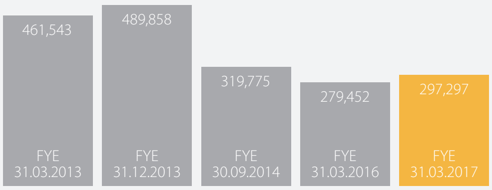
EBIDTA (₹ Lakhs)



Net Worth (₹ Lakhs)



Asset Capitalisation (₹ Lakhs)



AN OVERVIEW OF OUR PROJECT PORTFOLIO

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

**Incremental at 5% p.a.*

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

MANAGEMENT DISCUSSION & ANALYSIS

Infrastructure sector is a key driver of the Indian economy and is highly responsible for propelling India's overall development.

Indian Economy Overview

The Indian economy continued its unabated growth and remains a bright spot in the global landscape. The decline of global oil prices has discouraged inflation, enhanced economic activity, and improved India's external current account and fiscal positions. In addition, continued fiscal consolidation assisted by reducing government deficits, and an anti-inflationary monetary policy stance, have helped cement macroeconomic stability.

India's economy grew by 7.1% in FY2017, compared to the growth rate of 8% in FY2016. India's overall outlook remains positive, although growth slowed temporarily as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation.

After weathering demonetisation in FY2017, the Indian economy is seeing another paradigm shift in economic activity caused by the wholesale revamping of the tax system through the implementation of a universal pan India Goods and Services Tax (GST) in July 2018. India's GVA growth is expected to expand by 6.7% in FY2017 and increase in the range of 7.4% in FY2018 (RBI estimates) due to accelerated pace of remonetisation, stepping up capital expenditure, boosting of the rural economy, easing of crude oil prices, a normal monsoon and roll-out of GST.

7.1%

India's GDP Growth, FY2017

India's overall outlook remains positive, although growth slowed temporarily as a result of disruptions in consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation. The year was marked by a variety of institutional reforms, such as the implementation of the Insolvency and Bankruptcy Code, creation of Monetary Policy Committee, redesigning of the FRBM framework, passage of GST, and the policy thrust towards a less-cash formal economy.

Infrastructure Sector Overview

Infrastructure sector is a key driver of the Indian economy and is highly responsible for propelling India's overall development. It enjoys intense focus from the government for initiating policies that would ensure time-bound creation of world-class infrastructure in the country.

For a large country such as India, improvement in infrastructure is a necessity. Over the next decade, an estimated US$1.5 trillion is needed to create infrastructure, and overhaul and refurbish existing infrastructure. Over the past few years, the government has been working on providing the much-needed groundwork that will help the sector's offtake in the coming years.

Following several new initiatives such as Housing for All, Village Electrification and Smart Cities, the government has been working on reducing the bottlenecks that impede growth in the infrastructure sector. The FY2018 budgetary outlay for infrastructure spending has been increased to ₹ 3.96 lakh crore for various projects including housing, railways, ports and irrigation.

₹3.96 lakh crore

Budgetary outlay for Infrastructure Sector, FY2018.

Road Sector Overview

India has the 2nd largest road network in the world, spanning over a total of 5.21 million kms. Over 64.5% of all goods in the country are transported through roads, while, 90% of the total passenger traffic uses road network to commute.

Budget Highlight

- The total expenditure on the Ministry of Road Transport and Highways for FY2018 is estimated at ₹ 64,900 crore. This is 24% higher than the revised estimates for FY2017. Of the total expenditure, the highest allocation is towards roads and bridges at 63%. This is followed by allocation towards the National Highways Authority of India (NHAI) at 37%.
- 2,000 km of coastal connectivity roads have been identified for construction and development. This will facilitate better connectivity with ports and remote villages.

In FY2017, 8,200 km of road was constructed at 22 km of roads per day.

- A specific programme for development of multi-modal logistics parks, together with multi-modal transport facilities, will be prepared and implemented.

Budget allocations for the Ministry of Road Transport and Highways (in ₹ crore)

	Actual	Revised	Budget
	2015-16	**2016-17**	**2017-18**
Revenue	19,380	11,344	10,723
Capital	27,533	41,103	54,177
Total	46,913	52,447	64,900

MANAGEMENT DISCUSSION & ANALYSIS

Pace of Road Construction

For FY2017, the road construction target was set at 15,000 km, of which only 8,200 km was constructed. During the year, 22 km of roads were built per day, missing its ambitious target of constructing 41 km every day. The Government has again targeted road construction of 15,000 km for FY2018.

However, the total length of roads including those under the Pradhan Mantri Gram Sadak Yojana (PMGSY) built from FY2015- FY2017 is 1,40,000 kms, which is significantly higher than the previous three years.

Private Financing and Contracts

The road sector in India has seen investment from the private sector in the form of public private partnerships (PPPs). The PPP projects in this sector are implemented through various concessionaire models. The key models include:

(i) Engineering procurement construction (EPC),

(ii) Build-Operate-Transfer (toll),

(iii) Build-Operate-Transfer (annuity), and

(iv) Hybrid Annuity Model (HAM).

Between April 2016 and January 2017, NHAI has awarded 50 projects spanning about 2,914 km under the BOT, HAM and EPC models. (Source: NHAI)

Power Sector Overview

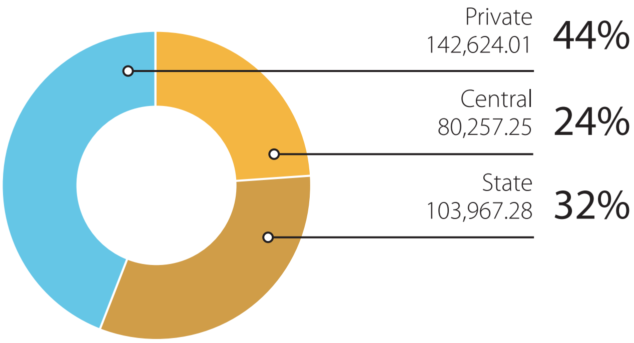
With India's economic progress, electricity consumption is set to grow rapidly. This will be further driven by population growth, as well as increasing urbanisation. India has the fifth-largest power generation sector globally, with a total installed capacity of 326.8 gigawatts (GW), as on 31 March 2017. Thermal power dominates the generation mix with total installed capacity of 218.3 GW, followed by renewable power with 57.2 GW, hydro with 44.4GW, and nuclear power with 6.7 GW. The country has added 88.1 GW of capacity as a part of the Twelfth Five Year Plan, achieving 98.6% of its capacity addition targets (88.5GW).

In an indication of growing appetite for electricity in India, the country's per capita electricity consumption has reached 1075 kilowatt-hour (kWh) in FY2016, compared with 914.41 kWh in FY2013, according to the Central Electricity Authority (CEA). However, India's per capita power consumption is among the lowest in the world. Around 280 million people in the country do not have access to electricity. In comparison, China has a per capita consumption of 4,000 kWh, with developed nations averaging around 15,000 kWh per capita.

326.8 GW

India's Power Generation Capacity

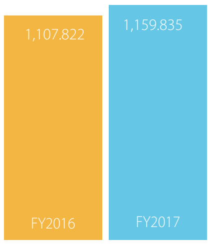
All India Installed Capacity (MW) as on 31 March, 2017
(Sector-wise)



Electricity Generation During FY2016 and FY2017 (BU)

Type	April'15-March'16	April'16-March'17	% Change
Thermal	943.787	994.215	5.34
Hydro	121.377	122.312	0.77
Nuclear	37.414	37.664	0.67
Bhutan Import	5.244	5.644	7.63
All India	1107.822	1159.835	4.70

(Source: Ministry of Power)



Electricity Generated (BU)

175 GW

Estimated Renewable Energy Capacity by 2022

Going forward, a capacity addition of 13,405 MW is expected during the year FY2018. This will comprise 11,366 MW of thermal, 1,539 MW of hydro and 500 MW of nuclear power stations. (Source: Ministry of Power)

Further, India targets to achieve 175GW of renewable energy capacity by 2022. This includes 60GW from wind power, 100GW from solar power, 10GW from biomass and 5GW from small hydro projects.

Key Government Initiatives

India's power sector has indeed taken rapid strides during the past three years and the process or reforms continues unabated. The reforms in the sector have been recognised all across the globe. From ranking 99th at the global level in 2014 in terms of electricity accessibility, India today has come up many notches and is sitting at the 26th spot.

Furthermore, the Government is promoting clean energy, access to power and energy security. In the Union Budget, FY2018 the Government announced addition of 20 GW of solar capacity, higher spending on rural electrification, and lower import duty on liquified natural gas (LNG) and items used in making solar cells and panels.

Amendments in National Tariff Policy: The Union Government approved the amendments in the Tariff Policy in January, 2016 aimed at promoting the 4 E's – Electricity for All, Efficiency, Environment and Ease of doing business to attract investments and ensure financial viability. The amendments in the National Tariff Policy will help in harnessing the potential of hydro power generation, increasing the share of renewables and provide incentive to the developers in utilising their unrequisitioned power capacity.

Village Electrification: The Government has set an ambitious programme to achieve 100% village electrification by 1 May 2018. This has witnessed rapid progress in the current year. With over 13,123 of the total 18,452 villages electrified (as on May 2017), the rural electrification programme is on track for completion within the targeted time-frame.

UDAY (Ujwal Discom Assurance Yojana): The Ujwal DISCOM Assurance Yojana (UDAY) is the financial turnaround and revival package for electricity distribution companies of India (DISCOMs) initiated by the government. Under this, 75% of the discom debt is to be transferred to the respective state governments, while the rest would be converted into state government guaranteed bonds.

Except for West Bengal and Orissa, all the other states are part of UDAY. Of these, 16 DISCOMs aggregating to ₹ 3.2 tn (approximately 80% of total DISCOM debt) have gone for restructuring of loans. The scheme has already yielded savings of nearly ₹ 120 bn to the state power distribution companies. Over 85% UDAY Bonds have been issued leading to less rate of interest for DISCOMs.

24x7 Power for All Initiative: Under the Government's vision of providing '24x7 Power for All', an assessment of the energy demand of the respective States has been made. As on date, 34 out of 36 States and Union Territories have already signed the '24x7 Power for All' document.

Energy Efficiency Schemes: The Government has launched a number of energy efficiency schemes. These include like Standards & Labelling Programme of the Bureau of Energy Efficiency, Perform Achieve and Trade (PAT) Scheme, Energy Conservation Building Codes (ECBC), Unnat Jyoti by Affordable LEDs for All (UJALA) and Street Lighting National Programme (SLNP). Under the UJALA Scheme, over 22 lakh rural BPL (Below Poverty Line) households were electrified in FY2017. During the same period, over 40 crore LED bulbs were also distributed.

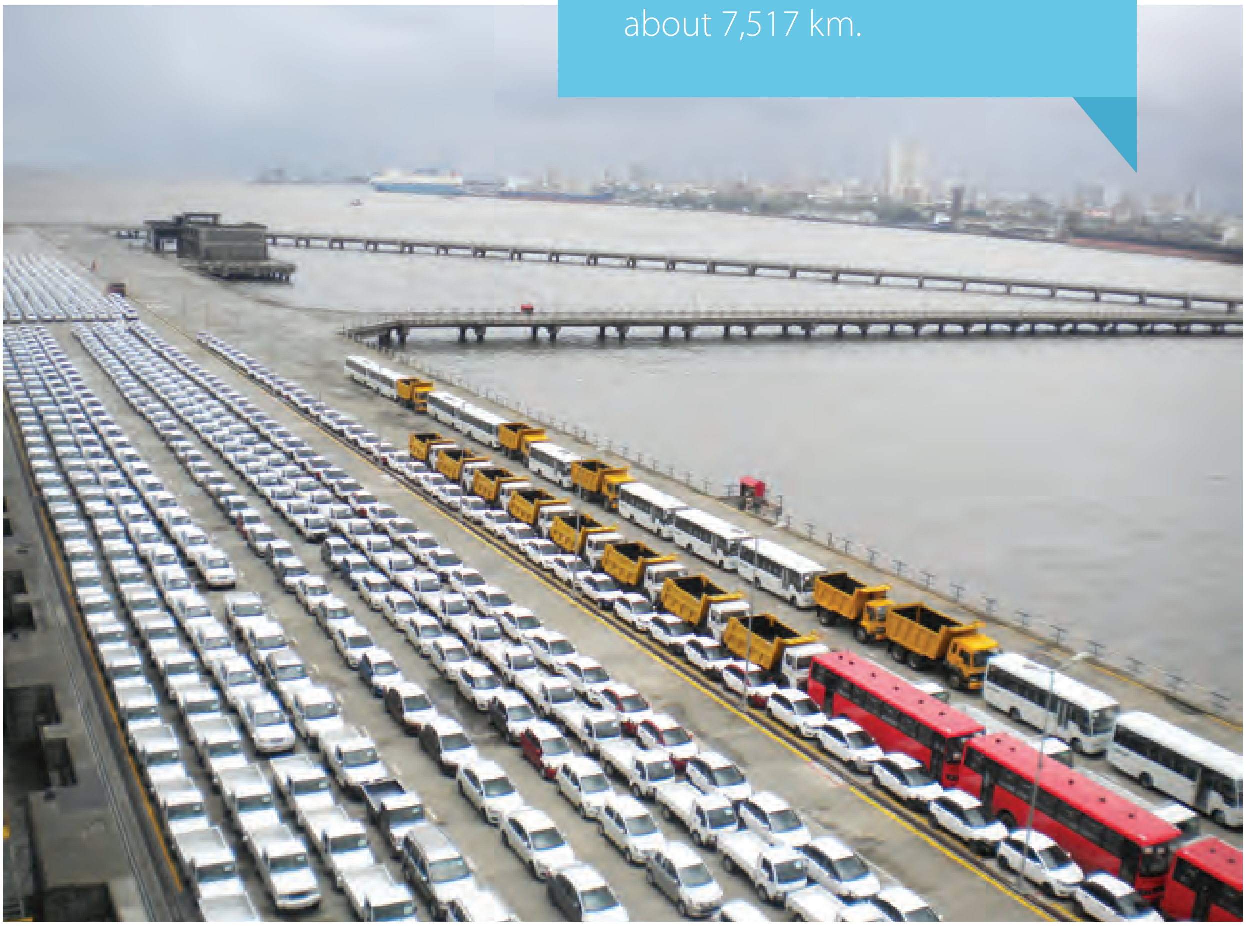
Draft National Electricity Plan: The draft National Electricity Plan released by CEA has projected the capacity addition forecasts upto 2027. In this draft policy document, it is stated that no new coal based power plants are required to be set up in the country atleast upto 2027. Over 50 GW of existing coal based projects are under-construction, which are likely to yield benefits in 2017-22. This along with 100 GW of targeted capacity addition from Solar and Wind will meet the country's demand upto 2027.

Foreign Direct Investment: 100% FDI has been allowed under the automatic route for Power Generation Projects (except Atomic Energy Projects), Transmission, Distribution and Trading, as per the notification issued by Department of Industrial Policy & Promotion (DIPP) in June, 2016.

FDI upto 49% has been allowed in Power Exchanges, registered under the Central Electricity Regulatory Commission Regulations, 2010, under the automatic route, subject to certain conditions.

MANAGEMENT DISCUSSION & ANALYSIS

India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km.



During April-September, 2016, Power Sector attracted FDI of ₹ 3,744 crore.

Port Sector Overview

India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km. According to the Ministry of Shipping, around 95% of India's trading by volume and 68% by value is done by maritime transport. India has 12 major ports and 200 non-major ports. Cargo traffic, which is recorded at 1.052 million metric tonnes (MMT) in 2015, is expected to reach 1,758 MMT by 2017. The Indian ports and shipping industry plays a vital role in sustaining the growth in the country's trade and commerce.

The twelve major ports handled a record 647.43 million tonnes (MT) of traffic in FY2017, registering an annual growth rate of 6.79% (as against 4.32% in FY2016). The major ports have also recorded the highest ever capacity addition of 100.37 MT during FY2017. The capacity of major ports during FY2016 was 965.36 MTPA and it crossed 1,065 MTPA during FY2017.

The Indian government plays a pivotal role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100% under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a ten year tax holiday to enterprises that develop maintain and operate ports, inland waterways and inland ports.

Key Government Initiatives

Budgetary Support: Planning Commission approved a Gross Budgetary Support of ₹ 6,960 crore for the Ministry of Shipping for the 12th Plan period (2012-2017). This implies a 108.5% increase in allocation to the Ministry compared to the 11th Plan allocation of ₹ 3,337.58 crore. Out of the ₹ 6,960.00 crore approved by Planning Commission, the share of Ports, Shipping and IWT sectors are ₹ 3,057.47 crore, ₹ 2,402.53 crore and ₹ 1,500 crore, respectively.

Maritime Agenda: In the Maritime Agenda 2010-20, a target of 3,130 MT port capacity has been set for the year 2020. Over 50% of this capacity is to be created in the non-major ports, as the traffic handling by these ports is expected to increase to 1,280 MT.

During FY2017 (upto December, 2016), 25 projects have been awarded. This involves an investment of ₹ 3,318.55 crore and an additional capacity of 19.64 MTPA.

Major Port Authorities Bill: The Government has introduced a bill to modernise and replace the Major Ports Act, 1963, by the Major Ports Authority Bill, 2016. The new Major Ports Authority Bill, 2016 will help in imparting faster and transparent decision-making, leading to superior project execution capabilities. This will also eliminate the need of Government approvals for operational decisions.

Master Planning: A total of 142 port projects have been identified after a detailed Master Planning of all Major Port. Out of this, 95 projects with an investment of ₹ 43,000 crore are to be taken up by 2019. Under this plan, the Capacity of the Indian Ports will increase to 2,190 MTPA by FY2019.

Project Unnati: An exercise has been undertaken to prepare a Quantitative Benchmarking Module. This module covered the operational, financial, human resources and efficiency related parameters for benchmarking of efficiency and productivity of Major Ports in India, against international standards.

A total of 116 new initiatives for 12 Major Ports has been identified which would increase the volume of traffic significantly. All the 116 recommendations are to be implemented by December 2019. Out of these, 69 have already been implemented.

Operational Overview

Operational Projects

❖ **Rajahmundry Godavari Bridge Limited (RGBL)**

RGBL is the SPV incorporated for design, construction, operation and maintenance of a 4.15 kms long four-lane bridge, which will connect Kovvur and Rajahmundry in Andhra Pradesh across the Godavari River, with 10.34 kms of approach roads. The concession period for the project is 25 years, including a construction period of three years. RGBL commenced operations from November 1, 2015.

The responsibilities for tolling (Tolling Services) and maintenance (Maintenance Services) of the project shall remain with the Company. Tolling and Maintenance Services have commenced from the Commercial Operations Date (COD) and will continue until the expiry of the concession period.

(₹ in Lakhs)

	FYE – March'17	FYE – March'16
Total Revenue	5,413.93	6,744.62
EBIDTA	4,559.48	1,892.82
Profit after Tax	(6,740.22)	(2,721.22)
Equity Share Capital	20,395.89	20,395.89
Reserves and Surplus	(3,294.41)	3,175.92

In view of the financial stress induced in the project due to time and cost overrun, your Company is working on the financial re-engineering/debt restructuring with reduced interest cost to operate the project under RBI's S4A scheme with the lenders. Your Company intends to conclude this restructuring scheme within the calendar year. S4A being implemented, the project will be self-sustaining and will be out of the cash flow constraints, which it is currently exposed to. In addition, all revival steps are being initiated to realise our dues and claims from authorities as per the Concession Agreement.

MANAGEMENT DISCUSSION & ANALYSIS

The commercial operations for VSPL began in July 2004 and the Company has handled 63,24,345 tonnes of cargo during FY2017.

❖ Vizag Seaport Private Limited (VSPL)

VSPL is the SPV formed to develop, construct, operate and manage two multi-purpose berths in the northern arm of the inner harbour at Visakhapatnam Port on a BOT basis. Vizag Seaport Private Limited is the only BOT operator for handling multi bulk cargo in India's largest major port at Visakhapatnam. VSPL has developed the berths and terminal as a fully mechanised integrated handling system, incorporating state-of-the-art technologies capable of handling cargo up to 9 MTPA.

The commercial operations began in July 2004 and the Company has handled 63,24,345 tonnes of cargo during April 2016 to March 2017. With the possession of two more harbour mobile cranes, VSPL is expected to achieve 7.5 Million Tonnes of Cargo during the current financial year. Further, to cater to the requirement of handling higher volume, VSPL has augmented its crane capacity from existing four cranes to five cranes by deploying one higher capacity Leibherr Harbour Mobile Crane, LHM 550. The concession period is 30 years, including the construction period. The project has been capitalised at ₹ 34,869.77 Lakhs.

The long awaited dredging in the inner harbor area and alongside the jetties has also been completed, thereby increasing the volume further. After completion of the dredging in the inner harbor and along the jetties, VSPL is geared up to handle largest vessels, namely the Panamax vessels. This will improve the EBIDTA and profitability of the Project. This will benefit all the stakeholders including the Company. The Port has suffered a dip in the cargo handled due to a downward commodity cycle and reduced import. However, your Company expects improvement in the capacity utilisation and improvement in

The PREL project completed the testing of coal as additional fuel. The initial reports are encouraging for sustained operations with coal as supplementary fuel.

the margin after completion of the dredging works by VPT and marginal turnaround in commodity cycle.

(₹ in Lakhs)

	FYE – March'17	FYE – March'16
Total Revenue	15,257.52	22,026.18
EBIDTA	5,184.36	6,531.50
Profit after Tax	445.74	(573.45)
Equity Share Capital	8,719.13	8,719.13
Reserves and Surplus	455.43	6.92

❖ **Pravara Renewable Energy Limited (PREL)**

PREL has setup 30 MW co-generation power project on Built Own Operate and Transfer Basis (BOOT) basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Karkhana Limited (Karkhana) in Pravara Nagar, Tal. Rahata, Dist. Ahmednagar in Maharashtra for the period of 25 years. The Karkhana is a co-operative sugar factory registered under the provisions of the Maharashtra Co-operative Societies Act, 1960. The project has commenced operations on 6th November 2015 and successfully operated two crushing season. Last year, this project has exported 84.54 million units to Grid and Karkhana. The total revenue generated from the last year operation of ₹ 55.71 Crore. The total capitalisation of the project is ₹ 27,415.95 Lakhs as on 31st March 2017.

The project completed the testing of coal as additional fuel and the initial reports are encouraging for sustained operations with coal as supplementary fuel, in addition to the bagasse supplied by sugar factory. Your Company expects to operate the plant at an optimum level with sustainable fuel mix.

MANAGEMENT DISCUSSION & ANALYSIS

Financial Performance of PREL is as under:

(₹ in Lakhs)

	FYE – March'17	FYE – March'16
Total Revenue	5,969.89	3,414.85
EBIDTA	2,116.91	1,020.87
Profit after Tax	(4,525.36)	(4,956.36)
Equity Share Capital	4,792.00	4,792.00
Reserves and Surplus	(7,438.17)	(2,954.20)

❖ Patna Highway Projects Limited (PHPL)

PHPL is the SPV incorporated for design, construction, finance and maintenance of a 63.17 kms long four-lane dual carriageway on NH 77. This includes new bypass of 16.87 kms connecting NH-28 in the State of Bihar on BOT (Annuity) basis. The Company has an equity stake of 100% in PHPL. The concession period is 15 years, including a construction period of 30 months. PHPL will receive an annuity payment of ₹ 9,460 Lakhs from NHAI, semi-annually, in the entire operations period. The total project cost is estimated to be ₹ 153,517 Lakhs.

The Project achieved Provisional Commercial Operate Date (PCOD) on 1st September 2016 for Km 1.00 to Km 41.50 excluding Km 9+400 to Km 10+600. Construction of balance work is in progress. First annuity payment of ₹ 9,035.41 Lakhs was received in April 2017 and second annuity payment of ₹ 9,255.59 Lakhs was received in October 2017. The Company is pursuing its delays days claims/dues with National Highways Authority of India.

Financial Performance of PHPL is as under:

(₹ in Lakhs)

	FYE – March'17	FYE – March'16
Total Revenue	15,093.59	15,386.63
EBIDTA	12,320.37	10,971.62
Profit after Tax	337.50	(4,475.97)
Equity Share Capital	5,000.00	5,000.00
Reserves and Surplus	18,535.50	14,197.97

Projects Under Construction

❖ Vijayawada Gundugolanu Road Project Private Limited (VGRPPL)

VGRPPL is the SPV incorporated for design, construction, finance and maintenance of 6 laning of the Vijayawada-Gundugolanu section of NH 16 from KM 1,076.48 to KM 1,022.48, including 6-lane Hanuman Junction bypass (length 6.72 kms) and 4-laneVijayawada bypass (length 47.88 kms)[Total Length: 103.59 kms] in Andhra Pradesh under the NHDP Phase V. Of these, 4 lanes are already operational, while 2 are in the development phase. This will be executed on BOT (Toll) mode on Design, Build, Finance, Operate and Transfer basis. Your Company holds 100% equity in VGRPPL. The Concession Agreement was signed on 21st March, 2012. The Concession Period is 30 years (including a construction period of 2.5 years) from the Appointed Date declared on 1st September, 2014.

VGRPPL is the SPV incorporated for design, construction, finance and maintenance of 6 laning of the Vijayawada-Gundugolanu section of NH 16. This will be executed on BOT (Toll) mode on Design, Build, Finance, Operate and Transfer basis.

The exposure of the Company in the SPV is ₹ 16,062.44 Lakhs (including Bank guarantee of ₹ 8,420.00 Lakhs).

On 27th August 2016, the project was taken over by NHAI suspending tolling arrangement with VGRPPL. VGRPPL and your Company are currently in discussion with NHAI for a mutually acceptable exit.

The total capitalisation of the project was ₹ 6,277.12 Lakhs as on 31st March, 2017.

❖ Sidhi Singrauli Road Project Limited (SSRPL)

SSRPL is the SPV incorporated for design, construction, finance and maintenance of a 102.6 kms long four-lane dual carriageway on NH-75E, which includes the construction of new bypasses of Kauchwahi, Behri, Karthua, Bargawaand Gorbi and realignment of certain stretches.

The project is located in Madhya Pradesh and is to be developed on BOT (Toll) basis. The Concession Period is 30 years, including the construction period of 2 years. SSRPL will be entitled to collect toll in the entire operation period in lieu of its investment for development of the Project Highway. The total project cost estimated to be ₹ 1,09,416 Lakhs. The construction activities on the project started in September 2013. The project had achieved about 70% completion as on 27th July, 2017.

The total capitalisation for the project is ₹ 69,539.62 Lakhs as on 31st March, 2017. The entire debt for the project has been tied up and financing documents have been executed for the same.

The project is in its last phase of construction work to achieve PCOD. Extension of period has already been granted by MPRDC due to delay on their part. Achievement of PCOD is being attempted by March 2018. SSRPL is also working on getting the Change of Scope approved by MPRDC, which will translate to additional works aggregating to approximately ₹ 100 Crore.

Financial Performance of SSRPL is as under:

(₹ in Lakhs)

	FYE – March'17	FYE – March'16
Total Revenue	18,052.94	28,607.90
EBIDTA	163.60	275.78
Profit after Tax	104.64	273.08
Equity Share Capital	17,041.00	17,041.00
Reserves and Surplus	6,826.27	6,720.73

❖ Sikkim Hydro Power Ventures Limited (SHPVL)

SHPVL is the SPV incorporated for developing Rangit II Hydroelectric Power Project in Sikkim on BOOT basis. The project involves the development of a 66 MW run-of-the-river Hydroelectric Power Project on Rimbi River, a tributary of River Rangit. The Concession period for the project is 35 years from the COD. The financial closure for the project was achieved in January 2014. The project cost is estimated to be ₹ 496 Crore. The Civil Contractor has already re-mobilised and construction has commenced since July, 2016. Resettlement and rehabilitation of the affected persons has been completed except for those whose additional land was acquired by Government of Sikkim later on. All the initial infrastructure works are completed including river diversion works damaged in flash flood and rains are restored to required service conditions. The Company has already achieved the financial closure for the project. Excavation of 65.5m deep Surge Shaft completed, 400m Head Race Tunnel (HRT), 220m of Pressure Shaft (PS) completed and further excavation of HRT, PS and Dam is in progress.

The total capitalisation of the project is ₹ 8,523.40 Lakhs as on 31st March, 2017. The project has received all major clearances and approvals including environmental clearances from MoEF. All major contracts for the project have been awarded and the construction of various project components such as river diversion tunnel and surge shaft is underway. Power Purchase Agreement is yet to be signed for the Project due to which the construction activity of the project is slowed down. SHPVL is exploring ways to sign Power Purchase Agreement first and then to go for the draw down so that investment is assured. Once the above is achieved the construction activity at the project site will speed up.

❖ Indira Container Terminal Private Limited (ICTPL)

ICTPL and The Board of Trustees of the Port of Mumbai (MbPT) entered into a License Agreement dated 3rd December, 2007 for the construction of offshore berths and development of Offshore Container Terminal (OCT) on BOT basis in Mumbai Harbour and the Operation of Ballard Pier Station Container Terminal(BPS).

During the year under review, ICTPL has been allowed by MbPT to use the terminals for RORO (Roll On Roll Off) as an alternative utilisation mode. During the year under review, ICTPL has handled 101 vessels and 201,268 units, and earned revenue of ₹ 80.17 Crore. During the year ICTPL has achieved a record of handling of 6,312 vehicles in a single vessel and has handled world's largest PCTC vessel Hoegh Tracer and Hoegh Trader. The revenue share payable by ICTPL to MbPT is 35.064% of gross revenue for the year.

MANAGEMENT DISCUSSION
& ANALYSIS

During the year, ICTPL has achieved a record of handling of 6,312 vehicles in a single vessel. It has handled world's largest PCTC vessel Hoegh Tracer and Hoegh Trader.

During the year under review, progress in construction of the project by ICTPL was delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust (MbPT). This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter is with the MbPT under active discussions for resolving the outstanding issues and the Project is being re-organised with change in Cargo Mix (i.e. all Clean cargo including containers).

Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, ICTPL and the lenders. The supplementary agreement is subject to clearance from the Ministry of Shipping. The proposal for re-bid and the draft supplementary agreement provides for a mix of cargo of containers, steel and RORO. As per terms of the re-bid, ICTPL has a Right Of First Offer (ROFO) to match the winning bid and is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The Company has since the balance sheet date acquired further stake from the JV partner and has obtained control over ICTPL and holds 74% of the equity of ICTPL. During the period under review ICTPL has been allowed by MbPT to use the terminals for RORO (Roll On Roll Off) as an alternative utilisation mode. The revenue share of this RORO operation with MbPT is currently 55% (45% share is with ICTPL).

During this period ICTPL has handled 101 vessels and handled 2,01,268 units and earned a revenue of ₹ 80.17 Crore. During the year ICTPL has achieved a record of handling of 6,312 vehicles in a single vessel and has handled world's largest PCTC vessel Hoegh Tracer and Hoegh Trader.

The total original envisaged project cost was ₹ 123,301 Lakhs and this may go through changes during the rebidding phase.

The total capitalisation of the project is ₹ 76,952.38 Lakhs as on 31st March, 2017.

The Company has since the balance sheet date acquired further stake from the JV partner and has obtained control over ICTPL and holds 74% of the equity of ICTPL.

Financial Performance of ICTPL is as under:

(₹ in Lakhs)

	FYE – March'17	FYE – March'16
Total Revenue	4,076.00	6,639.31
EBIDTA	3,221.18	1,533.54
Profit after Tax	(5,140.19)	1,400.14
Equity Share Capital	10,156.60	10,156.60
Reserves and Surplus	(4,619.70)	519.98

Projects Under Development

❖ Youngthang Power Ventures Limited (YPVL)

The project involves the development of a 261 MW run-of-the-river hydro electric power project on the River Spiti in Himachal Pradesh on a BOOT basis at an estimated cost of ₹ 2500 Crores. The concession period of the project is 40 years post commencement of commercial operations.

The Company has not been able to proceed with the studies to prepare the Detailed Project Report (DPR) due to opposition of local farmers on environmental ground. The Company has sought State Government of Himachal Pradesh's intervention in the matter to take necessary actions, including seeking of necessary consents from Gram Panchayat so as to enable YPVL to take up site investigation work and preparation of Detailed Project Report. YPVL is in discussion with Government of Himachal Pradesh for early resolution of the project issues. In the event there is no resolution of the open issues, your Company may exit from this project.

Your Company is also exploring an option to take legal recourse viz. Writ Petition / invoking Arbitration against Government of Himachal Pradesh to protect its interest in the Project

❖ Tidong Hydro Power Limited (THPL)

THPL, a Special Purpose Vehicle, has signed an agreement with the Government of Himachal Pradesh for developing a 60 MW Tidong – II hydroelectric project in Himachal Pradesh. The pre-feasibility report for the project has been prepared and submitted to GoHP, which has since been approved. Geo Technical Studies, Detailed Project Report (DPR) and Environmental Impact Assessment Studies by the Company are under progress.

❖ Cochin Bridge Infrastructure Company Limited (CBICL)

CBICL is an SPV promoted by the Company, which constructed the New Mattancherry Bridge at Cochin in Kerala on a BOT (Toll) basis. The 480-metre long bridge along with the 200-metre approach road on both ends connect Fort Kochi to Willingdon Island in Cochin Port Trust area. It was operational for 14 years from October 1999 to April 2014. The total capitalisation of the project is ₹ 879.45 Lakhs.

The original concession period of Cochin Bridge Infrastructure Company Limited was valid till 27th April, 2014, which was extended by the Government of Kerala (GOK) by six years till 27th April, 2020 by its Government Order dated 24th January, 2005. The extension happened because CBICL has not revised the toll rates based on WPI as per the terms of the Concession and other compliance deficiencies on the part of GOK with reference to the Concession Agreement. However, instead of entering into a supplementary agreement to amend the original concession agreement, as agreed, GOK choose to unilaterally cancel its Government Order dated 24th January, 2005 by its Government Order dated 26th December, 2008. CBICL had referred the issue to arbitration and the Arbitral Tribunal had passed orders permitting CBICL to collect the toll fees till further notice. However, the Greater Cochin Development Authority (GCDA) has on 27th April, 2014 (on the last day of the original concession period), without compensating CBICL and in disregard of the Arbitral Tribunal orders, chose to unilaterally seal the toll booths of Cochin Bridge Infrastructure Company Limited at the Mattancherry Bridge at Kochi.

Government of Kerala showed inclination/willingness to settle the matter through mutual negotiations. Hence, CBICL has put the arbitration

MANAGEMENT DISCUSSION & ANALYSIS

proceedings on hold pending settlement talks with the Government of Kerala. Further, CBICL has approached Hon'ble High Court of Kerala for seeking directions to the Government of Kerala to conclude its decision on settlement talks expeditiously. The Hon'ble Court was pleased to direct the Government of Kerala to decide the matter within a period of 3 months, which period was further extended till 23rd June, 2017.

Claims

Under the Concession Agreements for various SPVs with Clients/Authorities, substantial amount due to the Company is locked because the Clients/Authorities have not honored contractual stipulations on their part. The Company has lodged claims against the Clients/Authorities and taken necessary steps for recovery of the same which are at different stages of litigation / arbitration. The Company expects to realise a sizeable amount from such claims over a period of time.

Your Company has retained rights and have secured necessary Power of Attorneys for past dues and claims in the SPV Companies, which have been divested and transferred to Brookfield. As such, amounts realised from past dues and claims of those SPV Companies will accrue to the Company. Further, upon resolution of certain contractual obligations on few of the delayed projects, release of resources stalled thereof will bring back the Company into mainstream.

Risk Management

Your company is in the business of infrastructure development and it undertakes projects in multiple infrastructure segments. The nature of the business is complex and your Company is exposed to multiple sector specific and generic risks. PPP projects which your company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, be it in the Road Sector, Power Sector, Ports or Urban Development, it is critical to have a robust, effective and agile Risk Management Framework to ensure that your Company's operational objectives are met and continues to deliver sustainable business performance.

Over the years, several initiatives have been taken by your Company to strengthen its risk management process. An enterprise-wide comprehensive risk management policy including risk appetite, tolerance and risk limits for more effective, informed and measurable risk management has been developed and it continues to evolve. Your Company consciously engages with third party EPC contractors apart from its parent company as a part of its risk diversification process.

Your Company has an established process to study the risk profiles of potential vendors and contractors and an internal vendor risk rating mechanism is in place. This is to ensure smooth construction of projects and to avoid risks due to any third party dependencies. The review mechanism of all the projects, which your Company undertakes at multiple stages from construction to implementation, is also being streamlined and strengthened.

Your Company understands the Risk environment encompassing its business and has an enterprise risk management framework in place for identification, assessment, mitigation and monitoring of various risks. These risks are classified broadly into three major categories which are given below with some illustrations to describe the risks.

> The Company has an enterprise-wide comprehensive risk policy in place, including risk appetite, tolerance and risk limits for an effective risk management.

(I) Operational Risks: Risks arising out of inefficiencies and/or internal failures in regular operations like:

1. Project Opportunity Risk through erroneous omission and inadequate or inappropriate assessment of a project opportunity available for development
2. Bidding Risk on account of inadequate or erroneous assumptions made while arriving at the Financial Bid Variable
3. Financing Risk on account of not achieving a financial closure or achieving a financial closure at a cost higher than assumptions
4. Ownership and Maintenance Risk on account of several risks faced during the operations and maintenance phase of a project.

Mitigation Efforts

Careful selection and thorough evaluation of the projects minimise the chances of getting into 'Non Bankable – Non Profitable' projects. Your Company follows a robust 'Two Tier' approach of Project Feasibility (Technical Review)

The Company has standard operating procedures at sectoral, functional and departmental levels to ensure productivity, responsibility and accountability.

and Project Financial Viability (Financial Review). Further, the Company follows a risk specific bid/project risk assessment framework to identify key risks associated with various opportunities and projects along with their mitigation planning and continuous monitoring.

Your Company has laid down standard operating procedures at sectoral, functional and departmental levels to ensure business process productivity, responsibility and accountability at various levels. The standard operating procedures are further being strengthened and supported by adequate checks and balances including risk based internal audit and document management systems on an integrated basis. This has helped in establishing a culture of proactive risk management which is imbibed at all levels of the organisation with required support systems in place.

Your Company is constantly strengthening its internal checks and controls to identify and reduce/mitigate operational risks. It is also enhancing its system of reviews and reporting to ensure that risks are spotted early and steps are taken to control losses, if any.

Being an infrastructure developer, cash flow management and treasury management are two areas towards which your Company has the highest level of focus from a seamless business continuity perspective. Considering this, risk review and reporting also focuses on cash flow and treasury based risks on projects, sectors and at a company level through an integrated risk assessment technique.

(II) External Risks - Risks arising out of changes in the external environment like:

1. Regulatory Risk on account of changes in the Regulatory Framework
2. Interest Risk on account of volatility experienced in the Interest Rates in Capital Markets on the outstanding project debts
3. Competition Risk on account of strategies applied by existing and new entrants in the infrastructure development business
4. Political Risk on account of lack of stable governance and frequent changes to the Development Plans and projects with a corresponding change in the Government.
5. Natural Calamities (Act of God), Civil Disturbance and others.

Mitigation Efforts

Your Company proactively identifies each significant 'change' and attempts to adapt to it with foresight. Your Company has a keen understanding of the regulatory environment enveloping its business. It continues to build strategies not only to sustain, but thrive owing to its 'Early Warning Systems', and meticulous processes and business intelligence (BI) initiatives. Your Company understands its competition and keeps an update of its contemporaries to stay a notch above them. Your Company has a robust and focused strategy for client, partner, vendor and contract management to avoid various possible external risks. Though your Company cannot avoid a natural calamity, it is adequately geared up with appropriate insurance covers and its Disaster Management and Recovery Plans to minimise losses and restore normalcy within a short time.

(III) Strategic Risks – Risks arising out of strategic decisions taken by the Company like:

1. Market Risk (Sector, Geography) inadequate assessment of a sector, geography
2. Secondary Acquisition Risk on account of inappropriate acquisitions made in alignment with the Growth Plans of the Company
3. Ventures and Alliances (Partnering) Risk on account of inappropriate selection of a joint ventures, off shore agents and others.
4. Capital risk on account of improper allocation or utilisation of capital.

Mitigation Efforts

Before attempting a secondary acquisition or entering in to a new geographical market, infrastructure sector, your Company mandates a thorough research and analysis. These result in an in depth understanding of the business potential and the prevailing socio-political, regulatory and economic set up. These go through several rigorous layers of discussions, reviews and sensitivity analysis before decisions are taken for implementation.

MANAGEMENT DISCUSSION & ANALYSIS

The Risk Management Team reviews systems, processes and projects on a regular basis and provides an independent view to the management. Further, the Audit Committee provides separate internal audit reports on processes and SPVs to the Management. The Internal Audit function looks at each and every process within the organization from two perspectives: one, from a Risk Based Internal Audit approach (RBIA) and secondly, from a transactional control adequacy approach. Thus, the Board, Management and SPVs are regularly updated on key risks and mitigation measures. All decision making within the organisation, irrespective of the level of importance and significance, involves the explicit consideration of risks and the application of appropriate risk management techniques and tools. Further, Policies are regularly approved by the Board of Directors / Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.

The Management is in constant pursuit of evolving the Risk Management framework.

In this regard, your Company is dedicated to review and strengthen its bid risk management framework, business continuity planning and disaster recovery planning framework, enterprise risk policy and other policies on an ongoing basis. Your company plans to strengthen the culture of risk awareness among its employees through Risk Newsletters, regular updates on risks, case studies and training programs. Your Company believes that these measures will prepare it to take on the challenges to be confronted at the 'Next Level' of Growth approved from time to time by the Board of Directors / Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.

The Management is in constant pursuit of evolving the Risk Management framework.

In this regard, your Company is dedicated to review and strengthen its bid risk management framework, business continuity planning and disaster recovery planning framework, enterprise risk policy and other policies on an ongoing basis. Your Company plans to strengthen the culture of risk awareness among its employees through Risk Newsletters, regular updates on risks, case studies and training programs. Your Company believes that these measures will prepare your Company to take on the challenges to be confronted at the 'Next Level' of Growth.

Internal Control Systems

The Company's internal control system is commensurate to the nature and size of its business. It is adequate to safeguard and protect from losses, unauthorised use or disposition of its assets. Internal Financial Controls, wherever applicable and as required by the relevant statutes and laws, be it at the SPV levels or otherwise, are already in place and the same is reviewed by the Audit Committee of the Board at regular intervals. All transactions are properly authorised, recorded and reported to the management. The Company is following all the Accounting Standards for proper maintenance of its books of accounts and reporting of financial statements. Your company has engaged external audit firms to conduct periodic audit of various areas of operations from time to time based on the annual audit plans which are duly reviewed by the Management and the Audit Committee of the Board.

Safety Measures

Safety is a matter of continuous evaluation and utmost priority at GIPL. Assurance and management of safety is essentially aimed towards protecting our operating staff, general public and the environment. Our HR strives to provide a safe working environment not only to our corporate staff, but also the workers at each project site. We ensure that safety is maintained across all the stages of project development – design, construction, commissioning and operations & maintenance.

Cautionary Statement

Statements in this Management Discussion and Analysis may deemed to be 'forward looking statements' within the meaning applicable securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realised by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations including domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes.

DIRECTORS' REPORT

To
The Shareholders of
Gammon Infrastructure Projects Limited

Your Directors have pleasure in submitting their sixteenth Annual Report together with the Audited Accounts of the Company, for the financial year ended March 31, 2017.

Pursuant to the notification dated February 16, 2015 of the Ministry of Corporate Affairs (MCA), your Company has adopted the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 in preparing and presenting the Financial statements beginning the financial year under report, the figures for the previous financial year ended on March 31, 2016 and the balances as on October 1, 2014 have been restated accordingly in order to make them comparable.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company on stand-alone basis and consolidated basis for the financial year ended are as under:

(₹ in Lakhs)

Particulars	**Standalone**		**Consolidated**	
	Period ended March 31, 2017 (12 months)	**Period ended March 31, 2016 (18 months)**	**Period ended March 31, 2017 (12 months)**	**Period ended March 31, 2016 (18 months)**
Income	21677.96	46164.18	68585.11	161812.43
Earnings before interest, tax, depreciation and amortization	4337.54	12385.22	29045.59	63126.74
Financial costs	2641.72	8960.18	31223.60	64309.68
Depreciation and amortization	15.72	331.38	4951.03	9996.03
Tax expenses	45.94	(125.76)	2704.58	4113.69
Minority interest & share of profit of associates	0.00	0.00	(1748.10)	171.96
Net profit / Loss	1875.16	2327.12	(10405.95)	(20541.36)

DIVIDEND & RESERVES

The Board regrets its inability to recommend any dividend for the year under review in view of the liquidity constraints. No amounts have been transferred to any reserve.

COMPANY'S BUSINESS

Your Company has a basket of four projects in the Road Sector, two in the Port Sector and four in the Power Sector, which are at various stages of construction and/or operation and management through project specific special purpose vehicles (SPVs).

ROADS SECTOR:

The projects in the Road Sector are:

(a) Toll based projects:

(1) Concession for constructing and operating a four lane bridge across the Godavari River together with its approach roads on either side, linking Rajahmundry to Kovvur in the State of Andhra Pradesh. The Company's subsidiary, Rajahmundry Godavari Bridge Ltd. is the concessionaire for the project. The project commenced operations on 1st November, 2015.

(2) Concession for six laning and operating the Vijayawada to Gundugolanu stretch of National Highway 5, including a four lane bypass to Vijayawada town, in the State of Andhra Pradesh. The Company's subsidiary, Vijayawada Gundugolanu Road Project Pvt. Ltd., is the concessionaire for the project.

DIRECTORS' REPORT

(3) Concession for four laning and operating the Sidhi to Singrauli section of the National Highway 75E in the State of Madhya Pradesh. The Company's subsidiary, Sidhi Singrauli Road Project Ltd., is the concessionaire for the project.

(b) Annuity based projects:

(1) Concession for four laning and operating the Patna to Muzafarpur stretch of the National Highway 77 including a bypass to the Muzafarpur town in the State of Bihar. The Company's subsidiary, Patna Highway Projects Ltd., is the concessionaire for the project.

PORTS SECTOR:

The Company has two active projects in the Port Sector of which one is in operation:

(1) Concession for constructing and operating two multipurpose berths in the inner harbor of the Visakhapatnam Port, capable of handling upto 9 MTPA. The Company's subsidiary, Vizag Seaport Private Ltd. (VSPL), has completed construction of both the berths, of which one became operational in July, 2004 and the other in September, 2005.

(2) Concession for constructing and operating two offshore container berths at the Mumbai harbor. The project is under construction by Indira Container Terminal Pvt. Ltd. (ICTPL), the special purpose vehicle promoted by the Company for the project.

ENERGY SECTOR:

The Energy Sector of the Company has two projects in developing stage and one project each in under construction and operations phase.

(1) 30 MW co-generation power project at Pravaranagar in Ahmednagar District of Maharashtra. The Company's subsidiary, Pravara Renewable Energy Ltd., is the Special Purpose Vehicle incorporated for development of project. The project commenced Commercial Operations from 6th November 2015 and started exporting power to Maharashtra State Electricity Distribution Company Limited and supplying steam and power to Padmashree Dr. Vitthalrao Vikhe Patil Sahakari Sakhar Karkhana Limited.

(2) Concession for setting up and operating a 66 MW hydro-electric power project in West Sikkim District on the river Rimbhi. The Company's subsidiary, Sikkim Hydro Power Ventures Ltd., is the concessionaire for the project.

(3) Concession for setting up and operating a 261 MW power project on the river Spiti in the State of Himachal Pradesh. The Company's subsidiary, Youngthang Power Ventures Ltd., is the concessionaire for the project.

(4) Concession for setting up and operating a 60 MW hydro-electric project on the Tidong River (tributary of Satluj) in the Kinnaur district of Himachal Pradesh. Tidong Hydro Power Ltd., a special purpose vehicle promoted by the Company, is the concessionaire for the project.

Status on the above projects and financial performance of respective SPVs for these projects are discussed and covered in the Management Discussion and Analysis Report covered in this Annual Report.

Other Business

In addition to undertaking infrastructure development through SPVs, the Company undertakes EPC works of the underconstruction projects and operation & maintenance of operational road projects.

THE FUTURE

Your Company through its repository of experience in project development and operations in multiple sector qualifies for largest projects being offered by Project authorities in Road, Port, Transmission and Power sector projects.

Your Company, as indeed most players in the infrastructure industry, has been facing a resource crunch in the last few years. There is a sizable gap between the Company's internal accruals and the requirement of funds for capital investment in existing and new projects and revenue expenditure. The ability of the Company to raise external funds has also been affected due to adverse market conditions. To ease the present situation, the Company is actively pushing for realization of its receivables from NHAI and other public sector agencies. Further, upon resolution of certain contractual obligations on few of the delayed projects, release of resources stalled thereof will bring back the Company into mainstream.

Going forward, your Company will focus on selective opportunities which have lower risk and lower investment, which will supplement our existing portfolio. The focus will be to get "almost ready" projects commissioned at the earliest and operate the projects successfully. Your Company is confident that these projects, once completed, will contribute positively to the bottom line and improve the cash position.

SHARE CAPITAL OF THE COMPANY

During the Year under review, your Company has allotted 60,000 equity shares of ₹ 2/- each under the GIPL Employee Stock Option Scheme 2013. Consequently, the paid up share capital of the Company stood at ₹ 188.36 crores as at 31st March, 2017 comprising of 941,830,724 equity shares of ₹ 2/- each fully paid up.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has maintained a proper and adequate system of internal controls. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorised, recorded and reported diligently. The Management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business.

INTERNAL AUDIT

The Company has appointed Kapadia Associates, Chartered Accountants, Mumbai, as its Internal Auditor. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies and reports the same on quarterly basis to the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. they have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Year and of the profit of the Company for the Year ;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Year ended 31st March, 2017; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' REPORT

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Directors express their profound sorrow on sudden and untimely demise of Chairman, Mr.Naresh Chandra on July 9, 2017, and place on record their deep sense of appreciation for the invaluable services rendered by him during his association with the Company.

Mr. C.C. Dayal, Independent Director, has resigned with effect from 29th September, 2017 due to medical condition. The Board also place on record appreciation for the invaluable services rendered by him during his association with the Company.

Mr. Sanjay Sachdev was appointed as the Additional Director on the Board effective November 9, 2017 and holds office up to the date of ensuing Annual General Meeting (AGM) and proposed to be appointed as Independent Director at the AGM. Mr. Vardhan Dharkar has been appointed as a director on November 20, 2017 to fill up the casual vacancy caused due to sad demise of Mr. Naresh Chandra. He holds office as Non-Executive Director liable to retire by rotation.

In accordance with the provisions of the Act, and the Articles of Association of the Company, Mr. Vardhan Dharkar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on February 7, 2017, re-appointed Mr. Kishor Kumar Mohanty as the Managing Director of the Company, subject to the approval of Members at the ensuing Annual General Meeting, for a period of 2 (two) years w.e.f. April 12, 2017.

Independent Directors of the Company have furnished necessary declarations to the Company under section 149(7) of the Companies Act, 2013, confirming that they meet with the criteria of Independence as prescribed for Independent Directors under section 149(6) of the Act and regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015, (hereinafter **"Listing Regulations"**).

Key Managerial Personnel

Mr. Monesh Bhansali, Chief Financial Officer of the Company resigned with effect from April 22, 2016. Mr. Kaushik Chaudhuri was appointed as the Chief Financial Officer of the Company with effect from May 30, 2016.

Further, in terms of the provisions of Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Kishor Kumar Mohanty, Managing Director; Mr. Kaushik Chaudhuri, Chief Financial Officer; and Ms. Renuka Matkari, Company Secretary are the Key Managerial Personnel of the Company.

Ms. Renuka Matkari, Company Secretary, has resigned and relieved from the services of the Company with effect from November 10, 2017.

Remuneration Policy and Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and Regulation 27 of the Listing Regulations, the Board of Directors on the recommendation of the Nomination & Remuneration Committee, adopted a Policy on remuneration of Directors and Senior Management. The Remuneration Policy is stated in the Corporate Governance Report.

Performance evaluation of the Board was carried out during the year under review. The details about the same are given in the Corporate Governance Report.

Familiarization programmes for the Independent Directors

In compliance with the requirements of Listing Regulations, your Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. It is also available on the Company website http://www.gammoninfra.com/secretarial_infor.html

BOARD MEETINGS

The Board met six times during the year under review, the details of which are given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, the Board has not granted any options to employees under the 'GIPL Employee Stock Options Scheme - 2013' ('Scheme'). Details of the shares issued under the Scheme, as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in Annexure I to this Report.

A certificate from the Statutory Auditors of the Company as required under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 shall be placed at the ensuing Annual General Meeting for inspection by the Members.

DEPOSITS

During the Year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The details of loans, guarantee or investment under Section 186 of the Companies Act, 2013 are given under Notes to Accounts of financial statements.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered by the Company during the year were in the ordinary course of business and on arm's length basis. Details of material related party transactions are given in the prescribed Form AOC - 2 which is appended to this report as Annexure II.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web link: http://www.gammoninfra.com/secretarial_infor.html

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

In view of the nature of business activities currently being carried out by the Company, your Directors have nothing to report with respect to Conservation of Energy and Technology Absorption as required under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014.

Foreign exchange outgo (actual outflows): Nil

The foreign exchange earned (actual inflows): Nil

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Post end of year under review, the following changes have taken place:

(i) Indira Container Terminal Private Limited a joint venture, has become a subsidiary of the Company w.e.f. 6th April, 2017; and

(ii) Satluj Renewable Energy Private Limited has ceased to be a step down subsidiary of the Company w.e.f. 18th July, 2017.

The Policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the web link http://www.gammoninfra.com/secretarial_infor.html

A statement containing salient features of the financial statement of each of the subsidiaries, associates and joint venture companies as required to be provided under section 129(3) of the Act, in Form AOC-1 forms part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along-with relevant documents and separate audited accounts in respect of Subsidiaries are available on the website of the Company.

DIRECTORS' REPORT

BOARD COMMITTEES

The Board has presently the following committees to assist it in its work:

(i) Audit Committee to, inter-alia, oversee and review the financial reporting system and disclosures made in its financial results;

(ii) Stakeholders' Relationship Committee to, inter-alia, redress investor complaints;

(iii) Nomination and Remuneration Committee to, inter-alia, approve appointments and remuneration of executive directors and lay down nomination and remuneration policies of the Company;

(iv) Compensation Committee to administer 'employee stock option schemes';

(v) Project Committee to, inter-alia, advice the Company on the business opportunities that arise from time to time;

(vi) Projects Review Committee to review implementation and working of projects under development and operation;

(vii) Corporate Social Responsibility Committee to formulate and implement a 'corporate social responsibility policy' for the Company; and

(viii) The Board has voluntarily constituted Risk Management Committee to monitor and review the risk management plan of the Company.

The constitution of the various committees, its powers and duties have been elaborated in greater detail in the 'Corporate Governance Report', which is annexed to the Annual Accounts.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company does not have any amount due to be transferred to Investor Education and Protection Fund.

VIGIL MECHANISM / WHISTLE BLOWER

In terms of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with whistle blower policy. The whistle blower policy have been uploaded on the website of the Company and the same can be accessed at the web link http://www.gammoninfra.com/secretarial_infor.html.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since, there is no average net profit for the Company for the previous three financial years, no specific funds are required to be set aside and spent by the Company during the year under review. The Company is yet to formulate the CSR Policy.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT 9 is appended to this Report as Annexure III.

REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34 of the Listing Regulations, a Report on Corporate Governance along with Compliance Certificate issued by Mr. Veeraraghavan. N, Practising Company Secretary (Certificate of Practice Number 4334) is attached and forms integral part of this Report (hereinafter "Corporate Governance Report").

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Attention of the members is invited to a separate section titled 'Management Discussion and Analysis Report' which is covered in this Annual Report.

AUDITORS

Based on the recommendations of the Audit Committee, the Board of Directors has, recommended the appointment of M/s. Nayan Parikh & Co., Chartered Accountants (FRN:107023W), Mumbai to be the Statutory Auditors of the Company in place of M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W), the retiring Statutory Auditors, who were not eligible for appointment in terms of Section 139(2) of the Companies Act, 2013, to hold the office from conclusion of ensuing AGM until the conclusion of AGM to be held in the year 2022.

The Company has received a certificate under section 141(3) of the Act read with Rule 10 of the Companies (Audit and Auditors) Rules, 2014 from M/s. Nayan Parikh & Co., Chartered Accountants, Mumbai, confirming their eligibility and availability for appointment as the Auditors of the Company.

The Board recommends their appointment.

AUDITORS' REPORT

The Auditors have qualified their report to the members on the issue relating to the excess managerial remuneration paid of ₹ 2,04,49,402/- and ₹ 18,395,890/- for the previous periods. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. The Company however has made a representation for review of the rejection and therefore no steps for recovery have been initiated and no effects have been given for the same. For the current period also there is an excess remuneration paid of ₹ 108.72 lakhs to the Managing Director, for which the Company is in the process of making an application to the Central Government for the waiver for recovery for the same.

Further, without qualifying their opinion, the Auditors have emphasized the following matters:

Unilateral termination and closure of concessions of Cochin Bridge Infrastructure project which is subject to pending litigations/ arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. The Company's exposure towards the said project is ₹ 2,588.40 Lakhs.

Intention to exit Youngthang Power Venture project at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The reason for non-continuance is on account of reasons beyond the control of the subsidiary company. The Company's exposure towards the said project includes investment and loans and advances of ₹ 7,110.91 Lakhs.

Indira Container Terminal Private Limited (ICTPL) –This is a JV of the Company. The project is delayed due to nonfulfillment of certain conditions by the Mumbai Port Trust (MbPT). This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter is with the MbPT under active discussions for resolving the outstanding issues and the Project is being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, ICTPL and the lenders. The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Offer (ROFO) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The company is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The company has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Company in the JV is ₹ 12,632.78 Lakhs (funded and non-funded).

Monthly toll collections from Rajahmundry Godavari Bridge project are not sufficient to service the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. The SPV is confident of the proposal being sanctioned. The Company's exposure towards the said project is ₹ 92,560 Lakhs.

Vijayawada Gundugolanu Road Project Private Limited - A Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent

DIRECTORS' REPORT

negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has entered into an agreement, subject to fulfillment of certain Gammon Infrastructure Projects Limited conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The net exposure of the company in the SPV is ₹ 16,062.44 Lakhs (including Bank guarantee of ₹ 8420.00 Lakhs). Net exposure of the Company is ₹ 16,062.44 Lakhs (including bank guarantee of ₹ 8420 Lakhs).

Patna Highway Projects Limited (PHPL) - The SPV will have cost overrun on account of issues beyond the scope of the SPV and attributable to the Grantor - NHAI. This will not result in any changes in the Annuity from NHAI. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer.The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). The exposure of the Company in the SPV is ₹ 1,18,269.72 Lakhs including non-fund exposure.

Company's current liabilities exceeded current assets resulting in continued mismatch despite the sale of some of the SPVs in the previous period. These conditions indicate the existence of significant uncertainty as to timing and realization of cash flow.

It is clarified that the above matters covered in the Auditors' Report are self explanatory.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Veeraraghavan N, Practicing Company Secretary (Certificate of Practice Number: 4334) to undertake the Secretarial Audit of the Company.

In terms of provisions of section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as Annexure IV, a Secretarial Audit Report given by the Secretarial Auditor.

Observations made by the Secretarial Auditor in their Report are self explanatory and do not need further clarification.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as Annexure V. In terms of the provisions of Section 197(12) of the Act read with sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Report.

However, having regard to the provisions of the first proviso to Section 136(1) of the Act, the details are excluded in the report sent to members. The required information is available for inspection at the registered office and the same shall be furnished on request.

INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted a Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There were no material changes and commitments after the closure of the year till the date of this report, which affect the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

ACKNOWLEDGEMENTS

The Board wishes to place on record their appreciation of the support received by the Company from its shareholders and employees. The Directors also wish to acknowledge the co-operation and assistance received by the Company from its business partners, bankers, financial institutions and various Government, Semi Government and Local Authorities.

For and on behalf of the Board of,
Gammon Infrastructure Projects Limited

K.K.Mohanty	**Abhijit Rajan**
Managing Director	Director
DIN: 00080498	DIN: 00177173

Place: Mumbai
Date: November 20, 2017

DIRECTORS' REPORT

Annexure I

EMPLOYEES STOCK OPTIONS (OPTIONS)

Disclosures in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with erstwhile SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999:

(A) GIPL Employee Stock Options Scheme - 2013:

	Financial Year	**01.04.2016 to 31.03.2017**	**01.10.2014 to 31.03.2016**
1	Options granted/subsisting	3,00,000	51,10,000
2	Pricing Formula/ Exercise Price (₹)	2/-	2/-
3	Options vested	1,20,000	36,30,000
4	Options exercised	60,000	35,70,000
5	Total number of Equity Shares arising as a result of exercise of Options	60,000	35,70,000
6	Options lapsed /cancelled	NIL	12,40,000
7	Variation of terms of Options	None	None
8	Money realised by exercise of Options	1,20,000	71,40,000
9	Total number of options in force	2,40,000	3,00,000
10	Weighted average exercise price (₹)	₹ 2/-	₹ 2/-

11	Weighted average fair value of Options granted during the year (₹)	4.592/- (Options vested on October 1, 2014) 4.745/- (Options vested on October 1, 2015) 4.896/- (Options to be vested on October 1, 2016) 5.041/- (Options to be vested on October 1, 2017)			
12	Option pricing model used and underlying assumptions	Black-Scholes Option Pricing Model			
	Equity Share Price (₹)	6.40/-			
	Exercise Price (₹)	2/-			
	Assumptions	Options vesting on 01.10.2014	Options vesting on 01.10.2015	Options vesting on 01.10.2016	Options vesting on 01.10.2017
	Expected Volatility (in %)	39.31	44.25	42.29	41.78
	Weighted average of unexpired life of Options (in years)	1.02	2.02	3.02	4.02
	Expected dividend	Nil	Nil	Nil	Nil
	Risk Free Interest Rate (%)	9.86	9.02	8.96	9.03
13	Employee-wise details of Options granted	**Senior managerial personnel (key managerial personnel)** Mr. Kishor Kumar Mohanty – 25,00,000 (40.58% of total options granted) *Mr. Parag Parikh – 4,00,000 (6.49% of total options granted) *Mr. G. Sathis Chandran – 2,80,000 (4.54% of total options granted) Mr. Kaushik Chaudhuri – 2,40,000 (3.89% of total options granted) **Other Employees** *Mr. Kshitiz Bhasker – 3,60,000 (5.84% of total options granted) No employee has been granted Options exceeding 1% of the issued capital of the Company.			

* No longer in the service of the Company

(B) DILUTED EARNINGS PER SHARE (AT THE FACE VALUE OF ₹ 2/-)

Financial Year	01.04.2016 to 31.03.2017	01.10.2014 to 31.03.2016
Diluted earnings per share pursuant to issue of Equity Shares on exercise of option calculated in accordance with Accounting Standard (AS – 20)	0.20	0.25

(C) DETAILS OF IMPACT ON EARNINGS PER SHARE IF THE COMPANY HAD FOLLOWED FAIR VALUE METHOD OF VALUATION FOR OPTIONS GRANTED.

Financial Year	01.04.2016 to 31.03.2017	01.10.2014 to 31.03.2016
Difference between the employee compensation cost calculated by the Company at intrinsic value and fair value of Options and its impact on profits and earnings per share	Nil difference. NPAT of ₹ 1,875.16 Lakhs and EPS of ₹ 0.20 would remain unchanged.	Income of ₹ 100,039. Net profit would have gone up from ₹ 2,327.12 Lakhs to ₹ 2,328.12 Lakhs. EPS would remain unchanged at ₹ 0.2474

DIRECTORS' REPORT

Annexure II (Material RPT)

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis**
There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2017, which were not at arms length basis.

2. **Details of contracts or arrangements or transactions at Arm's length basis**

Sl. no.	Name(s) of the related party & nature of relationship	Nature of transaction	Transactions Value (₹ in Lakhs)	Duration of the transaction	Salient terms of the transaction including the value, if any	Date of approval by the Board	Amount received as advances, if any (₹ in Lakhs)
1	Sidhi Singrauli Road Project Limited (SSRPL) (Wholly owned subsidiary of the Company)	EPC Income	17,671.86	Contract commencing from 03-Jul-13 till completion of Construction Works plus 5 years defect liability period	Project highway (NH-75E) shall be widened to four lane dual configuration with paved shoulder; Construct 3 major bridges, 28 minor bridges, 110 RCC slab culverts, 137 pipe culverts, 3 ROB's, 1 RUB and 14 Underpasses; Contract value: ₹ 97,500 Lakhs	Not applicable since the contract was Entered into between two public companies at the time of signing of the contract.	Nil
2	Vijayawada Gundugolanu Road Project Private Limited (VGRPPL) (Wholly owned subsidiary of the Company)	EPC Income	2,186.22	Contract commencing from 01-Sep-14 till completion of Construction Works	Six laning of Vijayawada Gundugolanu section, six lane Hanuman Junction bypass and four lane Vijayawada bypass (total length 103.59 km) Construction of 6 fly-overs, 2 major bridges, 45 minor bridges, 13 pedestrian underpass, 173 underpass, 3 ROBs, 21 box culverts, 43 slab culverts; Contract value: ₹ 1,70,100 Lakhs	Not applicable since the contract was entered into between two public companies at the time of signing of the contract.	4234.69

For and on behalf of the Board of
Gammon Infrastructure Projects Limited

K. K. Mohanty
Managing Director
DIN: 00080498

Abhijit Rajan
Director
DIN: 00177173

Place: Mumbai
Date: November 20, 2017

Annexure III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31/03/2017
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L45203MH2001PLC131728
2.	Registration Date	23rd April 2001
3.	Name of the Company	Gammon Infrastructure Projects Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025 Tel: 02267487200 Fax: 02267487201
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C – 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083 Tel: 022 – 49186000, Fax: 022 – 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	88%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Gammon Power Limited	U40108MH2008PLC186403	Holding	56.06%	2 (46)
2	Gammon India Limited	L74999MH1922PLC000997	Holding	*Nil	2 (46)
3	Birmitrapur Barkote Highway Private Limited	U45200DL2012PTC234342	Subsidiary	100%	2(87) (ii)
4	Cochin Bridge Infrastructure Company Limited	U45200MH1999PLC122317	Subsidiary	97.66%	2(87) (ii)
5	Chitoor Infra Company Private Limited	U74990MH2010PTC210401	Step down Subsidiary	100%	2(87) (ii)
6	Earthlink Infrastructure Projects Private Limited	U74990MH2010PTC210405	Step down Subsidiary	100%	2(87) (ii)
7	Gammon Logistics Limited	U45309MH2007PLC171578	Subsidiary	100%	2(87) (ii)
8	Gammon Projects Developers Limited	U45200MH2006PLC159107	Subsidiary	100%	2(87) (ii)

DIRECTORS' REPORT

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
9	Gammon Renewable Energy Infrastructure Projects Limited	U74990MH2009PLC194805	Subsidiary	100%	2(87) (ii)
10	Gammon Road Infrastructure Limited	U74990MH2009PLC194822	Subsidiary	100%	2(87) (ii)
11	Gammon Seaport Infrastructure Limited	U74990MH2009PLC194663	Subsidiary	100%	2(87) (ii)
12	Ghaggar Renewable Energy Private Limited	U40108DL2010PTC210979	Step down Subsidiary	100%	2(87) (ii)
13	Haryana Biomass Power Limited	U40102MH2007PLC173416	Subsidiary	100%	2(87) (ii)
14	Indira Container Terminal Private Limited	U63032MH2007PTC174100	Associate	**50%	2(6)
15	Jaguar Projects Developers Limited	U70102MH2008PLC185427	Subsidiary	100%	2(87) (ii)
16	Lilac Infraprojects Developers Limited	U45203DL2010PLC202526	Subsidiary	100%	2(87) (ii)
17	Marine Project Services Limited	U61100MH2007PLC168759	Subsidiary	100%	2(87) (ii)
18	Patna Highway Projects Limited	U74999DL2009PLC197265	Subsidiary	100%	2(87) (ii)
19	Pravara Renewable Energy Limited	U45202MH2008PLC185428	Subsidiary	100%	2(87) (ii)
20	Ras Cities and Townships Private Limited	U70102TG2005PTC047148	Step down Subsidiary	100%	2(87) (ii)
21	Rajahmundry Godavari Bridge Limited	U45203MH2008PLC185941	Subsidiary	75.28%	2(87) (ii)
22	Satluj Renewable Energy Private Limited	U40108DL2010PTC202832	Step down Subsidiary	100%	2(87) (ii)
23	Segue Infrastructure Projects Private Limited	U74900MH2010PTC210430	Step down Subsidiary	100%	2(87) (ii)
24	Sidhi Singrauli Road Project Limited	U74999DL2012PLC234738	Subsidiary	100%	2(87) (ii)
25	Sikkim Hydro Power Ventures Limited	U40100DL2005PLC257673	Subsidiary	100%	2(87) (ii)
26	Tada Infra Development Company Limited	U45400MH2008PLC186002	Subsidiary	100%	2(87) (ii)
27	Tangri Renewable Energy Private Limited	U40108DL2010PTC210977	Step down Subsidiary	100%	2(87) (ii)
28	Tidong Hydro Power Limited	U40101HP2007PLC030774	Subsidiary	**51%	2(87) (ii)
29	Vijayawada Gundugolanu Road Project Private Limited	U74990DL2012PTC232205	Subsidiary	100%	2(87) (ii)
30	Vizag Seaport Private Limited	U45203AP2001PTC038955	Subsidiary	73.76%	2(87) (ii)
31	Yamuna Minor Minerals Private Limited	U40108DL2010PTC210978	Step down Subsidiary	100%	2(87) (ii)
32	Yamunanagar Panchkula Highway Private Limited	U74999DL2012PTC234340	Subsidiary	100%	2(87) (ii)
33	Youngthang Power Ventures Limited	U40101HP2008PLC030953	Subsidiary	100%	2(87) (ii)
34	Modern Toll Roads Private Limited	U45203MH2007PTC173503	Associate	49%	2(6)
35	ATSL Infrastructure Projects Limited	U45400MH2007PLC169995	Associate	48.90%	2(6)
36	Eversun Sparkle Maritime Services Private Limited	U60210AP2004PTC044374	Associate	30.90%	2(6)
37	SEZ Adityapur Limited	U45200JH2006PLC012633	Associate	38%	2(6)

*Holding through its subsidiaries, namely, Gammon Power Limited (56.06%) and Gactel Turnkey Projects Limited (2.37%).
**includes legal and beneficial interest

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	550,400,000	0	550,400,000	58.44	550,400,000	0	550,400,000	58.44	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**550,400,000**	**0**	**550,400,000**	**58.44**	**550,400,000**	**0**	**550,400,000**	**58.44**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**550,400,000**	**0**	**550,400,000**	**58.44**	**550,400,000**	**0**	**550,400,000**	**58.44**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	137,512,952	0	137,512,952	14.60	125,798,644	0	125,798,644	13.35	(1.25)
b) Banks / FI	7,450,194	0	7,450,194	0.79	9,406,307	0	9,406,307	0.99	0.20
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	108,602,725	0	108,602,725	11.53	52,022,114	0	52,022,114	5.52	(6.01)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**253,565,871**	**0**	**253,565,871**	**26.92**	**187,227,065**	**0**	**187,227,065**	**19.86**	**(7.06)**

DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	40,910,266	3,150	40,913,416	4.34	48,259,299	0	48,259,299	5.12	0.78
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	58,590,843	2,698	58,593,541	6.22	82,028,925	2,695	82,031,620	8.71	2.49
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	16,655,528	0	16,655,528	1.77	45,474,742	0	45,474,742	4.83	3.06
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	3,038	0	3,038	0.00	1515	0	1515	0.00	0.00
Foreign Nationals / NRI	4,515,046	0	4,515,046	0.48	4,713,768	0	4,713,768	0.50	0.02
HUF	3,567,655	0	3,567,655	0.38	5,951,531	0	5,951,531	0.63	0.25
Director or Director's Relatives	8,653,997	0	8,653,997	0.92	8,653,997	0	8,653,997	0.92	0.00
Office Bearers	1,362,329	0	1,362,329	0.14	1,362,054	0	1,362,054	0.14	0.00
Clearing Members	3,540,279	24	3,540,303	0.38	7,755,019	24	7,755,133	0.82	0.44
Sub-total (B)(2):-	**137,798,981**	**5,872**	**137,804,853**	**14.63**	**204,200,850**	**2,719**	**204,203,659**	**21.67**	**7.04**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**391,364,852**	**5,872**	**391,370,724**	**41.56**	**391,427,915**	**2,719**	**391,430,724**	**41.56**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**941,764,852**	**5,872**	**941,770,724**	**100.00**	**941,827,915**	**2,719**	**941,830,724**	**100.00**	**0.00**

ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gammon Power Limited	528,000,000	56.06	56.06	528,000,000	56.06	56.06	0.00
2	Gactel Turnkey Projects Limited	22,400,000	2.38	-	22,400,000	2.38	0.00	0.00
	Total	**550,400,000**	**58.44**	**56.06**	**550,400,000**	**58.44**	**56.06**	**0.00**

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

Sr. No.	Particulars	Shareholding at the beginning of the year (as on 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	550,400,000	58.44	550,400,000	58.44
2	Date wise Increase / Decrease in Promoters Shareholding during the year	--	--	--	--
3	At the end of the year	550,400,000	58.44	550,400,000	58.44

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HDFC Trustee Company Limited – HDFC Equity Fund				
	At the beginning of the year	52,839,117	5.61	52,839,117	5.61
	Date wise Increase / Decrease in Shareholding during the year	0	0.00	0	0.00
	At the end of the year	52,839,117	5.61	52,839,117	5.61
2	HDFC Trustee Company Limited - HDFC Infrastructure Fund				
	At the beginning of the Year	26,025,236	2.76	26,025,236	2.76
	Increase - Market purchase - 02-Sep-2016	2,720,000	0.29	28,745,236	3.05
	Increase - Market purchase - 09-Sep-2016	1,500,000	0.16	30,245,236	3.21
	At the end of the Year	30,245,236	3.21	30,245,236	3.21
3	HSBC Global Investment Funds - Indian Equity				
	At the beginning of the Year	0	0.00	0	0.00
	Increase - Market purchase - 28-Oct-2016	15,507,549	1.65	15,507,549	1.65
	At the end of the Year	15,507,549	1.65	15,507,549	1.65
4	Frontier Realty Private Limited				
	At the beginning of the Year	14,381,246	1.53	14,381,246	1.53
	Date wise Increase / Decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the Year	14,381,246	1.53	14,381,246	1.53

DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	HSBC Indian Equity Mother Fund				
	At the beginning of the Year	5,240,309	0.56	5,240,309	0.56
	Increase - Market purchase - 31-Mar-2017	7,844,818	0.83	13,085,127	1.39
	At the end of the Year	13,085,127	1.39	13,085,127	1.39
6	ICICI Prudential Infrastructure Fund				
	At the beginning of the Year	12,743,843	1.35	12,743,843	1.35
	Date wise Increase / Decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the Year	12,743,843	1.35	12,743,843	1.35
7	ICICI Prudential Midcap Fund				
	At the beginning of the Year	11,829,652	1.26	11,829,652	1.26
	Date wise Increase / Decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the Year	11,829,652	1.26	11,829,652	1.26
8	Eastspring Investments India Infrastructure Equity Open Limited				
	At the beginning of the Year	11,041,009	1.17	11,041,009	1.17
	Date wise Increase / Decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the Year	11,041,009	1.17	11,041,009	1.17
9	Emerging India Focus Funds				
	At the beginning of the Year	10,132,856	1.08	10,132,856	1.08
	Date wise Increase / Decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the Year	10,132,856	1.08	10,132,856	1.08
10	Brij Real Estate And Property Private Limited				
	At the beginning of the Year	8,954,673	0.95	8,954,673	0.95
	Date wise Increase / Decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the Year	8,954,673	0.95	8,954,673	0.95

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	*BNP Paribas Arbitrage				
	At the beginning of the Year	11,575,314	1.23	11,575,314	1.23
	Decrease - Market sale - 20-Jan-2017	452,276	0.05	11,123,038	1.18
	Decrease - Market sale - 27-Jan-2017	679,279	0.07	10,443,759	1.11
	Decrease - Market sale - 03-Feb-2017	2,598,940	0.28	7,844,819	0.83
	At the end of the Year	7,844,819	0.83	7,844,819	0.83
12	*Sundaram Mutual Fund A/C Sundaram Smile Fund				
	At the beginning of the Year	10,428,590	1.11	10,428,590	1.11
	Decrease - Market sale - 30-Dec-2016	491,631	0.05	9,936,959	1.06
	Decrease - Market sale - 06-Jan-2017	1,144,103	0.12	8,792,856	0.93
	Decrease - Market sale - 13-Jan-2017	1,537,146	0.16	7,255,710	0.77
	Decrease - Market sale - 20-Jan-2017	1,689,690	0.18	5,566,020	0.59
	Decrease - Market sale - 27-Jan-2017	1,442,389	0.15	4,123,631	0.44
	Decrease - Market sale - 3-Feb-2017	1,911,968	0.20	2,211,663	0.23
	At the end of the Year	2,211,663	0.23	2,211,663	0.23
13	*DB International (Asia) Limited				
	At the beginning of the Year	41,488,886	4.41	41,488,886	4.41
	Decrease - Market sale - 08-Apr-2016	234,600	0.02	41,254,286	4.38
	Decrease - Market sale - 20-May-2016	109,000	0.01	41,145,286	4.37
	Decrease - Market sale - 03-Jun-2016	63,664	0.01	41,081,622	4.36
	Decrease - Market sale - 10-Jun-2016	737,692	0.08	40,343,930	4.28
	Decrease - Market sale - 17-Jun-2016	1,176,233	0.12	39,167,697	4.16
	Decrease - Market sale - 24-Jun-2016	2,390,305	0.25	36,777,392	3.91
	Decrease - Market sale - 30-Jun-2016	714,259	0.08	36,063,133	3.83
	Decrease - Market sale - 08-Jul-2016	1,212,640	0.13	34,850,493	3.70
	Decrease - Market sale - 15-Jul-2016	858,607	0.09	33,991,886	3.61
	Decrease - Market sale - 22-Jul-2016	30,369	0.00	33,961,517	3.61
	Decrease - Market sale - 05-Aug-2016	230,182	0.02	33,731,335	3.58
	Decrease - Market sale - 12-Aug-2016	279,568	0.03	33,451,767	3.55
	Decrease - Market sale - 19-Aug-2016	55,747	0.01	33,396,020	3.55
	Decrease - Market sale - 26-Aug-2016	41,580	0.00	33,354,440	3.54

DIRECTORS' REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Decrease - Market sale - 02-Sep-2016	3,376,106	0.36	29,978,334	3.18
	Decrease - Market sale - 09-Sep-2016	4,148,736	0.44	25,829,598	2.74
	Decrease - Market sale - 16-Sep-2016	1,028,113	0.11	24,801,485	2.63
	Decrease - Market sale - 23-Sep-2016	151,857	0.02	24,649,628	2.62
	Decrease - Market sale - 30-Sep-2016	1,720	0.00	24,647,908	2.62
	Decrease - Market sale - 21-Oct-2016	273,125	0.03	24,374,783	2.59
	Decrease - Market sale - 28-Oct-2016	5,514,716	0.59	18,860,067	2.00
	Decrease - Market sale - 04-Nov-2016	418,803	0.04	18,441,264	1.96
	Decrease - Market sale - 11-Nov-2016	192,891	0.02	18,248,373	1.94
	Decrease - Market sale - 18-Nov-2016	116,052	0.01	18,132,321	1.93
	Decrease - Market sale - 25-Nov-2016	863,211	0.09	17,269,110	1.83
	Decrease - Market sale - 02-Dec-2016	2,626,754	0.28	14,642,356	1.55
	Decrease - Market sale - 09-Dec-2016	1,502,210	0.16	13,140,146	1.40
	Decrease - Market sale - 16-Dec-2016	1,269,112	0.13	11,871,034	1.26
	Decrease - Market sale - 23-Dec-2016	292,225	0.03	11,578,809	1.23
	Decrease - Market sale - 30-Dec-2016	359,871	0.04	11,218,938	1.19
	Decrease - Market sale - 06-Jan-2017	4,190,180	0.44	7,028,758	0.75
	Decrease - Market sale - 13-Jan-2017	501,484	0.05	6,527,274	0.69
	Decrease - Market sale - 20-Jan-2017	434,100	0.05	6,093,174	0.65
	Decrease - Market sale - 27-Jan-2017	808,701	0.09	5,284,473	0.56
	Decrease - Market sale - 03-Feb-2017	1,529,956	0.16	3,754,517	0.40
	Decrease - Market sale - 10-Feb-2017	3,754,517	0.40	0	0.00

The above information is based on the weekly beneficiary position received from depositories.

*Not in the list of Top 10 shareholders as on 31-03-2017. The same has been reflected above since the shareholders were among the Top 10 shareholders as on 01-04-2016.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A)	**Directors**				
1.	**Mr. Abhijit Rajan**				
	At the beginning of the year	6,000,000	0.63	6,000,000	0.63
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	6,000,000	0.63	6,000,000	0.63
2.	**Mr. Kishor Kumar Mohanty**				
	At the beginning of the year	2,603,456	0.27	2,603,456	0.27
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	2,603,456	0.27	2,603,456	0.27
3.	**Mr. C. C. Dayal***				
	At the beginning of the year	50,000	0.005	50,000	0.005
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	50,000	0.005	50,000	0.005
4.	**Ms. Homai A. Daruwalla**				
	At the beginning of the year	541	0.00	541	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	541	0.00	541	0.00
B)	**KMPs**				
5.	**Mr. Monesh Bhansali**				
	At the beginning of the year	16,000	0.00	16,000	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	Shareholding as on 22-Apr-2016#	16,000	0.00	16,000	0.00
6.	**Mr. Kaushik Chaudhuri**				
	Shareholding as on 30-May-2016##	60,000	0.00	60,000	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	60,000	0.00	60,000	0.00

DIRECTORS'
REPORT

Sr. No.	Shareholding of each Directors and each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	**Ms. Renuka Matkari###**				
	At the beginning of the year	721	0.00	721	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	721	0.00	721	0.00

i) *Mr. C. C. Dayal resigned as Director of the Company w. e. f. September 29, 2017
ii) # Mr. Monesh Bhansali resigned w.e.f. April 22, 2016.
iii) ## Mr. Kaushik Chaudhuri appointed w.e.f. May 30, 2016.
iv) The Directors of the Company who have not held any shares at any time during the year, are not shown in the above list.
v) ### Ms. Renuka Matkari resigned as the Company Secretary w. e. f. November 10, 2017

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,788.71	228.09	0.00	19,016.80
ii) Interest due but not paid	47.94	0.00	0.00	47.94
iii) Interest accrued but not due	0.00	36.23	0.00	36.23
Total (i+ii+iii)	**18,836.65**	**264.32**	**0.00**	**19,100.97**
Change in Indebtedness during the financial year				
Addition	0.00	133.90	0.00	133.90
Reduction	-4,115.89	0.00	0.00	-4,115.89
Net Change	-4,115.89	133.90	0.00	-3,981.99
Indebtedness at the end of the financial year				
i) Principal Amount	14,409.60	261.59	0.00	14,671.19
ii) Interest due but not paid	311.16	95.00	0.00	406.16
iii) Interest accrued but not due	0.00	41.63	0.00	41.63
Total (i+ii+iii)	**14,720.76**	**398.22**	**0.00**	**15,118.98**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. Kishor Kumar Mohanty (MD)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,872,200	22,872,200
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option (Value of options)	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit Commission - others, specify…	-	-
5	Others, please specify (Provident Fund)	720,000	720,000
	Total (A)	23,592,200	23,592,200
	Ceiling as per the Act	120,000,000	

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total
1	**Independent Directors**	***Chandrahas C. Dayal**	**Sushil Chandra Tripathi**	**Homai A. Daruwalla**	
	Fee for attending board/ committee meetings	650,000	750,000	750,000	2,150,000
	Commission	300,000	300,000	300,000	900,000
	Others	0	0	0	0
	Total (1)	950,000	1,050,000	1,050,000	3,050,000

*resigned as Director with effect from September 29, 2017

DIRECTORS' REPORT

(Amount in ₹)

2	Other Non- Executive Directors	*Naresh Chandra	Abhijit Rajan	Total
	Fee for attending board / committee meetings	600,000	200,000	800,000
	Commission	300,000	0	300,000
	Others	0	0	0
	Total (2)	900,000	200,000	1,100,000
	Total (1 + 2)			**4,150,000**
	Total Managerial Remuneration (A+B)		27,742,200	
	Overall Ceiling as per the Act		**13,875,160** (excluding sitting fees)	

*Ceased to be the Director of the Company due to his demise on July 9, 2017

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Monesh Bhansali (CFO) Upto 22-04-2016	**Mr. Kaushik Chaudhuri (CFO) Appointed w. e. f. 30-05-2016**	**Ms. Renuka Matkari (CS)****	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	563,413	6,195,286	1,550,440	8,309,139
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify …	-	-	-	-
5	Provident Fund	14,667	152,290	40,320	192,610
	Total	***578,080**	**6,347,576**	**1,590,760**	**8,516,416**

*Outstanding as on 31st March 2017

**Ms. Renuka Matkari resigned as the Company Secretary w. e. f. November 10, 2017

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made if any (give details)
A. COMPANY:			**NIL**		
Penalty					
Punishment					
Compounding					
B. DIRECTORS:			**NIL**		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT:			**NIL**		
Penalty					
Punishment					
Compounding					

For and on Behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

K.K.Mohanty
Managing Director
DIN: 00080498

Abhijit Rajan
Director
DIN: 00177173

Place: Mumbai
Date: November 20, 2017

DIRECTORS' REPORT

Annexure IV

Form No. MR – 3
SECRETRIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

To
The Members,
Gammon Infrastructure Projects Limited

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gammon Infrastructure Projects Limited (hereinafter called the Company) (CIN-L45203MH2001PLC131728). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017, according to the provisions of :

(i). The Companies Act, 2013 (the Act) and the rules made thereunder:

(ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder

(iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder

(iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 1992:

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:

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

(i) Secretarial Standard issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

1. **The Company had made an application to the Ministry of Corporate Affairs, for waiver of refund of the excess managerial remuneration paid during the periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016 which was rejected by the Ministry. The Company has again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the said excess managerial remuneration paid.**

2. **For the current financial year, the managerial remuneration is in excess of the limits specified in the Act and the Rules thereunder. The Company is in the process of making necessary application to the Ministry for approval / waiver of recovery of the excess remuneration.**

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Majority decision is carried through, while the dissenting members' views (if any) are captured and recorded as part of the minutes.

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

Signature
Name of PCS: **Veeraraghavan N.**
ACS NO: 6911
CP NO : 4334

Place : Mumbai
Date: July 27, 2017

DIRECTORS' REPORT

Annexure V

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (appointment and remuneration of Managerial Personnel) rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 1st April 2016 to 31st March 2017 are as under:

Sr. No.	Name of the Director	Designation	Remuneration (in ₹)	Total Amount
A	Median Employee Remuneration	---	6,97,287/-	1 : 1.07
B	Directors Remuneration			
1.	Mr. Kishor Kumar Mohanty	Managing Director	2,28,72,200/-	1: 35

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during 1st April 2016 to 31st March 2017 are as under:

Sr. No.	Name of the Director/KMP	Designation	% increase in Remuneration in the Financial Year 1st April 2016 to 31st March 2017
1.	Mr. Kishor Kumar Mohanty	Managing Director	-37% (Previous Financial year 18 months vis-à-vis current financial year 12 month)
2.	Mr. Monesh Bhansali*	CFO	NA* (Previous year – Nil)
3.	Mr. Kaushik Chaudhuri**	CFO	NA**
4.	Ms. Renuka Matkari****	Company Secretary	22% (***Previous year – NA) (Previous Financial year 18 months vis-à-vis current financial year 12 month)

*resigned w.e.f. April 22, 2016
**appointed w.e.f. May 30, 2016
***appointed w.e.f. May 15, 2015
****resigned w.e.f. November 10, 2017

(iii) The percentage increase in the median remuneration of employees in the financial year: 35% (Previous year financial period 18 months vis-à-vis current financial period of 12 months)

(iv) There were 37 permanent employees on the rolls of the Company as on 31st March, 2017.

(v) The explanation on the relationship between average increase in remuneration and company performance –

Remuneration of employees has a close linkage with the performance of the Company. The performance pay policy links the performance pay of each officer to his/her individual, business unit and overall Company's performance on parameters aligned to Company's objectives.

vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

(Amount in ₹)

Particulars	Mr. Kishor Kumar Mohanty, Managing Director	Mr. Kaushik Chaudhuri, Chief Financial Officer	*Ms. Renuka Matkari, Company Secretary
Remuneration in FY 2016-17	2,28,72,200	61,95,286	15,50,440
Revenue	1,89,82,02,000	1,89,82,02,000	189,82,02,000
Remuneration as a % of revenue	1.20%	0.33%	0.08%
Profit before Tax (PBT)	19,21,10,000	19,21,10,000	19,21,10,000
Remuneration (as % of PBT)	11.91%	3.22%	0.81%

*resigned w.e.f. November 10, 2017

Mr. Monesh Bhansali resigned as the Chief Financial Officer w. e. f. April 22, 2016

(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year

Particulars	As at 31st March 2017	As at 31st March 2016	Variation
Market Capitalization (₹ in crores)	383.32	462.41	-17.10%
Price Earnings Ratio	20.44	19.84	3.01%

Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Particulars	31st March 2017	March 2008 IPO Price	% Change
Market Price (BSE) in ₹	4.07	167	-97.56
Market Price (NSE) in ₹	4.05	167	-97.57

QIP not considered as public offer.

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ended 31st March 2017 was 62% whereas the increase in the managerial remuneration for the same financial year was 35%. (The increase is not comparable since the period of previous financial year is 18 months vis – a - vis the current financial period of 12 months, and appointment and resignation during the part of the year)

(ix) Ratio of Remuneration of Key Managerial Personnel (KMP) against the performance of the Company:

Wholetime Directors and KMPs	Remuneration (Amount in ₹)		Ratio to median remuneration	Change (%)	Ratio of 2016-17 to Remuneration to	
	1st April 2016 to 31st March 2017	1st October 2014 to 31st March 2016			Revenue	Net Profit
Mr. Kishor Kumar Mohanty, Managing Director	2,28,72,200/-	3,63,95,890/-	1:35 (Current)	(1%)	1.20%	12.20%
Mr. Kaushik Chaudhuri, Chief Financial Officer	61,95,286/-	-NA-	1:9.4 (Current)	NA	0.33%	3.30%
Ms. Renuka Matkari, Company Secretary	15,50,440/-	12,74,097/-	1:2.4	2%	0.08%	0.83%

Mr. Monesh Bhansali resigned as the Chief Financial Officer w. e. f. April 22, 2016

Ms. Renuka Matkari resigned as Company Secretary w.e.f. November 10, 2017

(x) The key parameters for any variable component of remuneration availed by the Directors:

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Governance, Nomination and Remuneration Committee as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

(xi) The ratio of remuneration of the highest paid Director to that employees who are not Directors but receive remuneration in excess of the highest paid Directors during year – Not Applicable

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

DIRECTORS'
REPORT

CERTIFICATE FROM THE PRACTISING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of Gammon Infrastructure Projects Limited
(CIN : L45203MH2001PLC131728)

I have examined the compliance of conditions of Corporate Governance by Gammon Infrastructure Projects Limited for the year ended 31st March 2017 as stipulated in Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations').

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the Regulations.

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

Veeraraghavan. N
Practising Company Secretary
C. P. No. 4334

Place: Mumbai
Date: November 20, 2017

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance leads to long-term shareholder value and enhances interests of all stakeholders. The Company considers Corporate Governance as a continuous journey and endeavors to improve its Corporate Governance performance with a view to earn trust and respect of all its stakeholders and to maintain a customer centric focus in all its dealings with the outside world.

BOARD OF DIRECTORS

Composition of the Board of Directors and attendance at the Board Meetings

The Board of Directors comprised of five Directors of which four are non-executive directors and one is an executive director. Out of the four non-executive directors three have been Independent directors. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations').

During the financial year ended 31st March, 2017 the Board met six (6) times on 30th May, 2016, 6th June, 2016, 25th August, 2016, 30th September, 2016, 14th December, 2016 and 7th February, 2017.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of other directorships and memberships of committees are given below:

Name of Director	Out of Six Board Meetings held during the financial year the director attended	Attendance at last AGM	No. of directorships in other public companies$	No. of committee positions held in public companies including the Company$$	
				Chairman	Memberships including chairmanships
Mr. Naresh Chandra* *Chairman*	6	Yes	8	1	10
Mr. Kishor Kumar Mohanty *Managing Director*	6	Yes	5	2	3
Mr. Abhijit Rajan *Non-Executive Director*	4	No	3	--	--
Mr. C.C. Dayal** *Independent Director*	5	Yes	3	4	6
Mr. S.C. Tripathi *Independent Director*	6	No	8	2	9
Ms. Homai A Daruwalla *Independent Director*	6	Yes	8	4	9

*Ceased to be the Director of the Company due to his demise on July 9, 2017.
**Resigned as a Director of the Company w. e. f. September 29, 2017.
$ excludes private, foreign and unlimited liability companies and companies registered under section 8 of the Companies Act, 2013.
$$ indicates membership of Audit & Stakeholders Relationship Committees across all public limited companies.

Mr. Sanjay Sachdev was appointed as Additional Director of the Company w. e. f. November 9, 2017 to hold office as Independent Director of the Company.

Mr. Vardhan Dharkar has been appointed as a director on November 20, 2017 to fill up the casual vacancy caused due to sad demise of Mr. Naresh Chandra. He holds office as Non-Executive Director liable to retire by rotation.

None of the Directors are related to each other in any manner.

Separate meeting of Independent Directors

The Independent Directors met on 7th February, 2017 to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

REPORT ON
CORPORATE GOVERNANCE

Familiarization programmes imparted to independent directors

The Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. It is also available on the Company website www.gammoninfra.com/corporate info/secretarial/polices.

Performance Evaluation

Pursuant to the provisions of Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation for the financial year of performances of the Directors individually as well as the evaluation of the working of its Board and their Committees.

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination & Remuneration Committee. The broad criteria followed for evaluation of performance of Directors includes aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role & accountability, knowledge & proficiency.

Code of Conduct

The code of conduct laid down by the Board of Directors is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website www.gammoninfra.com. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

COMMITTEES OF THE BOARD

1. **AUDIT COMMITTEE**

The Audit Committee comprised of four (4) members with majority being Independent Directors and the Chairman of the Audit Committee has been a Non-Executive & Independent Director.

Terms of Reference

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Section 177 of the Companies Act, 2013 (as amended from time to time) and Part C of Schedule II of Listing Regulations which, inter alia includes overseeing financial reporting process, reviewing periodic financial statements, financial results and auditor's report thereon, reviewing and monitoring the auditor's independence and performance and effectiveness of audit process discussions with Statutory and Internal Auditors. The Audit Committee inter alia performs the functions of approving Annual Internal Audit plan, approval of any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans & investments, management discussion and analysis of financial condition and results of operations, evaluation of internal financial controls, reviewing the functioning of the whistle blower mechanism. In addition, the powers and role of the Audit Committee are as laid down under Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013.

Composition and attendance

During the financial year, the Audit Committee met six (6) times. The meetings were held on 30th May, 2016, 6th June, 2016, 25th August, 2016, 14th December, 2016, 7th February, 2017 and 14th March, 2017. Necessary quorum was present at the meetings.

Sr. No.	Name	Designation	No. of Meetings attended
1	Mr. C.C. Dayal*	Chairman	5
2	Mr. Naresh Chandra**	Member	6
3	Mr. Sushil C. Tripathi***	Member	6
4	Ms. H.A. Daruwalla	Member	6
5	Mr. Kishor Kumar Mohanty****	Member	

*Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017
**Mr. Naresh Chandra ceased to be the member of the Committee due to his demise on July 9, 2017
***Designated as Chairman of the Committee w. e. f. November 9, 2017
****Appointed as Member of the Committee w. e. f. November 9, 2017

2. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

c. Devising a policy on diversity of board of directors;

d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

e. Whether to extend or continue the term of appointment of the independent director, on the basis of the report on performance evaluation of independent directors.

Composition and Attendance

The Nomination & Remuneration Committee met twice during the financial year, on 30th May, 2016 and 7th February, 2017.

Sr. No.	Name	Designation	No. of Meetings attended
1	Mr. C.C. Dayal*	Chairman	2
2	Mr. Sushil C. Tripathi	Member	2
3	Ms. H.A. Daruwalla	Member	2

*Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017

Remuneration Policy:

The remuneration of the Managing Director is recommended by the Nomination & Remuneration Committee (N&RC) to the Board for approval after considering the relevant factors such as functions, role and responsibilities, comparison with the remuneration paid by peer companies, industry benchmarking, regulatory guidelines as applicable, etc. The Board considers the recommendations of N&RC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals. The remuneration structure comprises salary, allowance, contribution to provident fund and gratuity.

The Non-Executive Directors do not draw any remuneration from the Company. The Non-Executive Directors are paid sitting fees for their commitment towards attending the meetings of the Board/Committees and commission on the basis of their performance as may be determined by the Board from time to time.

Details of remuneration paid to the Managing Director during the period and shareholding in the Company as on 31st March, 2017:

Name	Salary (₹)	Benefits (₹)	Total (₹)	Total number of shares held
Mr. Kishor Kumar Mohanty	22,872,200	720,000	23,592,200	2,603,456

Details of payments made to Non-Executive Directors during the year 2016-17 and their shareholding in the Company, as on 31st March, 2017:

REPORT ON
CORPORATE GOVERNANCE

Name	Sitting fees (₹)	Commission* (₹)	Total number of shares held
Mr. Naresh Chandra	6,00,000	3,00,000	Nil
Mr. Abhijit Rajan	2,00,000	NA	60,00,000
Mr. C. C. Dayal	6,50,000	3,00,000	50,000
Mr. Sushil Chandra Tripathi	7,50,000	3,00,000	Nil
Ms. Homai A. Daruwalla	7,50,000	3,00,000	541

*Commission for the period 1st October 2014 to 31st March, 2016 was paid to Non-Executive Directors, under Section 197 and 198 of the Companies Act, 2013 during the financial year 2016-17.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference

1. Redressing complaints from shareholders such as non-receipt of dividend, annual report, transfer of shares and issue of duplicate share certificates;

2. Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by the Company;

3. Issues relating to the relationship of the Company with its Share Transfer Agents, including appointment of, termination of agreement with Share Transfer agents.

Composition and Attendance

Sr. No.	Name	Designation
1	Mr. C.C. Dayal*	Chairman
2	Ms. H.A. Daruwalla	Member

*Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017

No meetings of this Committee were held during the financial year.

During the year, the Company has received 6 (six) complaints which were resolved on time and no complaint has remained pending at the end of the year. The status of complaints is periodically reported to the committee and Board of directors in their meetings.

Pursuant to Regulation 6 of Listing Regulations, Mr. Kaushal Shah, Company Secretary, acts as the Compliance Officer and Secretary to the Committee.

4. COMPENSATION COMMITTEE

Terms of reference

To administer the "Employee Stock Options Scheme" and related issues.

Composition and Attendance

Sr. No.	Name	Designation
1	Mr. C.C. Dayal*	Chairman
2	Ms. H.A. Daruwalla	Member
3	Mr. Kishor Kumar Mohanty	Member

*Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017

No meetings of this Committee were held during the financial year.

5. PROJECT COMMITTEE

Terms of reference

To evaluate and decide the business opportunities that the Company might want to take up, with emphasis on infrastructure related BOT/BOOT and allied projects from the point of:

(a) assessment and minimization of legal and business risk;

(b) business/consortium partners;

(c) terms of engagement with consortium partners, technology providers and other service providers, including the costs thereof;

(d) economic benefits and business positioning of the Company.

Composition and Attendance

Sr. No.	Name	Designation
1	Mr. Abhijit Rajan	Member
2	Mr. Kishor Kumar Mohanty	Member
3	Mr. Monesh Bhansali*(CFO)	Member

*resigned as CFO w.e.f. 22.04.2016

No meetings of this Committee were held during the financial year.

6. PROJECTS REVIEW COMMITTEE

The Projects Review Committee comprises of two independent Directors viz: Mr. C.C. Dayal and Mr. S.C. Tripathi to review the implementation and working of projects under development and operation. Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017.

No meetings of this Committee were held during the financial year.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference

(i) to formulate and recommend to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time;

(ii) amount of expenditure to be incurred on the activities pertaining to CSR; and

(iii) monitoring CSR Projects.

Composition and Attendance

No meetings of the CSR Committee were held during the financial year.

Sr. No.	Name	Designation
1	Ms. Homai A. Daruwalla	Chairperson
2	Mr. Kishor Kumar Mohanty	Member
3	Mr. C. C. Dayal*	Member

*Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017

REPORT ON
CORPORATE GOVERNANCE

8. RISK MANAGEMENT COMMITTEE

The Board has constituted Risk Management Committee to monitor and review the risk management plan for the Company. The Committee comprised of Mr. C.C. Dayal, Ms. H.A. Daruwalla and Mr. Kishor Kumar Mohanty. No meetings of this Committee were held during the financial year. Mr. C. C. Dayal ceased to be the member of the Committee upon resignation as a Director w. e. f. September 29, 2017.

9. QIP COMMITTEE

No meetings of this Committee were held during the financial year. The Board of Directors at their meeting held on June 6, 2016 dissolved the QIP Committee.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGMs) are as follows:

AGM	Year	Date	Time	Venue	Special Resolution passed
13th	1st April, 2013 to 31st December, 2013	30th June, 2014	3.30 p.m.	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani road, Prabhadevi, Mumbai – 400025	a. re-appointment of Mr. Kishor Kumar Mohanty as the "Managing Director of the Company for a period of three years effective from April 12, 2014 b. re-appointment of Mr. Parag Parikh as a "Whole Time Director" of the Company for a period of three years commencing from August 25, 2014
14th	1st January, 2014 to 30th September, 2014	31st March, 2015	11.00 a.m.	Kohinoor Hall, 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai-400025	a. ratification of placement of inter corporate deposit by the Company with Gorakhpur Infrastructure Company Limited b. ratification of placement of inter corporate deposit by Mumbai Nasik Expressway Limited with the Company c. ratification of issue of bank guarantee by the Company in favour of Mumbai Nasik Expressway Limited d. ratification of inter corporate deposit by Vizag Seaport Private Limited with the Company e. increase in authorized share capital of the Company
15th	1st October, 2014 to 31st March, 2016	30th September, 2016	3.30 p.m.	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani road, Prabhadevi, Mumbai – 400025	a. approval of waiver of the recovery of remuneration of Mr. Kishor Kumar Mohanty, Managing Director of the Company for the period from 1st October 2014 to 31st March 2016 b. approval of waiver of the recovery of remuneration of Mr. Kishor Kumar Mohanty, Managing Director of the Company for the period from 1st January 2014 to 30th September 2014 c. approval of waiver of the recovery of remuneration of Mr. Parag Parikh, erstwhile Whole Time Director of the Company for the period from 1st January 2014 to 30th September 2014 d. increase in limits of investments in other bodies corporate

Postal Ballot

During the financial year, no approval of the shareholders was taken through the postal ballot. At present there is no proposal for Postal Ballot. Hence the procedure for Postal Ballot is not laid down.

DISCLOSURES

The Company has complied with all the mandatory requirements as laid down under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Regulations.

The Company's policy on "material subsidiary" and policy on dealing with "related party transactions" respectively have been placed on the Company's website and can be accessed through weblink – www.gammoninfra.com.

All mandatory Accounting Standards have been followed in preparation of financial statements and no deviation has been made in following the same.

There have been no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Transactions with related party set out in Notes to Accounts, forming part of the Annual Report.

The Stock Exchanges had levied penalty for non-compliance of Listing Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been paid by the Company, details as below:

Amount of Penalty (₹)

Financial Year	The National Stock Exchange of India Limited	BSE Limited
1st October, 2014 to 31st March, 2016	35,000.00/-	40,250.00/-
1st April, 2016 to 31st March, 2017	1,978,661.00/-	2,275,911.30/-
Total	**2,013,661.00/-**	**2,316,161.30/-**

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.

The Company has adopted the Whistle Blower Policy in accordance with the provisions of the Listing Agreement and applicable law in this behalf, for reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. No personnel have been denied access to the Audit Committee.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: None

CEO/CFO Certification

Certification on financial statements pursuant to Regulation 17(8) of the Listing Regulations has been obtained from the Managing Director and Chief Financial Officer.

PREVENTION OF INSIDER TRADING CODE

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of Regulations 8(1), 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015. All the Directors, employees at senior management level and other employees who could have access to unpublished price sensitive information of the Company are governed by this Code.

MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published in the newspapers. During the Period, the Company had published the results in Business Standard and Free Press Journal (English) and Nav Shakti times (Marathi). The said results are also displayed on Company's website. Press releases made by the Company are informed to the Stock Exchanges and are also uploaded on the website of the Company.

REPORT ON
CORPORATE GOVERNANCE

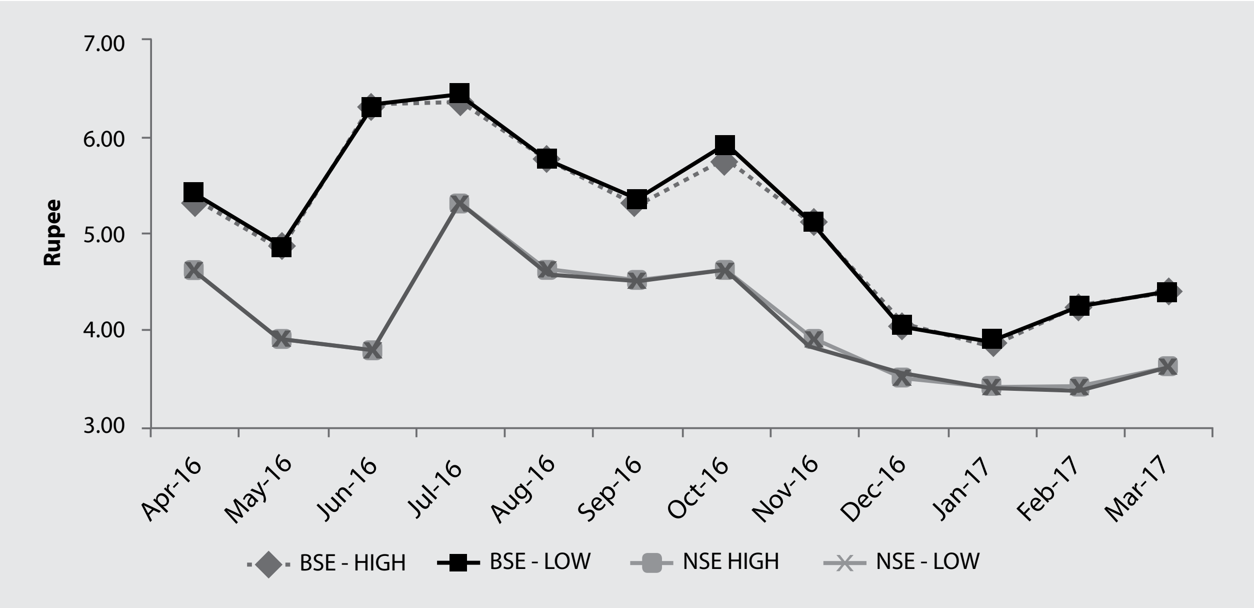
GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Day, Date, Time and Venue	Tuesday, December 19, 2017, 11:00 am. Hotel Kohinoor Park, Empress Hall, 1st Floor, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025
Financial Calendar First quarterly results Second quarterly results Third quarterly results Year ending March, 2018	 July 27, 2017 November 13, 2017 On or before February 14, 2018 On or before May 30, 2018
Dividend Payment Date	The Company has not recommended any dividend for the financial year
Registered Office and CIN	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025 CIN:L45203MH2001PLC131728
Corporate Office	Orbit Plaza, 5th Floor, Plot No.952/954, New Prabhadevi Road, Prabhadevi, Mumbai – 400025
Phone, Fax, E-mail	Phone (022) 67487200; Fax (022) 67487201; E-mail:compliances@gammoninfra.com; Website: www.gammoninfra.com
Plant Location	None
Registrar and Share Transfer Agents	Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai – 400083
Listing on the Stock Exchanges	BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) The Annual listing fees have been paid to both the Stock Exchanges BSE: 532959 and NSE: GAMMNINFRA INE181G01025

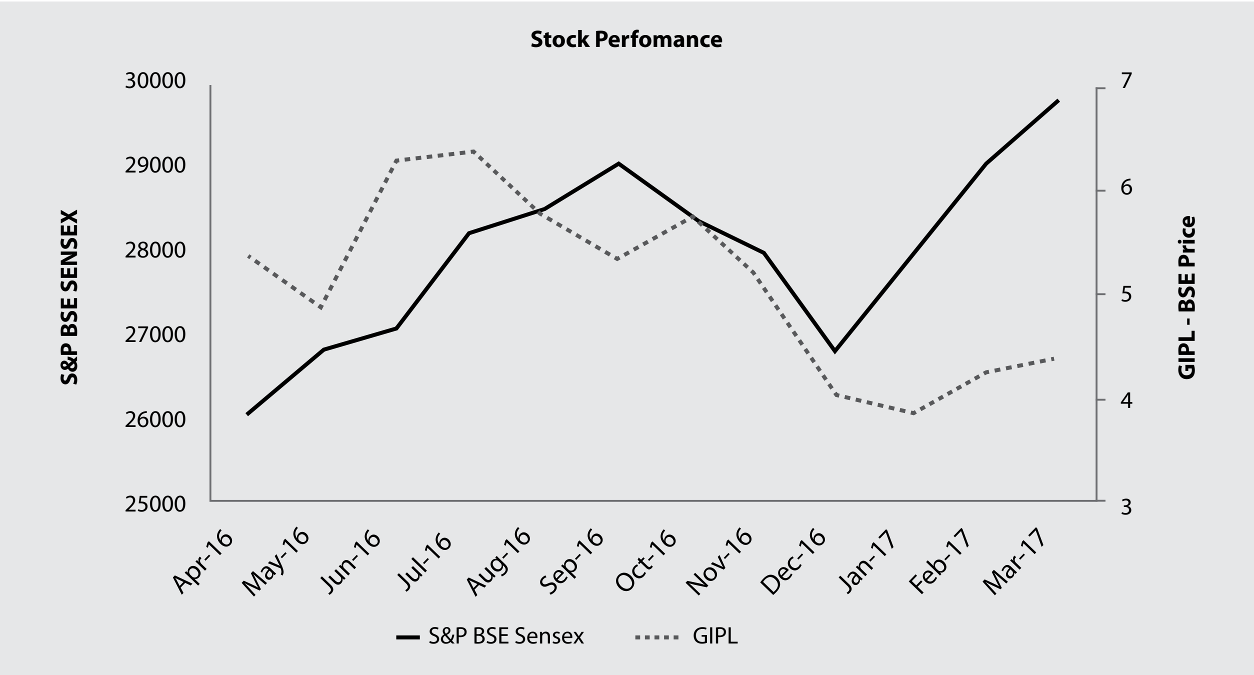
Stock market price data for the period: 01.04.2016 to 31.03.2017

Month	**National Stock Exchange of India Limited**		**BSE Limited**	
	High (₹)	**Low (₹)**	**High(₹)**	**Low(₹)**
April 2016	5.40	4.60	5.37	4.62
May 2016	4.85	3.90	4.84	3.90
June 2016	6.30	3.80	6.32	3.80
July 2016	6.45	5.30	6.39	5.30
August 2016	5.75	4.65	5.75	4.62
September 2016	5.35	4.55	5.32	4.51
October 2016	5.90	4.60	5.75	4.62
November 2016	5.10	3.85	5.08	3.89
December 2016	4.05	3.55	4.03	3.51
January 2017	3.90	3.40	3.87	3.41
February 2017	4.25	3.45	4.25	3.41
March 2017	4.40	3.60	4.40	3.62

GIPL Comparative High Low price on NSE & BSE – Graph



Share Price Performance in comparison to S & P BSE Sensex



Share Transfer System

The Stakeholders Relationship Committee looks after the share transfer system and other related issues in tandem with the Registrar and Share Transfer Agents.

REPORT ON CORPORATE GOVERNANCE

Distribution of Shareholding as on March 31, 2017

No. of Equity Shares	Shareholders		No. of Shares	% of Total
	Number	% to Total		
1- 500	25162	49.27	5008211	0.53
501 – 1000	9560	18.72	7378828	0.79
1001 – 2000	6552	12.83	9653131	1.03
2001 – 3000	3275	6.41	8298117	0.88
3001 – 4000	1136	2.23	4089272	0.43
4001 – 5000	1271	2.49	6130632	0.65
5001 – 10000	2008	3.93	15381576	1.63
10001 and above	2103	4.12	885890957	94.06
Total	**51067**	**100.00**	**941830724**	**100.00**

Shareholding Pattern as on March 31, 2017

Category	Number of Shares Held	% of capital
A) Promoter's Holding		
1. Indian		
Individual/HUF	Nil	Nil
Central/State Government	Nil	Nil
Bodies Corporate	550400000	58.44
Financial Institutions/Banks	Nil	Nil
Any Other	Nil	Nil
2. Foreign Promoters		
Individual	Nil	Nil
Bodies Corporate	Nil	Nil
Institutions	Nil	Nil
Any Other	Nil	Nil
Sub – Total (A) (1+2)	550400000	58.44
B) Public Holding		
1. Institutions		
Mutual Funds and UTI	125798644	13.36
Banks/ Financial Institutions	9406307	1.00
Insurance Companies (Central / State Government Institutions / Non – Government Institutions)	Nil	Nil
Foreign Portfolio Investor	52022114	5.52
Venture Capital Funds	Nil	Nil
Sub – Total (B)(1)	**187227065**	**19.88**
2. Non Institutions		
Bodies Corporate	48259299	5.12
Individuals		
(i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	82031620	8.71
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	45474742	4.83

Category	Number of Shares Held	% of capital
Any other		
(i) NRIs / OCBs /Foreign Nationals	4713768	0.51
(ii) Directors & Relatives	8653997	0.92
(iii) Clearing Member	7755133	0.82
(iv) Office Bearers	1362054	0.14
(v) Trusts	1515	0.00
(vi) Hindu Undivided Family	5951531	0.63
Sub – Total (B) (2)	**204203659**	**21.68**
Sub – Total (B) (1+2)	**391430724**	**41.56**
Shares held by Custodians and against which Depository Receipts have been received	-	-
GRAND TOTAL	**941830724**	**100.00**

Dematerialization of Shares

The break- up of Company's shares in physical / dematerialized form as on 31st March, 2017 is as under:

Particulars	No. of Equity Shares	% to Share Capital
Electronic	941828005	99.99971
Physical	2719	0.00029
Total	**941830724**	**100.00**

The free float of the Company's as on 31st March, 2017 is 41.56%.

Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account

In accordance with the requirement of Regulation 34 (3) and Part F of Schedule V of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Sr. No	Particulars	Cases	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 01.04.2016	22	19,455
2	Number of shareholders who approached for transfer of shares from unclaimed suspense account during the year	-	-
3	Number of shareholders to whom shares were transferred from Unclaimed suspense account during the year	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31.03.2017	22	19,455

Address for Correspondence
All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:
Mr. Kaushal Shah
Compliance Officer
Gammon Infrastructure Projects Limited
Orbit Plaza, 5th Floor, Plot no. 952 / 954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025.
Telephone : 022-67487200
The Company has separate email ID to resolve investor's grievances: compliances@gammoninfra.com

Mumbai, November 20, 2017

REPORT ON
CORPORATE GOVERNANCE

Declaration

This is to affirm that the Board of Directors of Gammon Infrastructure Projects Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Regulation 26 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the Board of Directors and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said Code for the financial year ended 31st March, 2017.

Kishor Kumar Mohanty
Mumbai, November 20, 2017 Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gammon Infrastructure Projects Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Gammon Infrastructure Projects Limited, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (as defined in the Companies (Indian Accounting Standards) Rules, 2015, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon. The respective Governing Bodies of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis of Qualified Opinion

a. Attention is invited to note 24 (a) to the Statement relating to the excess managerial remuneration paid of ₹ 388.45 lacs for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which

INDEPENDENT AUDITOR'S REPORT

has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 388.45 lacs. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of ₹ 388.45 lacs. Pending the same no adjustments have been made to the consolidated Ind AS financial statements . Subject to the outcome of the application made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the consolidated Ind AS financial statements for the remuneration of the current period. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016.

b. We invite attention to Note no 36 relating to the recoverability of the Insurance claim in respect of one of the subsidiaries of the Company. In the absence of any intimation of acceptance of the claim or receipt of any survey report findings we are unable to comment upon the recoverability of the amount of Insurance claim aggregating to ₹ 520 lacs. The Management is confident that its claim will be approved and the insurance claim will be realised.

Opinion

Except for the possible effects arising out of the matters mentioned in our basis for qualified opinion mentioned hereinabove, In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Emphasis of Matter

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

a. We invite attention to Note 37 of the consolidated Ind AS financial statements , regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. The Company's exposure towards the said project (funded and non-funded) is ₹ 2,588.40 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b. We invite attention to Note 38 of the consolidated Ind AS financial statements , in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and is also exploring legal steps. The Company's exposure towards the said project includes investment and loans and advances of 7110.91 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements

c. We invite attention to Note 39 of the consolidated Ind AS financial statements , in connection with an amount invested (including deposits and advances given) in a joint venture of ₹ 12,632.78 lacs (funded and non-funded). As mentioned in the said note a draft supplementary agreement has been discussed between the parties under which the project would go for a re-bid and the SPV has a Right Of First Refusal. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV Company. Pending execution of the supplementary agreement and the conclusion of the Re-bid, no adjustments have been made in the financial statements

d. We invite attention to Note 40 of the consolidated Ind AS financial statements , in respect of a tolling bridge project in Andhra Pradesh where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. Pending conclusions no adjustments have been made in the financial statements. The Company's exposure towards the project/SPV is ₹ 92560 lacs (funded and non-funded).

e. We invite attention to Note 41 of the consolidated Ind AS financial statements , in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The exposure of the company in the SPV is ₹ 16,062.44 lacs (including Bank guarantee of ₹8420.00 Lakhs). Pending conclusions no adjustments have been made in the financial statements.

f. We invite attention to Note No 42 an annuity project of the Company where the SPV has accounted for the asset as a financial asset. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the proposed S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is ₹ 118269.72 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 173,164.77 lacs as at March 31, 2017, total revenues of ₹ 20,796.57 lacs and net cash flow amounting to ₹ (198.31) lacs for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated Ind AS financial statements . The consolidated Ind AS financial statements also includes the Group's share of net profit after tax of ₹8.65 lacs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 Jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates in India, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 1,242.65 lacs as at March 31, 2017, total revenues of ₹ 2.49 lacs and net cash flow amounting to ₹ (25.07) lacs for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these 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 associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section143 of the Act, we report, to the extent applicable, that:

    (a) We / the other auditors whose reports have relied upon have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph obtained all the information and explanations, which to the best of

INDEPENDENT AUDITOR'S REPORT

our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 34 to the consolidated Ind AS financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

   iv. The Company has provided requisite disclosures in its Consolidated Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company and its Indian subsidiaries. Refer Note 8.3 to the Consolidated Ind AS Financial Statements.

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: June 18, 2017

ANNEXURE A

Annexure - A to the Auditors' Report

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

(We have audited the internal financial controls over financial reporting of consolidated Ind AS financial statements of Gammon Infrastructure Projects Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India as of March 31, 2017 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

ANNEXURE A

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 30 subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditors' of such company.

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: June 18, 2017

BALANCE SHEET
as at March 31, 2017

(₹ in lacs)

Particulars			Note Ref	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
ASSETS						
(1)	Non-Current Assets					
	(a)	Property, Plant and Equipment	3	24,605.50	25,710.21	5,030.24
	(b)	Capital Work in progress	4	8,540.77	8,405.79	29,462.29
	(c)	Goodwill on consolidation	5	3,274.42	3,274.42	6,006.80
	(d)	Other Intangible Assets	6	191,809.17	195,212.37	172,130.93
	(e)	Intangible Assets under development	7	72,341.79	50,123.78	113,152.04
	(f)	Financial Assets	8			
		(i) Investments	8.1	3,677.09	6,232.12	4,914.01
		(ii) Trade Receivables	8.2	100,396.79	114,057.79	228,313.97
		(iii) Loans	8.4	311.59	400.72	1,824.99
		(iv) Others	8.5	9,721.46	3,962.07	966.48
	(g)	Defferred Tax assets (net)	9	2,797.61	2,385.53	4,255.23
	(h)	Other Non Current Assets	10	6,436.54	5,920.61	17,882.44
		Total Non - Current Assets (A)		**423,912.73**	**415,685.41**	**583,939.42**
(2)	Current Assets					
	(a)	Inventories	11	1,280.67	329.12	614.65
	(b)	Financial Assets				
		(i) Investments	8.1	14,738.80	2,338.19	3,394.00
		(ii) Trade Receivables	8.2	34,361.60	6,576.81	2,096.47
		(iii) Cash and cash equivalents	8.3	3,018.87	7,573.03	5,054.87
		(iv) Bank balance other than above	8.3	12.37	32,230.45	925.10
		(v) Loans	8.4	5,035.75	6,135.47	6,398.05
		(vi) Others	8.5	1,904.33	1,978.05	2,777.83
	(c)	Other Current Assets	10	2,529.72	1,910.07	4,545.39
		Total Current Assets (B)		**62,882.10**	**59,071.19**	**25,806.36**
		Total Assets (A+B)		**486,794.83**	**474,756.60**	**609,745.78**
EQUITY AND LIABILITIES						
(1)	Equity					
	(a)	Equity Share capital	12	18,917.64	18,916.44	18,845.04
	(b)	Other Equity	13	46,374.68	56,815.45	72,810.47
		Equity attributable to equity holders of the parent (A)		**65,292.32**	**75,731.89**	**91,655.51**
	(c)	Non-Controlling interests	14	4,943.04	6,691.14	15,883.40
		Total Equity (B)		**70,235.36**	**82,423.03**	**107,538.91**
(2)	Non-Current Liabilites					
	(a)	Financial Liabilities	15			
		(i) Borrowings	15.1	254,988.59	235,525.70	330,094.60
		(ii) Other Financial Liabilities	15.2	74,517.39	66,778.84	64,661.64
	(b)	Provisions	16	2,110.52	1,528.23	4,151.06
	(c)	Deffered Tax Liabilities (Net)	17	5,709.43	3,171.67	6.61
	(d)	Other Non-Current Liabilities	18	40,152.49	30,907.96	16,772.59
		Total Non-Current Liabilities (C)		**377,478.42**	**337,912.40**	**415,686.50**
(3)	Current Liabilities					
	(a)	Financial Liabilities	15			
		(i) Borrowings	15.3	7,121.40	10,803.03	6,446.59
		(ii) Trade Payables	15.4	6,446.86	11,406.21	2,455.66
		(iii) Other Financial Liabilities	15.2	21,818.07	28,495.10	59,341.40
	(b)	Provisions	16	195.07	333.73	11,523.53
	(c)	Current tax liabilitites	19	1,847.57	2,068.27	1,837.54
	(d)	Other Current Liabilities	18	1,652.08	1,314.83	4,915.65
		Total Current Liabilities (D)		**39,081.05**	**54,421.17**	**86,520.37**
		TOTAL EQUITY AND LIABILITIES (A+B+C+D+E)		**486,794.83**	**474,756.60**	**609,745.78**

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

PROFIT & LOSS ACCOUNT
for year ended March 31, 2017

(₹ in lacs)

	Particulars	Note Ref	2016-17 12 months	2015-16 18 months
I	**Revenue from Operations**	20	66,346.43	157,654.15
II	**Other Income:**	21	2,239.38	4,158.28
III	**Total Income (I +II)**		**68,585.81**	**161,812.43**
IV	**Expenses:**			
	Project expenses	22	31,241.36	88,279.95
	Changes in inventory of consumables	23	2,600.98	1,412.54
	Employee benefit expenses	24	1,932.18	3,881.94
	Depreciation & amortization	25	4,951.03	9,996.03
	Finance Costs	26	31,223.60	64,309.68
	Other expenses	27	3,765.69	5,111.25
	Total Expenditure		**75,714.85**	**172,991.40**
	Profit before exceptional Item and tax (III-IV)		(7,129.04)	(11,178.97)
	Exceptional items Income / (Expense)	28	241.00	(5,792.52)
	Profit/(Loss) from ordinary activities before tax		**(6,888.04)**	**(16,971.49)**
	Tax expenses	29		
	Current Tax		582.45	2,582.40
	Short Provision for Tax		-	11.18
	Deferred Tax Liability / (asset)		2,122.13	1,520.10
	Total tax expenses		**2,704.58**	**4,113.69**
	Net Profit/(Loss) for the period after tax		**(9,592.62)**	**(21,085.18)**
	Share of profit / (loss) of an associate and joint venture		(2,561.43)	715.78
	Non-Controlling Interest		(1,748.10)	171.96
	Net Profit / (Loss) after tax, NCI and share of profit / (loss) of associates and joint venture		**(10,405.95)**	**(20,541.36)**
	Other Comprehensive Income			
	Remeasurement of defined benefit plans		6.34	30.50
	Deffered tax effect thereon		(2.82)	(10.01)
	Other comprehensive income /(loss) for the year		3.53	20.49
	Total Comprehensive income/(loss) for the year		(10,402.42)	(20,520.87)
	Earnings per equity share [nominal value of share ₹ 2/-]	30		
	Basic		(1.10)	(2.18)
	Diluted		(1.10)	(2.18)

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

For and on behalf of the Board of Directors of Gammon Infrastructure Projects Limited

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

CASH FLOW STATEMENT
for year ended March 31, 2017

Particulars	For the twelve months ended 31 March 2017	For the eighteen months ended 31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per statement of profit and loss	(6,888.04)	(16,971.49)
Adjusted for:		
Employee Stock Options	-	(16.90)
Exception Items	-	5,792.52
Depreciation	4,951.03	9,996.03
Finance Cost	26,748.62	50,212.97
Interest on deferred liability payment	3,601.76	13,000.34
Finance Income	(12,546.37)	(24,590.14)
Interest Income	(892.27)	(790.71)
Fair value/profit on investment	(175.25)	(340.32)
Provision for periodic/opertion and maintenance exp	418.82	(13,794.29)
Operating Profit before Working Capital Changes	**15,218.29**	**22,498.01**
Adjusted for:		
Trade and Other Receivables	30,293.05	(17,265.67)
Inventories	(951.55)	284.44
Trade and Other Payables	(2,388.99)	21,530.68
Cash Generated from operations	**42,170.80**	**27,047.46**
Tax Paid (Net)	(182.77)	(1,444.89)
Net Cash flow from Operating Activities	**41,988.03**	**25,602.57**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	(28,362.14)	(23,714.03)
Purchase of Current Investment	(44,109.10)	(55,873.31)
Proceeds from sale of Current Investments	31,877.34	55,235.54
Advance for purchase of shares	(3,750.00)	(1,156.51)
Movement in Other Bank Balances	(2,009.39)	(1,839.09)
Refund of Intercorporate deposit	1,000.00	24,660.59
Proceeds from Sale of divestment of Subsidiaries	-	13,816.47
Interest Received	911.40	649.13
Net Cash Flow (Used in) Investing Activities	**(44,441.88)**	**11,778.80**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	1.20	71.40
Share Application Money	(100.00)	(490.01)
Proceeds from Long Term Borrowings	24,364.55	63,599.33
Repayment of Long Term Borrowings	(4,503.96)	(39,852.05)
Short Term Borrowings net	(3,681.63)	4,356.44

CASH FLOW STATEMENT
for year ended March 31, 2017

Particulars	For the twelve months ended 31 March 2017	For the eighteen months ended 31 March 2016
Repayment of deferred payment liabilities	(2,619.44)	(11,545.36)
Interest Paid	(15,561.03)	(51,002.95)
Net Cash Flow from/(Used in) financing activities	**(2,100.30)**	**(34,863.20)**
Net (decresae)in Cash and Cash equivalents	**(4,554.15)**	**2,518.17**
Opening balance of Cash and Cash equivalents	7,573.03	5,054.87
Closing balance of Cash and Cash equivalents	**3,018.87**	**7,573.03**
Components of Cash and Cash Equivalents		
Cash on hand	19.27	46.13
cash with bank	2,999.60	3,523.45
Deposit with original maturity of less than 3 months	-	4,003.45
	3,018.87	**7,573.03**

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

A Equity

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 2014	
	Number of Shares	₹ in lacs	Number of Shares	₹ in lacs	Number of Shares	₹ in lacs
Equity shares of INR 2 each issued, subscribed and fully paid						
Balance at the beginning of the reporting period	941,770,724	18,835.41	938,200,724	18,764.01	734,026,438	14,681
Changes in equity share capital during the year						
- issued during the reporting period	60,000	1.20	3,570,000	71.40	204,174,286	4,083
	941,830,724	**18,836.61**	**941,770,724**	**18,835.41**	**938,200,724**	**18,764**
ADD:						
Shares forfeited	1,62,050	81.03	1,62,050	81.03	1,62,050	81.03
Balance at the end of Reporting period	**-**	**18,917.64**	**-**	**18,916.44**	**-**	**18,845.04**

B Other Equity

Particulars	Retained Earnings	General Reserve	Security Premium Reserve	Other Comprehensive Income	Employee Stock Option Outstanding	Capital Grant	Total
Balance as per Previous GAAP	**(536.41)**	**3,132.48**	**56,195.23**	**-**	**199.55**	**17,285.34**	**76,276.19**
Adjustments:	**-**	**-**	**-**	**-**	**-**	**-**	
Share of Profit of JVs	(195.68)	-	-	-	-	-	(195.68)
Effects of INDAS 109	9,518.57	-	-	-	-	-	9,518.57
Deferred tax impact of SPVs	(3,791.28)	-	-	-	-	-	(3,791.28)
Application of Service Concession Agreement	7,363.99	-	-	-	-	-	7,363.99
Changes in Minority interest	(105.44)	-	-	-	-	-	(105.44)
Others	478.22	-	-	-	-	-	478.22
IND AS 19 - Employee benefits	(30.72)						(30.72)
Indas 20 Grant accounting	551.24	-	-	-	-	(17,285.34)	(16,734.10)
Remeasurement gain/(loss) on defined benefit plans	-	-	-	39.69	-	-	39.69
Less deferred tax liability on above	-	-	-	(-8.97)	-	-	(8.97)
Balance as at October 1, 2014 as per IND AS	**13,252.49**	**3,132.48**	**56,195.23**	**30.72**	**199.55**	**-**	**72,810.47**
Profit for the year	**(20,541.36)**	**-**	**-**	**-**	**-**	**-**	**(20,541.36)**
Adjustments:							
Adjustment of additional depreciation	(11.15)	-	-	-	-	-	(11.15)
Less:	-	-	-	-	-	-	-
Others	517.17	-	-		-	-	517.17
Indas 20 Grant accounting	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Retained Earnings	General Reserve	Security Premium Reserve	Other Comprehensive Income	Employee Stock Option Outstanding	Capital Grant	Total
Capital reserve of divested subsidiaries transferred	4,036.71	-	-	-	-	-	4,036.71
General reserve of divested subsidiaries transferred	3,108.53	(3,108.53)	-	-	-	-	-
Transferred on account of Premium on issue of ESOP	-	-	174.24	-	(174.24)	-	-
Employee stock options forfeited	-	-	-	-	(59.52)	-	(59.52)
Deferred Employee Stock : Charge for the period	-	-	-	-	42.62	-	42.62
Remeasurement gain/(loss) on defined benefit plans	-	-	-	30.50	-	-	30.50
Less deferred tax liability on above	-	-	-	(10.01)	-	-	(10.01)
Balance as at 31 March 2016	**362.40**	**23.95**	**56,369.47**	**51.21**	**8.42**	**-**	**56,815.45**
Profit for the year	**(10,405.95)**	**-**	**-**	**-**	**-**	**-**	**(10,405.95)**
others	(38.35)	-	-	-	-	-	(38.35)
Remeasurement gain/(loss) on defined benefit plans	-	-	-	6.34	-	-	6.34
Less deferred tax liability on above	-	-	-	(2.82)	-	-	(2.82)
Balance as at 31 March 2017	**(10,081.90)**	**23.95**	**56,369.47**	**54.74**	**8.42**	**-**	**46,374.68**

A Corporate Information

Gammon Infrastructure Projects Limited ("the Company" or "Parent" or "GIPL") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400025 . The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is engaged in infrastructure sector formed primarily to develop, invest in and manage various initiatives in the infrastructure sector. It is presently engaged in the development of various infrastructure projects in sectors like transportation, energy and urban infrastructure These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2017 were authorised for issue in accordance with resolution of the Board of Directors on June 18, 2017.

B Significant Accounting Policies

I Basis of Preparation

"These financial statements are Consolidated Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods upto and including the year ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rule, 2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP)."

The financial statements for the year ended March 31, 2017 are the first period for which the Company has prepared in accordance with Ind AS . The previous period comparatives for the eighteen months period ended March 31, 2016 which were earlier prepared as per IGAAP have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore October 1, 2014 for which the Opening Balance Sheet is prepared.

The Consolidated financial statements are presented in INR and all values are rounded to the nearest Rupees in lacs, except otherwise stated.
Accounting policies have been consistently applied except where a 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 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 realisability 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.

II Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries 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 2017

(i) Consolidation procedure

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full, except as stated below Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

The Build, Operate and Transfer (BOT) / Design, Build, Finance, Operate and Transfer (DBFOT) contracts are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised. Accordingly, BOT / DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT / DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

(ii) Non-controlling interests in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributed to non controlling interests at the date on which investment in a subsidiary relationship came into existence;

b) The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;

c) Non-controlling interest share of net profit/ (loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group."

Sr No	Name of the Entity	Relationship	Proportion of ownership interest either directly or indirectly		
			As on March 31, 2017	As on March 31, 2016	As on October 1, 2014
1	Gammon Infrastructure Projects Limited	Holding	100.00%	100.00%	100.00%
2	Andhra Expressway Limited ('AEL') upto February 28, 2016	Subsidiary	0.00%	0.00%	100.00%
3	Aparna Infraenergy India Private Limited ('AIIPL') upto February 28, 2016	Subsidiary	0.00%	0.00%	100.00%
4	Birmitrapur Barkote Highway Private Limited ('BBHPL')	Subsidiary	100.00%	100.00%	100.00%
5	Cochin Bridge Infrastructure Company Limited ('CBICL')	Subsidiary	97.66%	97.66%	97.66%
6	Gammon Logistics Limited ('GLL')	Subsidiary	100.00%	100.00%	100.00%
7	Gammon Projects Developers Limited (GPDL')	Subsidiary	100.00%	100.00%	100.00%
8	Gammon Renewable Energy Infrastructure Projects Limited ('GREIPL')	Subsidiary	100.00%	100.00%	100.00%
9	Gammon Road Infrastructure Limited ('GRIL')	Subsidiary	100.00%	100.00%	100.00%
10	Gammon Seaport Infrastructure Limited ('GSIL')	Subsidiary	100.00%	100.00%	100.00%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Sr No	Name of the Entity	Relationship	Proportion of ownership interest either directly or indirectly		
			As on March 31, 2017	As on March 31, 2016	As on October 1, 2014
11	Gorakhpur Infrastructure Company Limited ('GICL') upto February 28, 2016	Subsidiary	0.00%	0.00%	96.53%
12	Haryana Biomass Power Limited ('HBPL')	Subsidiary	100.00%	100.00%	100.00%
13	Jaguar Projects Developers Limited ('JPDL')	Subsidiary	100.00%	100.00%	100.00%
14	Kosi Bridge Infrastructure Company Limited ('KBICL') upto February 28, 2016	Subsidiary	0.00%	0.00%	100.00%
15	Lilac Infraprojects Developers Limited ('LIDL')	Subsidiary	100.00%	100.00%	100.00%
16	Marine Project Services Limited ('MPSL')	Subsidiary	100.00%	100.00%	100.00%
17	Mormugao Terminal Limited ('MTL') upto March 31, 2016	Subsidiary	0.00%	0.00%	100.00%
18	Mumbai Nasik Expressway Limited ('MNEL') upto February 28, 2016	Subsidiary	0.00%	0.00%	79.99%
19	Patna Buxar Highways Limited ('PBHL') upto March 31, 2016	Subsidiary	0.00%	0.00%	100.00%
20	Pataliputra Highways Limited ('PHL') upto March 31, 2016	Subsidiary	0.00%	0.00%	100.00%
21	Patna Highway Projects Limited ('PHPL')	Subsidiary	100.00%	100.00%	100.00%
22	Rajahmundry Expressway Limited ('REL') upto February 28, 2016	Subsidiary	0.00%	0.00%	100.00%
23	Rajahmundry Godavari Bridge Limited ('RGBL')	Subsidiary	71.43%	71.43%	63.00%
24	Sidhi Singrauli Road Project Limited ('SSRPL')	Subsidiary	100.00%	100.00%	100.00%
25	Tada Infrastructure Development Company Limited ('TIDCL')	Subsidiary	100.00%	100.00%	100.00%
26	Tidong Hydro Power Limited ('THPL')	Subsidiary	51.00%	51.00%	51.00%
27	Vizag Seaport Private Limited ('VSPL')	Subsidiary	73.76%	73.76%	73.76%
28	Yamunanagar Panchkula Highway Private Limited ('YPHPL')	Subsidiary	100.00%	100.00%	100.00%
29	Youngthang Power Ventures Limited ('YPVL')	Subsidiary	100.00%	100.00%	100.00%
30	Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	Subsidiary	100.00%	100.00%	100.00%
31	Pravara Renewable Energy Limited ('PREL')	Subsidiary	100.00%	100.00%	100.00%
32	Sikkim Hydro Power Ventures Limited ('SHPVL')	Subsidiary	100.00%	100.00%	100.00%
33	Ghaggar Renewable Energy Private Limited ('GREPL')	Step-down subsidiary	100.00%	100.00%	100.00%
34	Satluj Renewable Energy Private Limited	Step-down subsidiary	100.00%	100.00%	100.00%
35	Ras Cities and Townships Private Limited ('RCTPL')	Step-down subsidiary	100.00%	100.00%	100.00%

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Sr No	Name of the Entity	Relationship	Proportion of ownership interest either directly or indirectly		
			As on March 31, 2017	As on March 31, 2016	As on October 1, 2014
36	Tangri Renewable Energy Private Limited ('TREPL')	Step-down subsidiary	100.00%	100.00%	100.00%
37	Yamuna Minor Minerals Private Limited ('YMMPL')	Step-down subsidiary	100.00%	100.00%	100.00%
38	Chitoor Infrastructure Company Private Limited ('CICPL')	Step-down subsidiary	100.00%	100.00%	100.00%
39	Earthlink Infrastructure Projects Private Limited ('EIPPL')	Step-down subsidiary	100.00%	100.00%	100.00%
40	Segue Infrastructure Projects Private Limited ('SIPPL')	Step-down subsidiary	100.00%	100.00%	100.00%
41	ATSL Infrastructure Projects Limited ('ATSL')	Associate	49.00%	49.00%	49.00%
42	Eversun Sparkle Maritimes Services Private Limited ('ESMSPL')	Associate	30.90%	30.90%	30.90%
43	Modern Tollroads Limited ('MTRL')	Associate	49.00%	49.00%	49.00%
44	SEZ Adityapur Limited ('SEZAL')	Associate	38.00%	38.00%	38.00%
45	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	Joint Venture	10.12%	10.12%	10.12%
46	GIPL - GIL JV	Joint Venture	95.00%	95.00%	95.00%
47	Indira Container Terminal Private Limited ('ICTPL')	Joint Venture	50.00%	50.00%	50.00%

(iv) In the absence of financial statements of BWIOTPL and SEZAL no effects are taken in these financial statements for the current period. The profit / loss for the period ended September 30, 2014 are incorporated. However, these joint ventures are not carrying out any operations and therefore their impact is not expected to be significant.

(v) As part of its overall business plans, the Group has been acquiring beneficial interest and voting rights. This beneficial interest along with the Group's legal shareholdings has resulted in the Group having control over 51% in various SPVs as listed above. The details of the amounts paid and resultant beneficial interest and voting rights acquired are as follows:

Sr No	Particulars	As at 31-03-2017			As at 31-03-2016		
		Equity shares Nos.	Amount paid	Beneficial interest %	Equity shares Nos.	Amount paid	Beneficial interest %
1	CICPL	10,000	1,00,000	100%	10,000	1,00,000	100%
2	EIPPL	10,000	1,00,000	100%	10,000	1,00,000	100%
3	SIPPL	10,000	1,00,000	100%	10,000	1,00,000	100%
4	THPL	25,500	2,55,000	51%	25,500	2,55,000	51%

(vi) During the previous period ended March 31, 2016, the Company had transferred its entire holding including beneficial interest in favour of BIF India Holdings Pte Ltd for which it entered into a Share Purchase Agreement (SPA) for the following entities:
a) AEL
b) AIIPL
c) GICL
d) KBICL
e) MNEL
f) REL

(vii) During the previous period ended March 31, 2016, the Company has also divested its entire holding in three other subsidiaries, MTL, PBHL and PHL.

(viii) Business combinations and goodwill
In accordance with Ind AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group,it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

C 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

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Construction contract revenues :

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

ii) Operation and Maintenance income:

Revenue on Operation and Maintenance contracts are recognized over the period of the contract as per the terms of the contract.

iii) Service Concession Arrangements

In accordance with the principal laid down in Appendix A to the Ind AS 11, revenue from Construction service are recognized in exchange for grant of tolling rights, accounted at the fair value of service rendered on Cost plus margin.

iv) Tolling Income

Tolling Income is recognised on usage of recovery of the usage charge thereon based on the notified toll rates by the Grantor.

v) Annuity Income:

Revenue from Operations and Maintenance including major maintenance are accrued on the basis of estimated cost plus margin and the amount reconciled is added to the financial asset. Revenue from financial asset is accrued in accordance with Interest EIR of the annuity receipt.

vi) Developer fees & other advisory services:

Revenue on Developer Fees is recognized on an accrual basis.

vii) Revenue from power projects

Revenue from sale of electricity and steam are recognised when the genertaed units are wheeled to the user and the metered units are billed at the contracted rates.

viii) Revenue from Port Operations

Revenue from integrated terminal services, berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharfage, barge freight and other miscellaneous charges is recognized on an accrual basis as per the terms of the contract with the customers as the related services are performed and is measured at fair value of the consideration received or receivable. Earnings in excess of billing are classified as unbilled revenue while billings in excess of cost and earnings are classified as deferred revenue.

ix) Government Grants:

Grants from the Government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant / subsidy will be received.

Capital Grant

As per IND AS 20 "" Accounting for Government grants and disclosure of Government Assistance " and IND AS 109" Financial Instruments "", the Grant received from grantor satisfies the Income approach criteria and therefore the Group has amortised the Grant received based on traffic count to Profit and Loss account every year."

x) Interest income:

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

xi) Dividend income:

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

xii) Finance and Other Income (including remeasurement Income)

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

xiii) Financial guarantee income

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

d) Property, Plant and Equipment (PPE)

i) Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

ii) Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

iii) Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv) Decomissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets

v) Depreciation on all assets of the Company is charged on written down method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

vi) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

viii) Leasehold improvements is amortized on a straight line basis over the period of lease.

e) Intangible assets

i) 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.

ii) The useful lives of intangible assets are assessed as either finite or indefinite.

iii) 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.

(iv) 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.

(v) 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 recognised in the statement of profit or loss when the asset is derecognised.

f) 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.

g) Impairment

"Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its 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 are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed."

h) 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.

Investment in subsidiaries, joint venture and associates are carried at Cost in separate financial Statement less impairment if any.

i) Investments

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments: are carried at fair value with the changes in fair value taken through the statement of Profit and Loss.

j) Inventories

Inventories are valued at the lower of cost and net realisable value.

a) Stores and materials are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price less estimated cost necessary to make the sale. The weighted average method of inventory valuation is used to determine the cost.

k) Taxes

Current Income Tax

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.

l) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

m) MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company 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.

n) Leases

Operating lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis in accordance with INDAS 17.

o) Earnings per share

Earnings per share is 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.

p) 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.

Contingent liabilities

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.

q) Employee Benefits

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.

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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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.

r) 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

s) Foreign Currencies

Transactions and Balances

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. INR.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

t) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

u) Measurement of Earnings before interest, tax, depreciation and ammortisation (EBITDA)

The Company has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortization expenses, interest and tax expense.

v) 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

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

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.

w) Financial instruments

a) Initial recognition

i) Financial Assets & Financial Liabilities

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Equity Instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

b) Subsequent measurement

i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these liabilities.

v) Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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 recognised 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 recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

C De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

D 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

x) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

y) 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.

z) Trade Payables & Trade Receivables

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

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

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

3 Property Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Earth Moving Machinery	Furniture & Fixtures	Office Equip-ments	Computers	Motor Vehicles	Leasehold improve-ments	Total
Cost or valuation											
As at Oct 1, 2014	2,367.34	1,891.78	26.81	184.91	1.21	98.50	184.54	331.37	326.17	86.83	5,499.46
Additions	-	-	4,210.48	19,340.26	-	5.16	8.52	121.06	28.55	-	23,714.03
Sales/Disposals/Adjustments	-	-	-	13.57	1.21	5.64	1.62	0.08	58.17	-	80.30
Sale of 9 SPV's	1,876.10	-	22.30	162.15	-	29.01	58.88	218.66	154.02	-	2,521.12
As at March 31, 2016	**491.24**	**1,891.78**	**4,215.00**	**19,349.45**	**-**	**69.02**	**132.55**	**233.68**	**142.53**	**86.83**	**26,612.08**
Additions	-	-	-	297.65	-	4.10	11.17	6.71	11.90	-	331.53
Sales/Disposals/Adjustments	-	-	-	-	-	-	-	-	6.71	-	6.71
As at March 31, 2017	**491.24**	**1,891.78**	**4,215.00**	**19,722.16**	**-**	**73.12**	**143.73**	**240.39**	**147.72**	**86.83**	**26,936.90**
Depreciation											
As at Oct 1, 2014	**-**	**-**	**23.22**	**32.14**	**0.85**	**17.91**	**26.28**	**196.23**	**129.15**	**43.42**	**469.21**
Adjustment in opening block	-	-	-	-	-	-	2.63	4.71	1.45	-	8.78
Charge for the period (note 1)	-	-	77.48	469.87	0.16	18.07	65.22	105.18	40.31	43.42	819.70
Sales/Disposals/Adjustments	-	-	-	6.10	1.02	2.52	0.81	0.03	39.15	-	49.63
Sale of 9 SPV's	-	-	32.51	110.37	-	12.54	48.10	110.27	32.41	-	346.21
As at March 31, 2016	**-**	**-**	**68.20**	**385.54**	**-0.00**	**20.92**	**45.21**	**195.81**	**99.35**	**86.83**	**901.87**
Charge for the period	-	-	193.70	1,130.48	-	9.36	22.78	44.58	34.96	-	1,435.86
Sales/Disposals/Adjustments	-	-	-	-	-	-	-	-	6.33	-	6.33
As at March 31, 2017	**-**	**-**	**261.90**	**1,516.02**	**-0.00**	**30.28**	**68.00**	**240.39**	**127.99**	**86.83**	**2,331.41**
Net Block Value											
At 31st March 2017	**491.24**	**1,891.78**	**3,953.10**	**18,131.08**	**0.00**	**42.83**	**75.73**		**19.73**	**0.00**	**24,605.50**
At 31st March 2016	**491.24**	**1,891.78**	**4,146.80**	**18,963.91**	**0.00**	**48.09**	**87.34**	**37.86**	**43.18**	**0.00**	**25,710.21**
At 1st October 2014	**2,367.34**	**1,891.78**	**3.59**	**152.77**	**0.35**	**80.59**	**158.26**	**135.14**	**197.01**	**43.42**	**5,030.24**

During the previous period , pursuant to the first time applicability of Schedule II of the Companies Act, 2013 to the Company from October 1, 2014, the Company has revised the depreciation rate on fixed assets as per the useful life specified in the said Schedule. Due to this, depreciation for the period from October 1, 2014 to March 31, 2016 is higher by ₹ 8.78 lacs

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

4 Capital Work in progress

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
Engineering, Procurement and Construction costs	4,195.94	20,229.27	20,213.54
Project expenses	49.17	3,624.39	567.31
Developer fees	17.04	1,255.96	1,255.96
Financial Costs	1,841.28	7,271.86	4,746.21
Other Expenses	2,808.85	3,038.49	2,690.01
	8,912.28	**35,419.97**	**29,473.02**
Less : Capital work-in-progress Capitalised	371.51	27,014.18	10.75
Total capital work-in-progress	**8,540.77**	**8,405.79**	**29,462.28**

5 Goodwill on consolidation

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
Goodwill on consolidation	3,311.71	7,349.15	7,349.15
Less:Capital Reserve on consolidation	-	1,305.06	1,305.06
Net of goodwill over capital reserve	3,311.71	6,044.09	6,044.09
Less: Goodwill/ capital reserve of divested subsidiaries	-	2,732.38	-
Less: Goodwill amortised upto September 30, 2007	37.29	37.29	37.29
Total	**3,274.42**	**3,274.42**	**6,006.80**

6 Intangible assets

Particulars	Toll concession rights	Service concession assets	Computer software	Operation and Maintainance rights	Total
Cost or valuation					
As at October 01, 2014	160,298.03	22,215.95	15.30	2,500.00	185,029.28
Additions	107,572.99	1,698.12	7.20	-	109,278.31
Sales/disposals/adjustments	92,505.58	212.04	-	2,500.00	95,217.62
As at 31 March 2016	**175,365.44**	**23,702.02**	**22.50**	**-**	**199,089.97**
Additions	27.60	404.93	-		432.52
Sales/disposals/adjustments	-	309.77	-		309.77
As at March 31, 2017	**175,393.04**	**23,797.18**	**22.50**	**-**	**199,212.72**
Amortisation					
As at October 01, 2014	11,343.05	-	-	1,555.30	12,898.35
Charge for the year	7,211.76	1,952.54	12.04	228.91	9,405.25
On sale/disposals/adjustments	16,557.65	84.14	-	1,784.21	18,426.01
As at 31 March 2016	**1,997.16**	**1,868.40**	**12.04**	**-**	**3,877.60**
Charge for the period	2,137.24	1,401.80	8.50		3,547.53
On sale/disposals/adjustments	-	21.58	-	-	21.58
As at March 31, 2017	**4,134.40**	**3,248.62**	**20.54**	**-**	**7,403.55**
Net Block					
At 31st March 2017	**171,258.64**	**20,548.57**	**1.97**	**-**	**191,809.17**
At 31st March 2016	**173,368.29**	**21,833.62**	**10.46**	**-**	**195,212.37**
At 1st October 2014	**148,954.98**	**22,215.95**	**15.30**	**944.70**	**172,130.93**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a. Project berth:

Project berths pertains to all the cost incurred by VSPL for the construction of two berths at Vishakapatnam port, as per the license agreement executed with Vizag Port Trust ('VPT') a statutory body governing the entire Vishakapatnam port. These agreements encompasses the construction, operation and maintenance of the two berths on a Build, Operate, Transfer basis. VSPL is allowed to levy charges from the users of the berth and other facilities of the VSPL from the date of commencement of the commercial operations upto November 2031. The commercial operations on certification by VPT commenced in two phases, Phase 1 from July, 2004 and the second phase from September, 2005.

b. Toll concession rights:

Toll concession rights pertains to the costs for construction of road or bridge projects by CBICL, MNEL, RGBL and VGRPPL on a Build, Operate Transfer (Toll) basis. CBICL, MNEL, RGBL and VGRPPL have an intangible right to collect user fees from the users of the road / bridge constructed. The details are as under :

i. During April 2014, the Greater Cochin Development Authority has sought to end/obstruct the toll collection by unilaterally sealing the toll booth of CBICL. CBICL believes it has the right to collect toll at the bridge upto April 27, 2020. Necessary legal recourse has been initiated. The unamortised project costs of ₹ 84,261,810 alongwith the unrealised profit of the Group amounting to ₹4,600,000 is transfered to other current assets under Project expenses pending settlement. Pending the outcome of the legal proceeding, no adjustments have been made in the financial statements.

ii. Toll concession rights also includes the costs incurred by MNEL for development and construction of a highway road as per the Concession Agreement executed with NHAI on a Build, Operate and Maintenance (Toll) basis. By virtue of developing and constructing the highway road, MNEL has an intangible right to collect toll fees from users of the highway road as per the terms set out in the Concession Agreement. However, during previous period as the Company had divested its entire stake in MNEL the intangible rights were transferred to new investor.

iii. VGRPPL had achieved financial closure for the project on April 10, 2013. However since the drawdowns did not commence within the specified time limit, for which it has sought for revalidation of the sanction and the same is awaited. Pending which, the toll concession rights are being amortised over the revenues projected by VGRPPL considering normal traffic between September 1, 2014 and September 30, 2014 after adjusting for escalation of prices as per the provisions of the concession agreement. The effect of the financial closure model for the amortization of the toll collection rights would be given once the same is revalidated. The Company has received a notice of termination from NHAI on August 26, 2016. Consequently NHAI took possession of the toll plaza and tolling was suspended by the Company. Accordingly, the company suspended amortization of the Intangible Asset from that date.

c. Operations & maintenance rights includes upfront amount paid by the Company to its ultimate holding company, GIL, for revision of the terms of the sub-contract agreement signed between them for Operations and Maintenance of the road project in the state of Andhra Pradesh. The said upfront fees were capitalised as an intangible asset which were to be amortised over the life of the said agreement upto November 2019. However, during the previous period, the Company had divested its entire stake in the two subsidiaries AEL and REL, due to which the operations and maintenance of the road project will not be carried out by the Company. As such the intangible right of the Company is written off.

d. Figures have been regrouped wherever necessary.

7 Intangible Assets under development

	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
		Non- Current	
Contract expenditure - Engineering, Procurement & Construction ('EPC')	57,676.86	110,551.36	79,304.52
Concession fees	-	294.88	247.22
Developer's fees	3,980.93	6,493.21	11,860.35
Borrowing Cost	9,769.97	37,610.35	28,704.31
Depreciation	12.95	23.28	16.22
Other Expenses	1,708.53	3,009.34	4,413.23
	73,149.25	**157,982.43**	**124,545.85**
Less: Miscellaneous Income	408.75	96.29	40.48
Less: Capitalised During the year	398.71	107,762.36	0.00
Less: Written off as exceptional Item (Refer note 28)		0.00	3,797.37
Less: Transferred to Project expenses pending Settlement (Refer Note 10a)		0.00	7,555.97
Total	**72,341.79**	**50,123.78**	**113,152.04**

The amount of borrowing costs capitalised during the period is Nil (2016: ₹ 88,02.52 lacs, 2014: ₹ 52,93.29 lacs).

8.1 Financial Assets - Investments

			As at	
		March 31, 2017	March 31, 2016	October 1, 2014
A	**Non Current Investments**			
	Equity instruments of Joint Venture Companies	117.58	2,672.61	2,115.79
	Quasi Equity in Associates & Joint Ventures	3,753.88	3,753.88	2,992.58
	Equity instruments of Associate Companies	167.73	167.73	167.73
	Less: Provision for diminution in value of Investment	(362.60)	(362.60)	(362.60)
	Other Investment	0.50	0.50	0.50
	Total	**3,677.09**	**6,232.12**	**4,914.01**
B	**Current Investments**			
	Investment in Mutual fund	14,738.80	2,338.19	2,904.00
	Investment in equity shares (valued at cost)	-	-	490.00
		14,738.80	**2,338.19**	**3,394.00**
	Aggregate value of investments			
	Aggregate book value of unquoted investments	3,677.09	6,232.12	5,404.01
	Aggregate amount of quoted investments	14,738.80	2,338.19	2,904.00
	Market Value of Quoted Investment	14,738.80	2,338.19	2,904.00

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Details of Non-current Investments

		March 31, 2017		March 31, 2016		October 1 , 2014	
Name of body corporate	**Extent of Holding (%)**	**Nos**	**Amount**	**Nos**	**Amount**	**Nos**	**Amount**
Unquoted equity shares (Fully paid-up unless otherwise stated)							
Investment in Equity Instruments (Joint venture accounted under equity method)							
Blue Water Iron Ore Terminal Private Limited	10.12%	3,051,808	305.18	3,051,808	305.18	3,051,808	305.18
Indira Container Terminal Private Limited	50.00%	24,375,840	(-189.50)	24,375,840	2,365.53	24,375,840	1,808.71
SEZ Adityapur Limited	38.00%	19,000	1.90	19,000	1.90	19,000	1.90
			117.58		**2,672.61**		**2,115.79**
Quasi Equity at Cost							
Unquoted							
(Fully paid-up unless otherwise stated)							
Indira Container Terminal Private Limited			**3,753.88**		**3,753.88**		**2,992.58**
Unquoted equity shares (Fully paid-up unless otherwise stated)							
Investment in Equity Instruments (Associate accounted under equity method)							
ATSL Infrastructure Projects Limited	49%	24,450	1.60	24,450	1.60	24,450	1.60
Eversun Sparkle Maritimes Services Private Limited	30.90%	2,143,950	164.47	2,143,950	164.47	2,143,950	164.47
Modern Tollroads Limited	49%	24,470	1.66	24,470	1.66	24,470	1.66
			167.73		**167.73**		**167.73**
Less: Provision for Impairment of Investment							
Joint Venture Companies							
Blue Water Iron Ore Terminal Private Limited			305.18		305.18		305.18
SEZ Adityapur Limited			1.90		1.90		1.90
			307.08		307.08		307.08
Associates Companies							
Eversun Sparkle Maritimes Services Private Limited			55.52		55.52		55.52
			55.52		55.52		55.52

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	ESMSPL		Modern Tollroads Limited		ATSL Infra	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Original cost of investment	214.40	214.40	2.45	2.45	2.45	2.45
Goodwill included in original cost	55.52	55.52	-	-	-	-
Add :						
Opening balance of accumulated losses	(49.92)	(89.11)	(0.79)	(0.79)	(0.84)	(0.84)
Add : Profit/(Losses) during the period	-	39.19	-	-	-	-
Add : Adjustments during the period	-	-	-	-	-	-
Closing balance of accumulated losses	(49.92)	(49.92)	(0.79)	(0.79)	(0.84)	(0.84)
Carrying amount of investment	164.47	164.47	1.66	1.66	1.60	1.60

Pledge of Shares

The Company has pledged the following shares in favour of the lenders to the projects as part of the terms of financing agreements for facilities taken by GIPL or its project SPV's as indicated below:

Company Name	Face value	No. of Equity shares pledged as at		
		March 31, 2017	March 31, 2016	October 1, 2014
Indira Container Terminal Private Limited	10/-	16,500,000	16,500,000	16,500,000

Details of investments in Joint Venture / Associate accounted under equity method.
Note on investment in Blue water
Note on investment in associates
ATSL Infrastructure Projects Limited
Eversun Sparkle Maritimes Services Private Limited
Modern Tollroads Limited

Indira Container Terminal Private Limited

ICTPL and The Board of Trustees of the Port of Mumbai (MbPT) entered into a License Agreement dated December 3, 2007 for the construction of offshore berths and development of Offshore Container Terminal (OCT) on BOT basis in Mumbai Harbour and the Operation of Ballard Pier Station Container Terminal (BPS). The revenue share payable by ICTPL to MbPT is 35.064% of gross revenue for the year. The License was granted for the following: a) BPS Project for a period of five years commencing from the date of award of License; or two years from the commissioning of the OCT Project whichever is earlier OCT Project for a period of 30 years commencing from the Date of Award of License during which the Licensee is authorised to implement the project in accordance with the provisions of the License Agreement. The OCT Project consists of an offshore jetty of 700 metres with alongside committed draft of 14.5 metres by MbPT in Phase I and an exclusive option to extend it by another 350 metres in Phase II. Total back-up area envisaged for Phase I is around 38 hectares and an additional 7 hectares for Phase II. The Company achieved Financial Closure in the year 2008. Gammon India Limited was appointed as the EPC contractor. The construction of the project was scheduled to be completed in three years and the commercial operations were scheduled to commence from

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

December 3, 2010. However, the project has been delayed by nearly 6 years as MbPT which was required to complete several obligations at various sites failed to complete the same as per the terms of the License Agreement. The construction period of the project has been extended for three times by MbPT. The continuing delays on the part of MbPT have resulted in the asset being classified as a non-performing asset by the lenders. As an interim arrangement, Mumbai Port Trust has allowed alternate use of OCT Berths by permitting handling of Car Carrier (RORO vessels) and few steel cargo and combi vessels on trial basis. Simultaneously, with the intervention of PMO and support of Ministry of Shipping, the efforts are also on to reorganize the project by re-bidding whereby all clean cargo will be permitted on OCT Berths. In this regard, the dialogues are on with all stakeholders i.e. MbPT, ICTPL, Lenders, etc. and same is being monitored as the highest level in Ministry of Shipping and PMO. Currently there was detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principal to enter into a joint supplementary agreement between Board of Trustees of MbPT, Company and the lenders. The supplementary agreement in the draft form and is subject to clearance from the Ministry of Shjpping.

SEZ Adityapur Limited

The Project involves design, construction, finance, operation and maintenance of the SEZ. It spans over 90 acres of land near Industrial town of Jamshedpur, Jharkhand State. The SEZ is envisaged as single product SEZ involving Auto & Auto ancillary sector industries. In this project state of the art industrial infrastructure including utilities and logistic infrastructure will be provided. ASEZ has support from key agencies like GATI & G. M. Bakshi for Logistics; CONCOR for Inter-Container Depot.The client is Adityapur Industrial Area Development Authority (AIADA).The partners in the SPV are Gammon and Jamshedpur Utilities & Services Company Limited (JUSCO - TATA Group Company).The concession/ licence agreement is expected to be signed shortly. The concession/ licence period is 90 years.This Investment has been fully impaired.

B Details of Current Investments

Name of the Mutual Fund Scheme

	March 31, 2017		March 31, 2016		October 1 , 2014	
	Units	**Amount**	**Units**	**Amount**	**Units / Nos.**	**Amount**
Quoted						
Investments carried at fair value through Profit and Loss						
Reliance Liquid Fund - Treasury Plan - Growth	64,932	2,576.08	54,494	2,008.36		
Canara Robeco savings plus fund - regular Growth	17,675,762	4,506.10	-	-		
Principal Low Duration Fund - Regular Plan Growth	296,589	7,656.62	-	-		
ICICI Prudential Liquid - Regular Plan - Growth	-	-	147,340	329.8	732,585	1,452.86
Birla Mutual Fund - Growth schemes					654,571	1,409.13
HDFC Liquid Fund - Growth scheme					158,917	42.01
Unquoted						
Trade Investments in Joint venture entities						
(Equity Instrument at Cost)						
Maa Durga Expressways Private Limited	-	-	-	-	4,900,000	490.00
Total		**14,738.80**		**2,338.19**		**3,394.00**

8.2 Trade Receivables

		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non-Current			Current	
	(Unsecured, at amortised cost)						
i)	Financial Asset as per Service Concession Agreement (refer note c below)	100,396.79	114,057.79	226,442.70	28,380.00	-	-
ii)	Considered good	-	-	1,871.27	5,981.60	6,576.81	2,096.47
iii)	Considered doubtful	215.72	215.72	216.23	-	-	44.56
	Less:- Provision for doubtful debt	(215.72)	(215.72)	(216.23)	-	-	(44.56)
	Total	**100,396.79**	**114,057.79**	**228,313.97**	**34,361.60**	**6,576.81**	**2,096.47**

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
a)	Note: Receivables from related parties are as follows:			
	Ultimate Holding Company:			
	Gammon India Limited			82.61
	Total	**-**	**-**	**82.61**

b) Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experiance of receivables the Company has not provided for expected credit loss since the amounts are receivable from its SPV and there are no experiance of losses on receivable in the past . The only case of provision is due to termination of contract with NHAI which has a separate receivable and not in normal course of business.

c) Financial Asset as per Service Concession Agreement

One of the subsidiaries of the Group entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. The project has obtained pre-COD on September 1, 2016 and accordingly first annuity of ₹94.60 crores is accrued during the year ended March 31, 2017. In respect of the project on annuity basis of the Company, The Company has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the Company has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The Company will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The Company expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The Company has also applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Holding Company in the SPV is ₹ 1,18,269.72 lacs

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

8.3 Cash and Bank Balances

		As at			As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
			Non- Current			**Current**	
A	**Cash and cash equivalents**						
i)	Balances with banks	-	-	-	2,999.60	3,523.45	4,974.67
ii)	Cash on hand	-	-	-	19.27	46.13	79.45
iii)	Deposit with original maturity of less than 3 months	-	-	-	-	4,003.45	-
iv)	Cheques on hand	-	-	-	-	-	0.75
	Total	**-**	**-**	**-**	**3,018.87**	**7,573.03**	**5,054.88**
B	**Other bank balances**						
i)	Balances in escrow account	-	-	0.34	0.20	4,798.77	16.28
ii)	Debt service reserve account	-	-	-	12.17	11.68	91.34
iii)	Fixed Deposit in escrow account	1,896.45	1,790.00	-	-	27,410.00	-
iv)	Fixed Deposit as margin for BG issued	1,090.68	637.74	588.32	-	-	-
v)	Fixed Deposit under lien	1,450.00	-	-	-	-	-
vi)	Fixed Deposit with Banks	-	-	-	-	10.00	817.48
vii)	Less : Transferred to Other Financial Assets	(4,437.13)	(2,427.74)	(588.65)	-	-	-
	Total	**-**	**-**	**-**	**12.37**	**32,230.45**	**925.10**
	Grand Total	**-**	**-**	**-**	**3,031.24**	**39,803.48**	**5,979.97**

i) Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the Ministry of Corporate Affairs notification G.S. R. 308(E) dated 30th March, 2017 on the details of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBN's ***	**Other Denomination Notes**	**Total**
Closing cash in hand as on 8th November, 2016	18.14	3.86	22.00
(+) Permitted receipts	-	15.84	15.84
(-) Permitted payments	-	14.68	14.68
(-) Amount deposited in Banks	18 .14	-	18.14
Closing cash in hand as on 30th December, 2016	**-**	**5.02**	**5.02**

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

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

8.4 Loans and Advances (at amortised cost)

	As at			As at		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	Non- Current			Current		
Security Deposit						
(Unsecured, Considered good)						
Leave and license	53.34	67.00	67.10	-	-	-
O & M Contract Deposit	-	1.00	33.74	-	-	-
Others	221.43	290.88	225.32	-	-	-
Total (A)	**274.77**	**358.88**	**326.16**	**-**	**-**	**-**
Other loans and advances						
Related Parties - GIL - Ultimate Holding Co.	-	-	-	191.13	201.86	14.45
Others	20.46	25.48	1,381.13	3,844.63	3,933.61	4,383.60
Total (B)	20.46	25.48	1,381.13	4,035.75	4,135.47	4,398.05
Intercorporate Deposits						
Related parties						
Unsecured, Considered good	16.36	16.36	117.70	-	-	-
Others						
Unsecured, Considered good	-	-	-	1,000.00	2,000.00	2,000.00
Unsecured, Considered doubtful	38.92	38.92	39.92	-	-	-
Less: Provision for doubtful ICD's	(38.92)	(38.92)	(39.92)	-	-	-
Total (C)	**16.36**	**16.36**	**117.70**	**1,000.00**	**2,000.00**	**2,000.00**
Total	**311.59**	**400.72**	**1,824.99**	**5,035.75**	**6,135.47**	**6,398.05**

a) An amount of ₹ 3833.60 lacs (As at March 31, 2016 ₹ 3933.60 lacs and as at September 30, 2014 ₹ 4792.48 lacs) is receivable by some subsidiaris of the Company for cancellation of purchase of land agreements.

b) The break-up of Intercorporate Loans granted by the Company to related parties is as under :

Company Name

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
GIL, Ultimate Holding co.	16.36	16.36	16.36
ESMSPL	-	-	101.34
	16.36	**16.36**	**117.70**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

8.5 Other Financial Assets

		As at			As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
		Non- Current			**Current**		
i)	**Advance recoverable in cash or in kind**						
	Unsecured, Considered Good						
	Dues from Ultimate holding company	-	-	-	49.28	49.78	233.49
	Dues from Joint Ventures	-	-	-	118.09	255.53	230.48
	Dues from Associates	-	-	-	-	0.48	0.48
	Unsecured, Considered doubtful						
	Dues from Joint Ventures	-	-	-	15.83	15.68	-
	Dues from Associates	-	-	-	0.48	-	-
		-	-	-	183.69	321.48	464.45
ii)	**Others:**						
	Considered good (*)	-	-	-	1,562.24	1,478.41	1,659.87
	Considered doubtful	-	-	-	83.16	72.88	20.97
		-	-	-	1,645.40	1,551.29	1,680.84
iii)	Less: Provision for doubtful advance recoverable in cash or in kind	-	-	-	(99.47)	(88.56)	(20.97)
	(A)	**-**	**-**	**-**	**1,729.61**	**1,784.21**	**2,124.32**
iv)	**Interest accrued receivable**						
	From related parties, considered good- Ultimate holding Company	-	-	-	4.48	4.48	2.38
	From related parties, considered good	247.88	247.88	247.88	-	-	-
	From Banks, considered good	-	-	-	162.19	176.00	14.81
	From others, considered Good	-	-	-	8.04	13.37	35.07
	From others, considered doubtful	-	-	-	6.92	6.92	6.92
	Less: Provision for doubtful Interest accrued receivable	-	-	-	(6.92)	(6.92)	(6.92)
	(B)	**247.88**	**247.88**	**247.88**	**174.71**	**193.85**	**52.27**
v)	Advance for purchase of shares(**)	4,906.51	1,156.51	-	-	-	-
	(C)	**4,906.51**	**1,156.51**	**-**	**-**	**-**	**-**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
		Non- Current			Current		
vi)	Share application money paid						
	Related parties	129.95	129.95	129.95	-	-	-
	(D)	**129.95**	**129.95**	**129.95**	**-**	**-**	**-**
vii)	Operations grant receivable from NHAI as per service concession agreement	-	-	-	-	-	601.24
	(E)	**-**	**-**	**-**	**-**	**-**	**601.24**
viii)	Other bank balances						
	Transferred from Cash and Bank Balance	4,437.13	2,427.74	588.65	-	-	-
	(F)	**4,437.13**	**2,427.74**	**588.65**	**-**	**-**	**-**
	Total (A+B+C+D+E)	**9,721.46**	**3,962.07**	**966.48**	**1,904.33**	**1,978.05**	**2,777.83**

(*) Other Financial Assets - Others includes the Insurance Claim amounting to ₹ 520 lacs (March 2016 ₹ 520 lacs) made by one of the subsidiaries, although subject to confirmation from the Insurance Company is good and receivable.The Management is of the firm view that the claim will eventually be received. The Management contends that whole amount is receivable.

(**) Advance for Purchase of Shares:-The Company had entered in to a Agreement for Sale and Subscription of Shares (SSA) with IFCI Limited for 8,64,80,000 equity shares of Rajamundhry Godavari Bridge Limited (RGBL) . However the company could not adhere to the terms of the aforesaid arrangements.The advance for purchase of shares represents advance paid to IFCI for purchase of equity shares of RGBL held by IFCI.The company has to pay an additional amount of ₹3500 lacs for the total consideration to reach the agreed consideration for the transfer of shares of RGBL. The said IFCI has granted further time till September30, 2017 for the said payment, on payment of which the shares of RGBL will be transferred back to the company. In case the company is not able to make the additonal payment as envisaged above, the One Time Settlement (OTS) of purchase of equity shares of RGBL shall undergo change and the company shall be required to renegotiate the terms. As per the aforesaid agreement if in case the revised OTS terms are not adhered to the entire benefit availed under the OTS would be reversed back.

a) The break-up of advance recoverable in cash or in kind from related parties is as under :

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
Unsecured, Considered good			
Dues from Ultimate holding company			
Gammon India Ltd	49.28	49.78	233.49
	49.28	**49.78**	**233.49**
Dues from Joint Venture entities			
Indira Container Terminal Pvt Ltd	118.09	255.53	214.92
GIPL GIL JV	-	-	15.56
	118.09	**255.53**	**230.48**
Dues from Associates :Unsecured	-	0.48	0.48
Modern TollRoads Ltd	**-**	**0.48**	**0.48**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

	As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**
Unsecured, Considered doubtful			
Dues from Associates :Unsecured, Considered Doubtful			
GIPL-GIL JV	15.83	15.83	-
Modern TollRoads Ltd	0.48	-	-
	16.31	**15.83**	**-**
	183.69	**321.62**	**464.45**

b) The break-up of share application money paid by the Company to related parties is as under :

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
	Company Name			
i)	Modern Toll Roads Limited	129.95	129.95	129.95
	Total	**129.95**	**129.95**	**129.95**

c) Break-up of interest accrued receivable from related parties is as follows:

		As at			As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
i)	Gammon India Ltd	-	-	-	4.48	4.48	2.38
ii)	Indira Container Terminal Pvt Ltd	247.88	247.88	247.88	-	-	-
		247.88	**247.88**	**247.88**	**4.48**	**4.48**	**2.38**

As at

9 Deferred Tax Assets

			As at		
			March 31, 2017	**March 31, 2016**	**October 1, 2014**
a)	**Deferred Tax Liability on account of :**				
	i)	Depreciation due to timing difference	(5,751.57)	(3,479.99)	(2,786.95)
	ii)	Remeasurement gain/(loss) on defined benefit plans	(15.57)	(14.52)	-
	iii)	Excess depreciation reversed	-	-	(360.02)
b)	**Deferred Tax Asset on account of :**				
	iv)	Depreciation due to timing difference	2,388.65	86.60	3,539.15
	v)	Employee benefits	106.93	104.15	43.24
	vi)	Unabsorbed depreciation	2,352.20	2,729.39	2,493.18
	vii)	Provision for replacement cost	510.93	415.12	279.52
	viii)	Others	-	1.51	7.02
	ix)	Mat Credit Entitlement	3,206.04	2,543.28	1,040.08
		Deferred Tax Asset, net	**2,797.61**	**2,385.54**	**4,255.23**

10 Other Assets

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
i)	Accrued Income	-	-	-	-	197.84	2,024.67
ii)	Unbilled Work in progress	-	-	-	-	33.53	33.53
iii)	Advance to contractor						
	Related Party - GIL	73.94	904.96	3,784.02	1,145.89	441.16	1,122.81
	Others	104.60	104.60	-	-	-	-
iv)	Prepaid expenses	51.09	47.88	102.30	300.54	220.68	201.09
v)	Statutory and other receivables	212.41	159.19	340.22	421.29	758.68	547.94
vi)	Advance Income Tax (Net of Provision for Taxation)	3,749.83	3,205.32	4,159.06	-	-	-
vii)	Interest receivable on security deposit	-	-	-	97.69	4.94	-
viii)	Capital advances	25.46	-	271.60	-	-	-
ix)	Prepaid Upfront Fees	1,219.18	1,366.41	1,536.61	127.85	87.89	77.73
x)	Project expenditure pending settlement (refer note below)	-	-	7,555.97	-	-	-
xi)	Other advances	1,000.03	132.26	132.66	436.45	165.36	537.62
	Total	**6,436.54**	**5,920.61**	**17,882.44**	**2,529.72**	**1,910.07**	**4,545.39**

(a) During the previous period ended October 01, 2014, one of the wholly owned subsidiary of the Group namely Patna Buxar Highways Limited (PBHL) has initiated correspondence with NHAI towards closure of its project on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Forest clearances. Subsequently vide its letter dated 29th August 2014, the NHAI unilaterally terminated the concession agreement and also invoked the bank guarantee of ₹ 1,129.11 lacs. The subsidiary has since, on October 22, 2014 referred the dispute to a conciliation procedure, contemplated in the terms of the concession arrangement by which it has sought to claim compensation towards the project related expenses and also the repayment against the invocation of the guarantee. The Group's total exposure to this project including guarantees invoked and project expenses as at October 1, 2014 ₹ 7,555.97 lacs, which is shown as project expenditure pending settlement. Pending conclusion of the conciliation procedure and reliefs under the terms of the concession agreement, no adjustments have been made to the consolidated financial statement. The management believes that it has a strong case in this matter. PBHL has been disposed off during the previous period and is not a subsidiary as at the Balance Sheet date.

11 Inventories

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
		Current	
Stores and Consumables	412.63	279.71	353.07
(at lower of cost computed at weighted average method and net realisable value)			
Raw materials	868.03	49.41	261.59
	1,280.67	**329.12**	**614.65**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

12 Equity Share capital

		As at		
		March 31, 2017	March 31, 2016	October 1, 2014
i)	Authorised shares :			
	March 31, 2017: 1,25,00,00,000 Equity shares of ₹2/- each March 31, 2016 : 1,25,00,00,000 Equity Shares of ₹2/each October 1, 2014 : 1,00,00,00,000 Equity Shares of ₹ 2/- each	25,000.00	25,000.00	20,000.00
	Total	**25,000.00**	**25,000.00**	**20,000.00**
ii)	Issued and subscribed shares :			
	March 31, 2017: 94,26,40,974 Equity shares of ₹2/- each March 31, 2016 : 94,25,80,974 Equity Shares of ₹2/each October 1, 2014 : 93,90,10,974 Equity Shares of ₹ 2/- each	18,852.82	18,851.62	18,780.22
	Total	**18,852.82**	**18,851.62**	**18,780.22**
iii)	Paid-up shares :			
	March 31, 2017: 94,18,30,724 Equity shares of ₹2/- each March 31, 2016 : 94,17,70,724 Equity Shares of ₹2/each October 1, 2014 : 93,82,00,724 Equity Shares of ₹ 2/- each	18,836.61	18,835.41	18,764.01
	Total	**18,836.61**	**18,835.41**	**18,764.01**
iv)	Shares forfeited :			
	Amount received (including securities premium) in respect of 162,050 equity shares of ₹ 10/-	81.03	81.03	81.03
	Total	**81.03**	**81.03**	**81.03**
	Total paid-up share capital (iii + iv)	**18,917.64**	**18,916.44**	**18,845.04**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at		As at		As at	
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	October 1, 2014	October 1, 2014
	Number	Amount	Number	Amount	Number	Amount
Balance, beginning of the period	941,770,724	18,835.41	938,200,724	18,764.01	734,026,438	14,680.53
Issued during the period	60,000	1.20	3,570,000	71.40	204,174,286	4,083.49
Balance, end of the period	941,830,724	18,836.61	941,770,724	18,835.41	938,200,724	18,764.01

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) In the previous period ended September 30, 2014, the Company had issued 204,174,286 equity shares under the Qualified Institutional Placement (QIP) issue. The face value of these shares were ₹ 2 each and these were issued at a premium of ₹ 10.68 per share.

d) Shares held by holding / ultimate holding company and /or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding / ultimate holding Company and /or their subsidiaries / associates are as follows:

	As at		As at		As at	
	March 31, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2016**	**October 1, 2014**	**October 1, 2014**
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Equity shares of ₹ 2/- each fully paid up						
Gammon Power Limited, Holding Company (w.e.f Sept 29, 2014)	528,000,000	10,560.00	528,000,000	10,560.00	528,000,000	10,560.00
Gactel Turnkey Projects Limited, Fellow Subsidiary	22,400,000	448.00	22,400,000	448.00	22,400,000	448.00
	550,400,000	**11,008.00**	**550,400,000**	**11,008.00**	**550,400,000**	**11,008.00**

e) Details of shareholders holding more than 5% shares in the Company

	As at		As at		As at	
	March 31, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2016**	**October 1, 2014**	**October 1, 2014**
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Gammon Power Limited	528,000,000	56.06	528,000,000	56.06	528,000,000	56.28
HDFC Trustee Company Limited - HDFC Infrastructure Fund	78,864,353	8.37	78,864,353	8.37	78,864,353	8.41
DB International (Asia) Limited	41,488,886	4.41	41,488,886	4.41	57,227,129	6.10
	648,353,239	**68.84**	**648,353,239**	**68.84**	**664,091,482**	**70.78**

f) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

g) The Company had issued bonus shares in the year ended Mar'13 to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 5,262,820 equity shares of ₹ 2 each as fully paid by utilising securities premium account aggregating to ₹ 105.26 lacs/-

h) Shares reserved under options to be given.
120,000 equity shares (March 31, 2016 : 2,40,000 equity shares , October 1, 2014: 5,110,000 equity shares) have been reserved for issue as Employee Stock Options. For details refer Note 13A .

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

13 Other Equity

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
i)	Retained Earnings	(10,081.90)	362.40	13,252.49
ii)	General Reserve	23.95	23.95	3,132.48
iii)	Security Premium Reserve	56,369.47	56,369.47	56,195.23
iv)	Employee Stock Option Outstanding	8.42	8.42	199.55
v)	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss:			
	- Re-measurement gains/ (losses) on defined benefit plans	57.55	61.22	39.69
	Less deferred tax liability on above	(2.82)	(10.01)	(8.97)
		46,374.68	**56,815.45**	**72,810.47**

A Employees Stock Options Scheme ('ESOP'):-

During the financial period ending Dec'13 the Company had instituted an ESOP Scheme "GIPL ESOP 2013", approved by the shareholders vide their resolution dated September 20, 2013, as per which the Board of Directors of the Company granted 6,160,000 equity-settled stock options to the eligible employees. Pursuant to the ESOP Scheme each options entitles an employee to subscribe to 1 equity share of ₹ 2 each of the Company at an exercise price of ₹2 per share upon expiry of the respective vesting period which ranges from one to four years commencing from October 1, 2014.

The details of ESOP's granted under the aforesaid ESOPs Schemes are summarized herein under :

Particulars	**Period ended March 2017**	**Period ended March 2016**	**Period ended October 2014**
Grant Date	9/23/2013	9/23/2013	9/23/2013
Market Price considered (Rupees)	6.80	6.80	6.80
Exercise Price of Options granted during the period (Rupees)	2.00	2.00	2.00
Options outstanding at the beginning of the period	240,000	5,110,000	5,320,000
Options granted during the period	-	-	-
Options lapsed /forfeited during the period	-	1,240,000	210,000
Options vested during the period	120,000	3,630,000	-
Options granted and vesting outstanding at the end of the period	**120,000**	**240,000**	**5,110,000**

Of the aforesaid vested options of 1,20,000 (March 16: 36,30,000 option) , 60,000 options (March 16: 35,70,000 options) were excercised and allotment made against the same.

The Company has used intrinsic value method for valuation of options by reducing the exercise price from the market value. However if the compensation cost would have been determined using the alternative approach to value options at fair value, the Company's net loss would have been changed to amounts indicated below:

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Period ended March 2017	Period ended March 2016
Net loss as reported	(10,405.95)	(20,541.36)
Add: Stock based compensation expense included in the reported income	2.39	(16.90)
Less: Stock based compensation expenses determined using fair value of options	2.39	(16.90)
Net profit / (loss) (adjusted)	**(10,405.95)**	**(20,541.36)**
Basic earnings per share as reported	(1.10)	(2.18)
Basic earnings per share (adjusted)	(1.10)	(2.18)
Diluted earnings per share as reported	(1.10)	(2.18)
Diluted earnings per share (adjusted)*	(1.10)	(2.18)
Weighted average number of equity shares at the end of the period	941,806,724	940,464,164
Weighted average number of shares considered for diluted earnings per share	941,976,136	940,675,929

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options are as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	9/23/2014	9/23/2013	9/23/2013	9/23/2013
Vesting date	10/1/2014	10/1/2015	10/1/2016	10/1/2017
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

14 Non-Controlling interests

	As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**
		Non- Current	
Balance, beginning of the period	6,691.14	15,883.40	15,954.29
Adjustments:	-	-	-
(Decrease) / Increase in minority's share in equity capital of subsidiaries in the current period	-	-	(1,488.00)
(Decrease) in minority's share on account of subsidiaries divested	-	(9,196.75)	-
Minority Interest in profits/(losses) on subsidiaries for the current period	(1,748.10)	171.96	9.06
Capital grant transferred to / (from) minority shareholders	-	(167.47)	1,408.05
Balance, end of the period	**4,943.04**	**6,691.14**	**15,883.40**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

15. Financial Liabilities (at amortised cost)

			As at			As at		
			March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
				Non- Current			**Current Maturities**	
15.1	**Long term Borrowings**							
	i)	**Term Loans (secured)**						
		[refer below for details of security]						
	i)	Indian rupee loans from banks	242,874.41	229,035.22	243,493.78	5,301.06	4,085.36	16,715.75
	ii)	Term loan from Financial Institutions	12,114.19	6,490.48	85,323.32	-	-	12,356.26
	iii)	Term loan from Others	-	-	1,277.50	117.00	935.00	492.50
			254,988.59	235,525.70	330,094.60	5,418.06	5,020.36	29,564.52
	II	10.30% intercorporate loan, unsecured						
		From a minority shareholder	-	-	-	-	-	1,371.55
		Less: disclosed in Other Current Liabilities	-	-	-	(5,418.06)	(5,020.36)	(30,936.07)
			254,988.59	**235,525.70**	**330,094.60**	**-**	**-**	**-**

a) Term Loans

The above term loans from banks and financial institutions are primarily taken by the holding company and various project executing entities of the Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets, future receivables and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing company in the Group. Further in few of the Group's entities a corporate guarantee of the Company has been given guaranteeing the repayment of the secured obligations in the event of termination of the Concession Agreement pursuant to occurrence of any Concessionaire Default during the construction period, which shall stand discharged upon occurrence of the CoD.

Loans from others are secured by a pledge of equity shares of a subsidiary and hypothecation of developer fees receivable from some of its SPVs. As the event of certain covenants related to underlying security has been breached the entire outstanding amount has been recalled by the lender and accordingly the outstanding sum due has been classified as current.

During the previous period, a subsidiary of the Company enagaged in the design, construction, development, operation and maintenance of a road bridge on a Design, Build Finance, Operate and Transfer basis, in the state of Andhra Pradesh had started commercial operations from November 1, 2015. However, the commercial operations of the project were delayed on account of reasons not attributable to the subsidiary. These delays led to cost and time overruns for which the subsidiary has restructured the project loan availed from a consortium of lenders. As the subsidiary is not able to service its debt obligations the lenders have classifed the loan as a non performing asset. However, as the lenders have not recalled the loan, the subsidiary continues to disclose the same under non current liability.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Interest Rates:
The above mentioned long-term loans from banks and financial institution carry an interest rate which is at a spread above/below the bank's base rate or bank prime lending rate or G-sec rate or at a negotiated rate. The spread ranges from 50 to 300 basis points. In case of a consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof. At present the bank rate varies from a minimum of 10.50% to maximum of 15% per annum.

Loans from others, carries interest rates in the range of 11% p.a. to 15% p.a.

b) The schedule for repayment of the term loan is as under :

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Instalments payable within 1 year	5,418.06	5,020.36	29,564.52
Instalments payable between 2 to 5 years	48,316.58	35,924.04	134,560.94
Instalments payable beyond 5 years	206,672.01	199,601.66	195,533.51
Total	**260,406.65**	**240,546.06**	**359,658.96**

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.

Particulars	Face value of Equity shares	Number of equity shares pledged		
		March, 2017	March, 2016	October, 2014
AEL	10.00	-	-	1,31,75,970
BBHPL	10.00	2,600	2,600	2,600
CBICL	10.00	16,64,019	16,64,019	16,64,019
GICL	10.00	-	-	2,76,86,396
KBICL	10.00	-	-	2,07,67,040
ICTPL	10.00	1,65,00,000	1,65,00,000	1,65,00,000
MNEL	10.00	-	-	3,89,42,800
PBHL	10.00	-	-	1,45,89,823
PBPL	1.00	-	-	2,25,00,000
PHL	100.00	-	-	7,350
PHPL	10.00	59,40,000	59,40,000	7,50,000
REL	10.00	-	-	1,47,44,579
RGBL	10.00	14,05,19,039	14,05,19,039	11,89,67,215
SHPVL	10.00	3,19,95,331	3,19,95,331	3,19,95,331
SSRPL	10.00	16,36,13,200	16,36,13,200	9,88,20,560
VSPL	10.00	6,37,70,015	6,37,70,015	6,37,70,015
Total		**42,40,04,204**	**42,40,04,204**	**48,48,83,698**

The change in the balances between March 31, 2017, March 31, 2016 and October 1, 2014 represent additional / reduction of pledge during the period ended March 31, 2016 and March 31, 2107.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

c) Details of continuing defaults with respect to principal repayments are as under:

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	365 days & above
GIPL	117.00	-	-	-
PREL	120.00	-	-	-
As at March 31, 2016	**1 - 90 days**	**91 to 180 days**	**181 to 365 days**	**365 days & above**
GIPL	935.00	-	-	-
CBICL	51.00	17.00	-	-
PREL	384.00	-	-	-
As at October 31, 2014	**1 - 90 days**	**91 to 180 days**	**181 to 365 days**	**365 days & above**
GIPL	5,425.00	-	-	-

			As at			As at	
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
15.2	**Other Financial Liabilities (at amortised cost)**						
i)	Current maturity of long term borrowings						
	to banks, financial institutions and others	-	-	-	5,418.06	5,020.36	29,564.52
	to minority shareholders	-	-	-	-	-	1,371.55
ii)	Interest accrued and due						
	to related parties	-	-	-	-	-	28.43
	to banks and financial instituitons	-	-	-	9,944.38	4,197.86	2,406.52
	to others	-	-	-	95.00	48.99	68.94
iii)	Interest accrued but not due						
	to related parties	41.63	36.23	-			
	to minority shareholders	-	-	-	-	-	325.11
	to banks and financial instituitons	-	-	-	247.43	273.70	-
	to others	-	-	-	-	14.64	6.75
iv)	Dues to ultimate holding Company	-	-	-	1,181.29	1,445.28	12,857.94
v)	Other liabilities towards capital expenditure	-	-	-	257.06	392.50	359.58
vi)	Other dues - related parties	-	-	0.01	36.83	10.99	-

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
vii)	Advance received for sale of subsidiary's equity shares	-	-	-	265.20	265.20	265.20
viii)	Share application Money received	-	-	-	1,600.00	1,700.00	2,190.01
ix)	Capital Advance	1,500.00	1,500.00	-	-	-	-
xi)	Deferred Payment liability (Additional Concession fees)	72,875.76	65,142.61	64,561.51	-	6,750.83	5,876.94
xii)	Deposit received towards Margin Money from related parties	100.00	100.00	100.00	-	-	-
xiii)	Money received in trust - kept in escrow account*	-	-	-	-	6,263.12	-
xiv)	Other Liabilities	-	-	0.12	1,772.83	1,111.63	3,019.91
xv)	Advance received from sub-contractor	-	-	-	1,000.00	1,000.00	1,000.00
	Total	**74,517.39**	**66,778.84**	**64,661.64**	**21,818.07**	**28,495.10**	**59,341.40**

*The Company has received money in trust parked in escrow account towards due to Gammon India Limited, the ultimate parent, as part of the SPA to be discharged on satisfaction of certain conditions amounting to ₹ 6241.00 lacs along with interest accrued thereon amounting to ₹ 22.12 lacs which is part of Fixed Deposit in escrow account.

c) Details of continuing defaults with respect to interest on loans are as under:

As at March 31, 2017	1 to 90 days	91 to 180 days	181 to 365 days	365 days & above
GIPL	95.00	-	-	-
PHPL	2,685.28	-	-	19.33
As at March 31, 2016	**1 - 90 days**	**91 to 180 days**	**181 to 365 days**	**365 days & above**
GIPL	47.95	-	-	-
CBICL	23.52	42.76	-	-
PHPL	1,517.25	-	-	-
PREL	560.08	-	-	-
RGBL	1,776.55	-	-	-
VSPL	273.70	-	-	-
As at October 31, 2014	**1 - 90 days**	**91 to 180 days**	**181 to 365 days**	**365 days & above**
GIPL	71.44	-	-	-
MNEL	169.77	-	-	-
RGBL	1,187.96	-	-	-
VSPL	278.64	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
15.3	**Short Term Borrowings (at amortised cost)**			
	Bank overdraft	7,121.40	9,868.03	6,446.59
	Working capital loans from bank	-	935.00	-
	Total	**7,121.40**	**10,803.03**	**6,446.59**
	The above amount includes			
	Secured borrowings	3,502.12	10,165.29	588.32
	Unsecured borrowings	3,619.29	637.74	5,858.27
		7,121.40	**10,803.03**	**6,446.59**

(I) Pravara Renewable Energy Limited

i) Cash credit from banks are against first charge on inventory, receivables, fuel stcok and other current assets and second charge on fixed assets the Company

ii) Cash credit from Cetral Bank of India carries an interest of MCLR (1 year) plus spread of 345 basis points.

iii) Cash Credit from Corporation Bank carries an interest of Base rate plus spread of 230 basis points. Further if Company is paying higher Rate of Interest (ROI) to Central Bank of India then same ROI will apply to term loan from Corporation Bank as well.

(II) Vizag Seaport Private Limited

i) Working capital loan from bank is secured by way of parri passu first charge on the movable properties, receivables and assignments including all receivables and intangibles, subject to prior charge on specific movable assets in favour of the Company's bankers both present and future, of the Company. Also secured by way of assignment of all project contracts (including license agreement, documents, insurance policies relating to all assets of the project, rights, titles, permits/approvals, clearances and interests of the Company). Charge on all the company's bank accounts, including but not limited to the Trust & Retention Account (TRA) and the Debt Service Reserve Account and each of the other accounts required to be created by the company under any project document or contract.

ii) The loan is repayable on demand. However, the cash credit limit will be repaid in equal periodic bimonthly reduction in drawing power, i.e., INR 167.00 lacs every two months. Interest is charged at 13.15% - 13.20% p.a during the period. The loan was entirely repaid during the period.

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
15.4	**Trade Payables (at amortised cost)**			
	i) Trade payables - Micro, small and medium enterprises	-	-	-
	ii) Trade payables - Others	6,446.86	11,406.21	2,455.66
	Total	**6,446.86**	**11,406.21**	**2,455.66**

a) Amounts due to Micro, Small and Medium Enterprises

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

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 is relied upon by the auditors.

16 Long Term Provisions

		As at			As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
		Non-Current			**Current**		
i)	Provision for employee benefits :						
	Leave Encashment	151.97	136.39	71.05	66.02	56.39	137.85
	Gratuity	76.31	74.94	86.07	15.32	17.35	8.42
	Others	0.25	-	-	-	-	-
ii)	Provision for Project Obligations:						
	Provision for periodic maintenance	388.40	-	3,132.41	-	-	11,377.26
	Provision for Project Obligations	1,493.59	1,316.90	861.53	113.73	260.00	-
	Total	**2,110.52**	**1,528.23**	**4,151.06**	**195.07**	**333.73**	**11,523.53**

a) Provision for Project Obligations :

The above includes:

Provision made by Holding Company for Obligation on Sale of Subsdiaries in previous year ended March 31, 2017

In accordance with PDA entered by one of the subsidiaries with Karkhana, at the end of 25 years after commercial operation the subsidiary is required to incur the expenditure to bring the plant back to its normal working condition which will result in decommisioning Obligation on the part of the subsidiary maximum upto ₹200 lacs. Accordingly, the subsidiary has created provision for the said expenditure to be incurred in future in accordance with Ind AS 16 " Property Plant and Equipment".

Provision for Project Obligations is on account of provision made towards obligations to the purchaser of equity shares of SPV's towards project related expenditure.

Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Particulars	**Opening**	**Addition**	**Finance Cost on outstanding provision**	**Utilisation**	**Closing**
Provision for Project Obligations					
Current Year (as at March 2017)	1,576.90	175.02	1.67	(146.27)	1,607.32
Previous Year (as at March 2016)	861.53	715.37	-	-	1,576.90
Provision for periodic maintenance					
Current Year (as at March 2017)	-	388.40			388.40
Previous Year (as at March 2016) (*)	14,509.67			-14,509.67	-

(*) Utilisation of Periodic maintenance:- Reversed on account of divestment of subsidiaries

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

b) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

	Particulars	As on March 31, 2017	As on March 31, 2016
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	92.28	87.41
	Current Service Cost	14.54	16.58
	Interest Cost	7.74	10.94
	Actuarial (Gain) /Loss	(14.37)	(5.91)
	Past employees Service	-	-
	Benefits paid	(8.58)	(16.74)
	Defined Benefit obligation at the year end	**91.62**	**92.28**
(b)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	Current Service Cost	14.54	16.58
	Interest Cost	7.74	10.94
	Past employees Service	-	-
	Actuarial (Gain)/Loss	(14.37)	(5.91)
	Net Cost	**7.91**	**21.62**

ii) Actuarial assumptions

Particulars	As on March 31, 2017	As on March 31, 2016
Mortality Table (LIC)	Indian Assured Lives 2006-08	
Discount rate (per annum)	6.5% to 8%	6.5% to 8%
Expected rate of return on Plan assets (per annum)	NA	NA
Rate of escalation in salary (per annum)	5%-7%	5%-7%
Withdrawal rate:		
- upto age of 34	3%-5%	3%-5%
- upto age of 35-44	2%-3%	2%-3%
- upto age 45 & above	1%-2%	1%-2%
Retirement age	60 years	60 years

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

In the absence of adequate details, sensitivity analysis is not disclosed.

17 Deffered Tax Liabilities (Net)

	As at			As at		
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	Non-Current			Current		
Deferred Tax Liability on account of :						
- Depreciation	5,883.34	3,345.57	7.66	-	-	-
Deferred Tax Asset on account of :	-	-	-	-	-	-
- Tax Disallowances -u/s 43B	(173.91)	(173.91)	(1.05)	-	-	-
Total	**5,709.43**	**3,171.67**	**6.61**	**-**	**-**	**-**

18 Other Liabilities

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
		Non- Current			Current		
i)	Mobilization Advance - MPRDC -NCL	500.00	-	-	-	-	-
ii)	Duties and Taxes payable	-	-	-	519.96	892.17	452.02
iii)	Government grants / (Deferred revenue)	39,613.99	30,869.46	16,734.09	-	-	-
iv)	O&M advance received from related parties	-	-	-	-	-	960.23
v)	Unearned revenue	-	-	-	16.55	48.84	70.50
vi)	Advance from customers	-	-	-	662.69	299.29	1,590.75
vii)	Other Payables	38.50	38.50	38.50	452.88	74.53	1,842.15
	Total	**40,152.49**	**30,907.96**	**16,772.59**	**1,652.08**	**1,314.83**	**4,915.65**

Mobilization Advance represent advance received from NCL's Railway towards the change of scope to be executed as a cash contract from MPRDC.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

19 Liabilities for current tax (net)

	As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**
Provision for taxation, net of advance tax	1,847.57	2,068.27	1,837.54
Total	**1,847.57**	**2,068.27**	**1,837.54**

20 Revenue from Operations

			18 months period ended March 31, 2016
i)	Construction contract revenue	24,802.78	54,689.62
ii)	Developer's Fees	-	486.83
iii)	Operating and Maintenance Income	-	12,051.10
iv)	Works Contract Income	-	1,385.08
v)	Periodic Maintenance Income	-	3,175.46
vi)	Toll revenue (refer note)	8,411.24	34,120.44
vii)	Finance Income	12,546.37	24,590.14
viii)	Revenue from power projects	5,583.62	3,408.85
ix)	Revenue from port operations	13,023.29	17,547.14
x)	Service concession revenue	416.55	1,745.78
xi)	Change of Scope	1,219.39	1,435.54
	Total Operating Revenue	**66,003.25**	**154,635.98**
	Other Operating Revenue		
i)	Weighment charges	4.48	28.88
ii)	Scrap sales	198.03	210.51
iii)	Income from operating grant	-	2,566.07
iv)	Other miscellaneous activities	140.68	212.71
	Total Other Operating Revenue	**343.18**	**3,018.17**
	Total	**66,346.43**	**157,654.15**

In VGRPPL the toll collection till August 26, 2016 has been recognized as Toll revenue.

In accordance with the principles in Appendix A to Ind AS 11 relating to accounting for Service Concession Agreements, the Group has started recognizing construction revenue in its Statement of Profit & Loss. The construction service being rendered for eventual BPS/tolling operations to be carried out by the SPV itself, the management has recognized the same at cost plus margin.

In accordance with the principles laid down in Appendix A of Ind AS 11, the PPP concession agreement of the company with NHAI gets recognised as Financial Asset. The Finance income above is recognised on the basis of EIR of the project cash flows.

c) Disclosures as required by Appendix B of Ind AS 11 relating to "Service Concession Arrangements: Disclosures"

i) Description of the Arrangement along with salient features of the project:

Sidhi Singrauli Road Project Limited is incorporated under the Companies Act, 1956, on April 24, 2012, as a subsidiary of Gammon Infrastructure Projects Limited to provide, to undertake and carry on the business of four laning of Sidhi Singrauli section of National Highway No.75E from km. 83/4 to km 195/8 in the State of Madhya Pradesh on design, build, finance, operate and transfer basis.

Vijayawada Gundugolanu Road Project Private Limited one of the SPV of the Group has undertaken to carry on the project of Six laning of Vijayawada – Gundugolanu section of NH-5 from km 1076.48 to km 1022.48 including six lane Hanuman Junction Bypass (Length 6.72 km) and four lane Vijayawada Bypass (Length 47.88 km) [Total Length: 103.59 km] in the state of Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on Design Built Finance Operate and Transfer 'DBFOT' basis ("Project"). In terms of the Concession, the SPV is required to pay additional concession fees for collecting the toll on the four lane project. The SPV is also required to convert the four lanes into six lanes. The SPV in exchange for the construction and maintainance of the road acquires the right to collect toll from the user of the facility and the Grantor controls the toll rates under the Concession agreement. The collection of the revenue will depend upon the traffic on the facility and also the rates determined by the grantor. The Concession is granted for a total period of 30 years. The tolling rates are re-set at regular intervals based on the changes in the wholesale price index. The traffic projections are based on the traffic study before the grant of the concession.

Patna Highways Projects Limited one of the SPV of the Group has entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. In respect of the project on annuity basis of the SPV, The SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the Company has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. Thus, the SPV is recognizing construction revenue and financial income as per the "Financial Asset Model" of Appendix A to Ind AS 11

Vizag Seaport Private Limited one of the SPV of the Group has entered into a license agreement ("the Agreement") with Visakhapatnam Port Trust (VPT) for construction and license out equipment operation management and maintenance of two multi purpose berths EQ 8 and EQ 9 in the northern arm of inner harbour at Visakhapatnam Port for handling Coal, Lime Stone, Rock Phosphate, Sulphur and other bulk cargo or General cargoes or container or liquid bulk cargo (non-hazardous) on Build, Operate and Transfer (BOT) basis for the period of 30 year concession (including construction period of two years). The license agreement with VPT was signed on 28 November 2001 for a period of 30 years. The premature termination is permitted only upon the happening of force majeure events or upon the parties defaulting on their respective obligations.

ii) Obligations of Operations and maintenance

The SPV's of the Group are required to carry out operations and maintenance on the berth / road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals

In case of one of the SPV i.e. SSRPL, since the Construction of the Road is under progress there is no current Obligation of Operation and Maintenance of the Road . However as per Concession Agreement with MPRDC the Company is required to carry out operations and maintenance on the road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals after the Completion of Construction activity and receipt of Commercial Operation Date Certificate

In case of one of the SPV i.e. VSPL, the SPV is entitled to collect the revenues from operating and maintenance of the project berths from user during the licensing period. The Company is required to pay the royalty to VPT at 17.111% of certain gross revenues on monthly basis during the licensing period. Having regard to the terms of the arrangement, the right to receive the revenues has been classified as an intangible assets/intangible assets under development (i.e. "Service concession assets") under the head intangible assets. The SPV has recognized the following service concession revenue and development costs for increase in capacity:

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Vizag Seaport Private Limited one of the SPV of the Group is required to handover the vacant and peaceful possession of project berths at the end of the license period and transfer all its rights, titles and interests in the assets comprised in the project facilities and services as specified in the license agreement to VPT at terminal value specified in the agreement.

The SPV at its own cost has to replace the equipment well ahead of the due dates as per the equipment replacement plan given at the Agreement. The SPV at its own cost, promptly and diligently repair, replace or restore any of the project facilities and services or part thereof which may be lost, damaged or destroyed.

iii) Changes to the Concession during the period

No changes in the arrangement of SPVs with the grantor have occurred during the accounting period except listed below.

In case of one of the SPV i.e. VGRPPL, the SPV has received a notice of termination from NHAI on August 26, 2016. Consequently NHAI took possession of the toll plaza and tolling was suspended by the SPV. Accordingly, the SPV suspended amortization of the Intangible Asset from that date and also stopped accruing interest liability on the deferred payment liability from that date.

Subsequently, as a result of the efforts of the SPV and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Pursuant to the requirements stipulated by NHAI the Company has entered into a binding agreement with Hinduja Realty Ventures for a committed equity participation of 49% in the Project as and when their conditions are satisfied. With the committed equity participation by the Hinduja Realty Ventures, bankers have expressed their willingness to give their respective sanctions , which are under final stages of approval for financial closure of this Project. The management is hopeful of the financial closure of the project and the project being revived.

In case of one of the SPV i.e. PHPL, the SPV has cost overrun on account of issues beyond its scope and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. The SPV has applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the SPV.

iv) Classification of the Concession

The Group has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a Tolling / berth arrangement resulting in recognition of an Intangible Asset. Revenue is recognised during the construction period as revenue from construction services with the corresponding debit to Intangible assets under development. Revenue is recognised on cost plus margin basis.

In case of one of the SPV i.e. PHPL where the SPV is receiving annuity from the grantor, has classified the arrangement as a Financial Asset resulting in recognition of an Financial Asset. Revenue is recognised during the construction period as revenue from construction services as well as financial income.

v) Recognition of Construction services revenue and costs:

The Group has applied INDAS 11"Service Concession Arrangement" retrospectively and has recognised margin on Construction activity and the same is debited to Intangible Assets and credited to Reserve and Surplus on the transition date.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

vi) The Company has recognised the following Revenue and costs from construction services.

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Construction Revenue (including change of Scope)	23,577.80	39,774.98
Construction Cost	23,253.03	39,417.79
Finance Income	12,546.37	24,590.14
Finance Cost	11,110.16	14,921.00

21 Other Income

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Interest Income		
	On Fixed Deposits with Banks	6.93	265.50
	On Income Tax Refund	251.84	-
	Others	633.51	525.21
ii)	Unwinding discount on security deposits	6.52	2.46
iii)	Fair Value Changes in Current Investments	175.25	340.32
iv)	Profit on Sale of Assets	0.45	-
v)	Gain on Mutual Fund investment	361.39	14.45
vi)	Excess periodic maintenance provision in divested subsidiaries written back	-	1,784.07
vii)	Write back of provision for advances	368.90	33.39
viii)	Sundry Balances Write Back	-	222.68
ix)	Miscellaneous Income	92.32	13.36
x)	Insurance claims received	**-**	**530.43**
xi)	Amortisation of grant	342.27	426.40
	Total	**2,239.38**	**4,158.28**

22 Project expenses

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	EPC Cost		
ii)	Operation and Maintenance expenses	2,242.68	3,929.95
iii)	Sub-contractor expenses	9,072.66	28,117.99
iv)	Change of Scope	18,706.64	54,249.47
v)	Developer fees	1,219.38	1,435.54
	Total	**-**	**547.00**
		31,241.36	**88,279.95**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

23 Changes in inventory of consumables

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Opening stock of materials	49.41	279.57
Add: Purchase	3,414.70	1,769.88
Less : Transferred	-	9.74
Less : Capitalised during the year	-	56.67
Less : Loss due to fire	-	521.09
Less : Closing stock of materials	**863.13**	**49.41**
Total	**2,600.98**	**1,412.54**

24 Employee benefit expenses

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Salaries, wages and bonus	1,801.24	3,583.27
ii)	Contributions to Provident Fund	59.43	107.02
iii)	Gratuity and Leave Encashment expense	30.67	74.07
iv)	Staff Welfare Expenses	27.01	134.48
v)	Employees 'ESOP' compensation cost (net of reversal)	2.39	(16.90)
vi)	Other expenses	11.45	-
	Total	**1,932.18**	**3,881.94**

a) During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of ₹ 204.49 lacs and ₹ 183.96 lacs respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (Ministry) for approval of waiver of recovery of such excess remuneration. One of the Company's applications had been partially allowed and the Ministry has rejected the others, with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 388.44 lacs. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

25 Depreciation & amortization

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Depreciation	1,435.86	819.70
Amortisation	3,515.17	9,176.33
Total	**4,951.03**	**9,996.03**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

26 Finance Costs:

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Intercorporate Loans:		
from Subsidiaries	0.25	199.75
from others	27.56	15,417.83
Banks Loans	25,868.92	34,497.37
Interest on cash credit facilities	818.35	72.87
Interest expenses on Financial liability at amortised cost	27.55	-
Interest on Income Tax	-	16.15
Interest on Margin Money Deposit	6.00	9.01
Interest on deferred liability payment	3,601.76	13,000.34
Other finance costs	873.23	1,096.37
Total	**31,223.60**	**64,309.68**

27 Other expenses

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Professional, Legal and Consultancy Fees	506.53	838.79
Rent	216.76	311.87
Power & Fuel	432.92	690.03
Travelling, Motor Car and conveyance expenses	197.28	324.96
Communication expenses	22.55	44.75
Insurance charges	128.70	265.02
Remuneration to Auditors	98.29	129.06
Bank Charges	15.48	46.72
Directors Fees & Commission	29.50	59.30
Guarantee Bond Commission	45.54	56.80
Preliminary and share issue expenses	-	29.65
Miscellaneous Expenses	2,072.14	2,314.29
	3,765.69	**5,111.25**

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
a)	**Payment to auditors**		
	Statutory audit and tax audit Fees of the Company	25.60	26.10
	Other services	23.63	15.19
	Out of pocket expenses	0.69	1.56
	Total payments to auditors	**49.92**	**42.85**
b)	**Audit of components of the Company**		
	Statutory audit and tax audit fees	19.50	48.16
	Other services	1.40	9.10
		20.90	**57.26**
c)	**Other auditors:**		
	Other components' auditors fees	27.47	28.95
		27.47	**28.95**
	Total (a+b+c)	**98.29**	**129.06**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

28 Exceptional items

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	(Profit) / Loss on disposal of SPV's (refer note 35)	-	(4,508.56)
ii)	Sundry balances written back / Write off on divestment of SPV's (refer note 35)	-	66.51
iii)	Intangible asset written off (refer note 35)	-	(715.79)
iv)	Fixed asset written off (refer note 35)	-	(18.81)
v)	Professional fees in connection with disposal of SPV's	-	(614.78)
vi)	Stock loss due to fire	-	(521.09)
vii)	Insurance Claim Made (Refer note 36)	-	520.00
viii)	Project Claims received	241.00	-
		241.00	(5,792.52)

29 Tax Expense

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	582.45	2,582.40
	Short Provision for Tax	-	11.18
	Deferred Tax Liability / (asset)	2,122.13	1,520.10
	Income tax recognised in statement of profit or loss	**2,704.58**	**4,113.69**

	Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
b)	**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**		
	Current Tax		
	Accounting profit before income tax	(6,888.04)	(16,971.49)
	Less: Non Taxable Profit/(loss)	**(10,112.57)**	**(23,957.00)**
	Taxable Profit/(loss)	3,224.53	6,985.51
	Accounting profit before income tax		
	Enacted tax rates in India (%)	34.608%	34.608%
	Computed expected tax expenses	1,115.94	2,417.54
	Effect of non- deductible expenses	99.48	879.47
	Effects of deductable Expenses	(0.52)	(2,122.22)
	Non Taxable effects	(607.34)	2,349.27
	Set off of brought forward losses	(199.65)	(1,022.10)
	Effect of deductible expenses and set off of losses	(0.44)	(2.28)
	Effect of Ind-AS impact	172.49	-
	Others	2.48	82.71
	Income tax expenses - Net	582.45	2,582.40

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

30 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Net Profit / (Loss) as per Statement of Profit and Loss	(10,405.95)	(20,541.36)
Outstanding equity shares at period end	941,830,724	941,770,724
Weighted average Number of Shares outstanding during the period – Basic	941,806,724	940,464,164
Weighted average Number of Shares outstanding during the period - Diluted	941,976,136	940,675,929
Earnings per Share - Basic (₹)	(1.10)	(2.18)
Earnings per Share - Diluted (₹) *	**(1.10)**	**(2.18)**

* The EPS (in previous period) on dilutive basis is anti-dilutive and therefore it is same as basic EPS.

Reconciliation of weighted number of outstanding during the period:

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Nominal Value of Equity Shares (₹per share)	2.00	2.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	941,770,724	938,200,724
Add : Issue of Equity Shares	60,000	3,570,000
Total number of equity shares outstanding at the end of the period	941,830,724	941,770,724
Weighted average number of equity shares at the end of the period	941,806,724	940,464,164
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	941,891,430	940,464,164
Add : Equity shares arising on grant of stock options under ESOP	84,706	211,765
Less : Equity shares arising on grant of stock options under ESOP forfeited / lapsed (included above)	-	-
Weighted average number of equity shares used in calculating diluted EPS	941,976,136	940,675,929

31 Details of Loans and Advances in the nature of Loans

a) Disclosure of amounts outstanding at the period end as per Schedule V of the LODR.

Particulars	Balance as on March 31, 2017	Maximum Amount Outstanding during the period	Balance as on March 31, 2016	Maximum Amount Outstanding during the period
Associates and Joint Venture Companies :				
Indira Container Terminal Private Limited	4,001.76	4,001.76	4,001.76	4,001.76

Note: Disclosure is done as per transaction value before IND AS adjustments.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

32 Details of Joint Ventures

a) Details of Joint Ventures entered into by the Company.

	% of Interest as at	
	March 31, 2017	**March 31, 2016**
Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) *	10%	10%
Indira Container Terminal Private Ltd	50%	50%
SEZ Adityapur Ltd	38%	38%
GIPL - GIL JV	95%	95%

All the above joint ventures entities are incorporated in India.

*GIPL had entered into a Joint Venture agreement for 31% equity stake in BWIOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWIOTPL. BWIOTPL has initiated the process of liquidation and the group management believes that it does not have any obligation to further contribute in the equity capital of BWIOTPL. Accordingly the interest is restricted to 10.12%.

33 Commitments

Particulars	**March 31, 2017**	**March 31, 2016**
Capital Commitments:	2,88,847.72	3,31,377.40
Export oblgations	2,289.67	2,289.67
Other Commitments:		
- Share of equity commitment in SPV's	58,729.13	66,472.91
- Buyback / purchase of shares of subsidiaries	5,300.00	8,988.00
Total	**3,55,166.52**	**4,09,127.98**

34 Contingent Liabilities

1 Guarantees:

i) Counter Guarantees given to the bankers for the guarantees given by them on our behalf ₹10,468 lacs (previous period ₹22,638.47 lacs).

2	**Particulars**	**March 31, 2017**	**March 31, 2016**
i)	Income tax matters	1,943.59	9,408.55
ii)	Bank Guarantees	134.74	-
iii)	Claims against group not acknowledged as debt (refer note b below)	2,752.66	3,195.59
iv)	Counter guarantees given to the bankers	13,735.18	22,773.21
		18,566.17	**35,377.36**

35 i) The Company has during the period transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for the following six entities:

a) Andhra Expressway Limited

b) Aparna Infraenergy India Pvt Limited (through PHL being 100% subsidiary of GIPL)

c) Gorakhpur Infrastructure Company Limited

d) Kosi Bridge Infrastructure Company Limited

e) Mumbai Nasik Expressway Limited

f) Rajahmundry Expressway Limited

The SPA covered the sale of another 3 subsidiaries PREL, SHPVL and VGRPPL to BIF India Holdings Pte Ltd., in respect of which certain condition precedent were required to be satisfied. In respect of PREL and SHPVL the long stop date expired on May 26, 2016. The long stop date for VGRPPL was August 26, 2016. Since the long stop date of PREL and SHPVL has crossed, the Company got a fresh valuation done to determine possible diminution in the value of investment from an external valuer and based on such valuation report has concluded that there is no diminution in the value of investment of PREL and SHPVL.

The releases of pledge in respect of some of the shares of subsidiaries are in progress although the necessary documents and authorities have been granted in favour of the purchaser. In respect of these shares, the registered shareholder continues to be the Company.

As a consequence of the sale of these six subsidiaries, the O&M contracts between the said subsidiaries and the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. An amount of ₹ 715.79 lacs has been charged to the statement of profit and loss under Exceptional items. Similarly various tangible assets at the project sites of these subsidiaries used by the Company to carry out its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six subsidiaries aggregating to ₹ 66.51 lacs . These amounts are debited to the statement of profit and loss under Exceptional items. Further there has also been a reversal of O&M income pursuant to the aforesaid SPA, of ₹ 1355.79 lacs which has been effected.

The releases of pledge in respect of some of the shares are in progress although the necessary documents and authorities have been granted in favour of the purchaser. In respect of these shares, the registered shareholder continues to be the Company.

ii) Further, during the current period, the Company has during the period transferred its entire beneficial interest in three other subsidiaries, MTL, PBHL and PHL in favour of Hiten Shah (Purchaser) for which it entered into a Share Purchase Agreement (SPA).

iii) The total cash consideration received on sale of all the nine subsidiaries (refer note 35(a) and 35(b)), is ₹ 13,814.91 lacs. Further, a waiver of ₹ 26,555.82 lacs has been received on refund of intercorprate loans received by the Company from the few of the divested subsidiaries including interest payable thereon forms a part of the sale proceeds. The difference between the carrying value of investments and afore mentioned agrregate consideration has been shown as loss on sale of investments after providing towards certain obligations towards the projects. Also refer note 53 D (vii) for INDAS impact on the profit on sale of six subsidiaries.

36 During the previous period, a subsidiary of the Company has lost inventory worth ₹ 521.10 lacs due to fire at its plant storage site. It has made a claim to the insurance company for a sum of ₹ 520 lacs. The claim is still under process for admission by the insurance company. The management is certain of recovering its loss and has accordingly recognised the claim amount. The net loss of ₹ 1.10 lacs is shown under Exceptional items. The Management is of the firm view that the claim will eventually be received and contends that the whole amount is receivable.

37 During the previous period, the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. The Company has also in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court vide order dated 20.10.2016, granted extension of 3 months from March 28, 2017 to settle the matter. Exposure of the Company in the SPV is ₹ 2,631.31 lacs (funded and non-funded)

38 Hydro power project at Himachal Pradesh - the project is stalled due to local agitation relating to environment issues. The matter with State Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the company in the SPV is ₹ 6,788.96 lacs.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

39 In one of the joint venture of the group at Indira Container terminal at Mumbai, the project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter with the MBPT was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the lende ₹ The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Refusal (ROFR) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Group in the SPV is ₹ 73,591.20 lacs (funded and non-funded).

40 One of the SPV of the Company commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The exposure of the Company to the SPV is ₹ 105,274.57 lacs (funded and non-funded)

41 One of the SPVs of the group i.e. Vijayawada Gundugolanu Road Project Private Limited (SPV) had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of the Company's Vijayawada Gundugolanu Road Project Private Limited (SPV) had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of the Company's efforts and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The management is hopeful of the financial closure of the project and the project being revived. The net exposure of the group in the SPV is ₹ 66,267.77 lacs.

42 In respect of another project on annuity basis of one of the SPVs of the Group, the SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the SPV has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the group in the SPV is ₹ 28,388.16 lacs

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

43 The Company had divested some of its subsidiaries in the previous period for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch for which based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the going concern assumption and the carrying values of the assets and liabilities in these quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

44 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.

45 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

One of the SPV has taken office premises on leave and license basis for a period of 3 years.

Particulars	**As on March 31, 2017 (₹)**	**As on March 31, 2017 (₹)**	**As on October 1, 2014 (₹)**
Payable not later than one year	111.00	-	-
Payable between one to five years*	133.20	-	-
Payable more than five years*	-	-	-
Total	**244.20**	**-**	**-**

46 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per INDAS 108. Further, the Company's operations are within single geographical segment which is India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

Major customer of the Group is as follows:

(a) Madhya Pradesh Road Development Corporation (MPRDC) from whom more than 10% of the business of the Group is carried out in the form of Tolling Contract.

(b) National Highways Authority of India (NHAI) from whom more than 10% of the business of the Group is carried out in the form of Annuity Contract.

(c) Visakhapatnam Port Trust (VPT) from whom more than 10% of the business of the Group is carried out in the form of cargo handling activities .

47 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

48 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2017 and March 31, 2016 . The Company has no foreign currency exposure towards liability outstanding as at March 31, 2017 and March 31, 2016

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

49 Significant accounting judgements, 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. Uncertainity 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 .

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, 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 judgement 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.

50 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Since the Company is required to prepare the financial statements under INDAS, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the eighteen months period ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at October 1, 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at October 1, 2014 and the financial statements as at and for the year ended March 31, 2016.

51 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

a) **Fair value measurement of Financial Assets or Financial Liabilities:**
Loans and Borrowings: In the absence of information , the Company has re-computed the present value of its loans existed as at the date of transition i.e., Octobet 1, 2014.

b) **Share Based Payments:**
Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to October 1, 2014.

c) **Investments in subsidiaries, joint ventures and associates**
The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.

52 A Effect of IND AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note Ref	Previous GAAP	Effect of Transition to IND AS	IND AS
		(₹in lacs)	(₹in lacs)	(₹in lacs)
Revenue from Operations	52D (i)	1,28,922.41	25,713.57	1,54,635.98
Other Operating Revenue		3,951.10	(932.93)	3,018.17
Revenue from Operations		**1,32,873.51**	**24,780.64**	**1,57,654.15**
Other Income	52D (ii), (iv)	4,636.28	(478.00)	4,158.28
Total Revenue (I)		**1,37,509.79**	**24,302.64**	**1,61,812.43**
Expenses:				
Construction expenses	52D (i)	51,509.91	36,770.04	88,279.96
Changes in inventory of consumables		1,375.08	37.47	1,412.54
Employee benefit expenses	52D (vi)	3,789.99	91.95	3,881.94
Finance Costs	52D (v)	35,804.67	28,505.01	64,309.68
Depreciation & amortization	52D (ix)	37,595.10	(27,599.06)	9,996.04
Other expenses		5,572.47	(461.22)	5,111.25
Total Expenses (II)		**1,35,647.22**	**37,344.19**	**1,72,991.40**
Profit / (Loss) before tax and exeptional items (I) - (II)		**1,862.56**	**(13,041.55)**	**(11,178.97)**
Exceptional items Income / (Expense)	52D (vii)	(2,077.23)	(3,715.29)	(5,792.52)
Profit/(Loss) from ordinary activities before tax		**(214.67)**	**(16,756.83)**	**(16,971.49)**
Tax expenses		**2,064.61**	**2,049.08**	**4,113.69**
Current Tax		2,880.34	(297.93)	2,582.40
Short Provision for Tax		14.14	(2.96)	11.18

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Note Ref	Previous GAAP	Effect of Transition to IND AS	IND AS
MAT Credit Entitlement		(1,759.87)	388.08	(1,371.78)
Deferred Tax Liability / (asset)	53D (viii)	929.99	1,961.89	2,891.88
Net Profit/(Loss) for the period after tax		**(2,279.27)**	**(18,805.91)**	**(21,085.17)**
Share of profit / (loss) from investment in associates and joint venture		39.19	676.59	715.78
Profit / (Loss) transferred to Non Controlling Interest		(546.36)	718.32	171.96
Net Profit / (Loss) after tax, NCI and share of profit / (loss) of associates and joint venture		**(1,693.72)**	**(18,847.64)**	**(20,541.35)**
Other comprehensive income				
Remeasurement of defined benefit plans	53D (vi)	-	30.50	30.50
Deffered tax effect thereon	53D (vi)	-	(10.01)	(10.01)
Other comprehensive income /(loss) net of tax		-	20.49	20.49
Total Comprehensive income/(loss) for the year		**(1,693.72)**	**(18,827.16)**	**(20,520.87)**

B Reconciliation of Net Profit and Other Equity

Particulars	Note Ref	Net Profit Reconcilaition As at March 31, 2016
Net Profit / (Loss) as per previous GAAP / Other Equity as per previous GAAP		**(1,693.73)**
Add / (Less):		
Share of preofit of JVs		(742.83)
Effects of IND AS 109		(20,253.71)
Deferred Tax impact of SPVs		(3,129.30)
Application of Service Concession Agreement		5,547.03
INDAS 19		(18.45)
Changes in minority interest		(718.32)
Others		467.95
INDAS 20 Grant Accounting		-
Net Profit / (Loss) as per INDAS / Other Equity as per INDAS		**(20,541.36)**
Other Comprehensive Income (Net of Deferred Tax)		20.48
Total Comprehensive Income as per INDAS		**(20,520.88)**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

C Reconciliation of Net Profit as at March 31, 2016 and October 01, 2014

Particulars	As at March 31, 2016	As at October 1, 2014
Other Equity as per previous GAAP	**87,171.92**	**76,276.19**
Add / (Less):		
Share of profit of JVs	(938.51)	(195.68)
Effects of IND AS 109	(10,735.14)	9,518.57
Deferred Tax impact of SPVs	(6,920.58)	(3,791.28)
Application of Service Concession Agreement	12,911.02	7,363.99
INDAS 19	(18.45)	-
Changes in minority interest	(823.76)	(105.44)
Others	946.17	478.22
INDAS 20 Grant Accounting	(24,777.22)	(16,734.10)
Other Equity as per INDAS	**56,815.45**	**72,810.47**

D Notes to effect of first time adoption

i) Revenue and Construction/Project Cost Recognition

Revenue from operation is higher on account of the accounting for revenue from Construction service (including margin) in accordance with the principal laid down in Appendix A of Ind As 11 " Service Concession Arrangements" . The corresponding Construction expenses has been accounted as Construction expenses/ Project expenses.

ii) Unwinding of interest free security deposit

Recognition of finance income on account of unwinding of discounts on interest free security deposit given.

iii) Change in Inventories

Reclassification of Inventories from Project cost to Change in inventories on face of profit and loss account

iv) FVTPL Financial assets

Under Previous GAAP, the Company accounted for long term investments and mutual funds in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments other than investments in subsidiaries / joint ventures and associates as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been recognised under retained earnings and the difference as at March 16 and March 17 is taken to Other inome in Statement of Profit and Loss. .

v) Discounting of Long term Loans and Advances and Borrowings

As per IND AS 109 ""Financial Instruments"" the Company has discounted the Long term Loans and Advances given to its Subsidiaries, Joint Venture and Associates and the difference between the Present Value and the Carrying value is taken to Non Current Investments.

Correspondingly the Company has discounted the Long terms Loans Borrowings from its Subsidiaries based on Effective Interest rate and the diffencial is charged to Opening Reseves as on the date of transition and to Profit and loss for the year 2015-16 and 2016-17 in the form of Interest Income, Dividend income, remeasurement impact on early repayments/ receipts.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

vi) Defined benefit liabilities

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. As a result of this change, the retained earnings as at October 01, 2014 and profit for the year ended March 31, 2016 has been adjusted. There is no impact on the total equity as at 31 March 2016.

vii) Exceptional Item

During the year 2015-16 the Company had sold 9 SPV's , as per IGAAP the Gain on sale of Investments was recorded at book value i.e., at cost. As per IND AS all the Non- Current Financial Instruments needs to be discounted based on EIR of the Company. All the said SPV Loans were discounted and the effects of the same was taken in Opening Reserves and Surplus on transition date i.e., October 1, 2014.

Therefore the gain shown in exceptional item as per IGAAP is taken upfront on the date of transition in the form of discounting and corresponding net effects are taken in Exceptional Item as per IND AS Financials as profit on Sale of Investments. Part of the Consideration was waived of loans taken and since the balance of loans taken adjusted as per IND AS 109 "" Financial Instruments"" , the consideration and Profit on Sale of Investments was also modified.

viii) Deferred tax assets (net)

Following adjustments made on account of the following:

(a) Due to reclassification of MAT credit

(b) On intangible assets recognised

Deferred Tax liability has increased on account of the claim by the company of accelerated depreciation (under Income Tax) pursuant to legal opinion.This deferred tax to the extent it relates to March 31, 2016 has been restated to the previous period.

ix) Deferred payment liability

In case of one of the Subsidiary the deferred liability under the previous GAAP on initial recognition was recognized at gross levels. Under Ind AS, the same are recognized at their Net Present Value (NPV). On account of this there is a reversal in deferred payment liability and Intangible Asset as on October 1, 2014.

On application of INDAS 11 and reversal if Intangible as mentioned in (ix) above , there is reversal in amortization of Intangible Asset . The Subsidiary has also reversed its deferred tax liability on the above.

x) Retained earning

Retained earnings as at October 1, 2014 has been adjusted consequent to the above Ind AS transition adjustments.

xi) Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

53 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

i) Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

ii) Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment ransaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

54 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

		Carrying Value			Fair Value		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
a)	**Financial assets**						
	Amortised Cost						
	Loans	5,347.34	6,536.19	8,223.05	5,347.34	6,536.19	8,223.05
	Others	11,625.79	5,940.13	3,744.30	11,625.79	5,940.13	3,744.30
	Trade receivables	134,758.39	120,634.60	230,410.45	134,758.39	120,634.60	230,410.44
	Cash and cash equivalents	3,018.87	7,573.03	5,054.88	3,018.87	7,573.03	5,054.88
	Bank balance other than above	12.37	32,230.45	925.10	12.37	32,230.45	925.10
	Investment in equity	3,677.09	6,232.12	5,404.01	3,677.09	6,232.12	5,404.01
	FVTPL						
	Mutual Funds	14,738.80	2,338.19	2,904.00	14,738.80	2,338.19	2,904.00
	Total Financial Assets	**173,178.65**	**181,484.70**	**256,665.76**	**173,178.65**	**181,484.70**	**256,665.78**
b)	**Financial liabilities**						
	Amortised Cost						
	Borrowings	262,109.99	246,328.73	336,541.19	262,109.99	246,328.73	336,541.19
	Trade payables	6,446.86	11,406.21	2,455.63	6,446.86	11,406.21	2,455.66
	Others	96,335.47	95,273.94	124,003.04	96,335.47	95,273.94	124,003.04
	Total Financial Liabilities	**364,892.33**	**353,008.88**	**462,999.89**	**364,892.33**	**353,008.88**	**462,999.89**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

55 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.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2017, March 31, 2016 and October 1, 2014.

	Fair Value measurement using			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
'Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-17	14,738.80	-	-
Total financial assets		**14,738.80**	**-**	**-**
'Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-16	2,338.19	-	-
Total financial assets		**2,338.19**	**-**	**-**
'Financial assets measured at fair value				
Mutual funds - Growth plan	1-Oct-14	2,904.00	-	-
Total financial assets		**2,904.00**	**-**	**-**

Financial Risk Management

The Company is in the business of infrastructure development and it undertakes projects in multiple infrastructure segments. The nature of the business is complex and the Company is exposed to multiple sector specific and generic risks. PPP projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, be it in the Road Sector, Power Sector, Ports or Urban Development, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process. An enterprise wide comprehensive risk management policy including risk appetite, tolerance and risk limits for more effective, informed and measurable risk management has been developed and it continues to evolve.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

56 Financial risk factors

i) Business / Market Risk

Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

One of the first and foremost business risk is the achievement of the traffic projections made at the time of the bid. This will include the introduction of alternate roads by the state or central government which impacts the traffic projected to ply on the asset under the control of the Company. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company / SPV to risk.

ii) Capital and Interest rate Risk

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. The Company intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms at the SPV-level of relevant projects. However, the Company believes that its ability to continue to arrange for capital requirements is dependent on various factors. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. However, the Company's track record has enabled it to raise funds at competitive rates. The Company's average cost of debt remains at 13.78% p.a.

iii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2017	+100	(2,961.99)
	-100	2,961.99
March 31, 2016	+100	(2,755.11)
	-100	2,755.11

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.

iv) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a) Trade and Other Receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 134,758.39 lacs as at March 31, 2017 and ₹120634.60 lacs as st March 31, 2016 , which is primarily from the SPV of the Company.

The primary customer of the group is the Government Organisation. In the absence of any bad debts from the SPV in the past the expected credit loss is zero and thus the Group is making no provisions on account any expected credit loss.

The credit risk from customers in the case of the SPV is very low as without payment of upfront toll the vehicles is not allowed to pass. However there are frequent local political issues which result in leakages which is a credit risk for the Company.

The Group has exposure to credit risk from a limited customer group on account of specialised nature of business, i.e., port services provided by the Company. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries mostly being public sector undertakings which are sovereign backed and other large corporates.

(v) Liquidity risk

The Group principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.

The Group has outstanding borrowings of ₹ 14,671.18 lacs as at March 31, 2017 and ₹ 20,214.52 lacs as at March 31, 2016.

The Group working capital is not sufficient to meet its current requirements. Accordingly, liquidity risk is perceived. The Current Liabilities of the Company exceeds current Assets by 14,861.69 lacs as at March 31, 2016 this was despite the sale of some of the SPVs and ₹ 31,175.08 lacs as at March 31, 2017. These conditions indicate the existence of an uncertainty as to timing and realization of cash flow of the company.

The achievement of the projections in the traffic and the toll rates is critical for the liquidity to pay the lenders.

Tiely completion of the project has a major impact on the liquidity of the SPV. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the SPV and the holding company materially and is one of the major reasons for the liquidity issue of the group.

The Working Capital Position of the Company is given below:

	March 31, 2017	March 31, 2016
Cash and Cash Equivalent	3,018.87	7,573.03
Bank Balance	12.37	32,230.45
Investments in mutual Funds	14,738.80	2,338.19
Total	**17,770.04**	**42,141.67**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities :

	Amount (₹)
As at March 31, 2017	
Borrowings	262,109.99
Trade Payables	6,446.86
Other Financial Liabilities	96,335.47
Other Liabilities	41,804.56
Total	**406,696.89**
As at March 31, 2016	
Borrowings	246,328.73
Trade Payables	11,406.21
Other Financial Liabilities	95,273.94
Other Liabilities	32,222.79
Total	**385,231.67**

(vi) 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.

(vii) 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.

(viii) Exchange risk

Since the operations of the group are within the country the group is not exposed to any exchange risk directly. The group also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal. However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

57 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 parent. 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.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Borrowings	2,62,109.99	2,46,328.73	3,36,541.19
Less:			
Cash and Cash Equivalent	(3,018.87)	(7,573.03)	(5,054.87)
Investment in mutual funds	(14,738.80)	(2,338.19)	(2,904.00)
Net debt	**2,44,352.32**	**2,36,417.51**	**3,28,582.33**
Total Equity	**70,235.36**	**82,423.03**	**1,07,538.91**
Gearing ratio	**28.74%**	**34.86%**	**32.73%**

58 Disclosure as required under schedule III of the Companies Act, 2013
The disclosure of breakup of net assets and profit after tax, entity wise is given in Statement 2 attached.

59 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2017.

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

Place : Mumbai
Date : June 18, 2017

For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Director
DIN: 00177173

Place: Mumbai
Date : June 18, 2017

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Annexure I

Related Party Disclosure

a) **Relationships :**

Entity where control exists :

1 Gammon India Limited - Ultimate Holding Company (up to Sept 29, 2014)
2 Gammon Power Limited - Holding Company (w.e.f Sept 29, 2014)

Fellow Subsidiary

1 Ansaldo Caldie Boilers India Private Limited - a subsidiary of the Ultimate Holding Company

Joint Ventures:

1 Blue Water Iron Ore Terminal Private Limited
2 Indira Container Terminal Private Limited
3 SEZ Adityapur Limited
4 GIPL - GIL JV

Associates:

1 Eversun Sparkle Maritime Services Limited
2 ATSL Infrastructure Projects Limited
3 Modern Tollroads Limited

Key Management Personnel:

1 Kishor Kumar Mohanty - Managing Director
2 Parag Parikh (upto 18/11/14) - Whole Time Director & CFO
3 Naresh Chandra - Chairman
4 Chandrahas Charandas Dayal - Independent Director
5 Sushil Chandra Tripathi - Independent Director
6 Homai A Daruwalla - Independent Director
7 Abhijit Rajan - Non Executive Director

b) **Details of related parties transactions for the period ended on March 31, 2017**

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Subsidiary of Ultimate holding company	Key Management Personnel	Total
Operations & Maintenance Income	-	-	-	-	-	-
	5,063.06	-	-	-	-	**5,063.06**
- Gammon India Ltd	-	-	-	-	-	-
(Previous Year)	5,063.06	-	-	-	-	**5,063.06**
Operations & Maintenance Expense	**2,590.38**	-	-	-	-	**2,590.38**
	5,063.06	-	-	-	-	**5,063.06**
- Gammon India Ltd	2,590.38	-	-	-	-	**2,590.38**
(Previous Year)	5,063.06	-	-	-	-	**5,063.06**
Intangible Asset Development (contarct expenditure)						
- Gammon India Ltd	-	-	-	-	-	-
(Previous Year)	10,102.81	-	-	-	-	**10,102.81**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Subsidiary of Ultimate holding company	Key Management Personnel	Total
Advance recovered against EPC contracts from		**160.59**	**-**	**-**	**-**	**-**	**160.59**
		15.22	**-**	**-**	**-**	**-**	**15.22**
-	Gammon India Ltd	160.59	-	-	-	-	160.59
	(Previous Year)	15.22	-	-	-	-	15.22
Managerial Remuneration		**-**	**-**	**-**	**-**	**374.76**	**374.76**
		-	**-**	**-**	**-**	**409.63**	**409.63**
-	Mr. K. K. Mohanty	-	-	-	-	374.76	374.76
	(Previous Year)	-	-	-	-	374.76	374.76
-	Mr. Parag Parikh	-	-	-	-	-	-
	(Previous Year)	-	-	-	-	34.87	34.87

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Subsidiary of Ultimate holding company	Key Management Personnel	Total
Director Sitting fees and Commission		**-**	**-**	**-**	**-**	**29.50**	**29.50**
		-	**-**	**-**	**-**	**57.40**	**57.40**
-	C.C Dayal	-	-	-	-	6.50	6.50
	(Previous Year)	-	-	-	-	14.20	14.20
-	Homai A Daruwala	-	-	-	-	7.50	7.50
	(Previous Year)	-	-	-	-	13.20	13.20
-	Sushil Chandra Tripathi	-	-	-	-	7.50	7.50
	(Previous Year)	-	-	-	-	13.70	13.70
-	Naresh Chandra	-	-	-	-	6.00	6.00
	(Previous Year)	-	-	-	-	11.00	11.00
-	Abhijit Rajan	-	-	-	-	2.00	2.00
	(Previous Year)	-	-	-	-	4.40	4.40
-	Himanshu Parikh	-	-	-	-	-	-
	(Previous Year)	-	-	-	-	0.90	0.90
Finance provided for expenses and on account payments		**-**	**-**	**-**	**-**	**-**	**-**
		10.16	**-**	**-**	**-**	**-**	**10.16**
-	Gammon India Ltd	-	-	-	-	-	-
	(Previous Year)	10.16	-	-	-	-	10.16
Finance received for expenses and on account payments		**-**	**-**	**-**	**-**	**-**	**-**
		0.96	**-**	**-**	**-**	**-**	**0.96**
-	Gammon India Ltd						-
	(Previous Year)	0.96	-	-	-	-	0.96
Oustanding Balances Receivable:		**1,291.06**	**129.95**	**15.83**	**-**	**-**	**1,436.84**
		-	**129.95**	**-**	**-**	**-**	**129.95**
-	Gammon India Ltd	1,291.06	-	-	-	-	1,291.06
	(Previous Year)	-	-	-	-	-	-
-	Modern Tollroads Limited	-	129.95	-	-	-	129.95
	(Previous Year)	-	129.95	-	-	-	129.95
-	GIPL-GIL JV	-	-	15.83	-	-	15.83
	(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Subsidiary of Ultimate holding company	Key Management Personnel	Total
Oustanding Balances Payable:	**1,263.77**	**265.20**	**1,600.00**	**1,500.00**	**-**	**4,628.97**
	7,001.74	**265.20**	**1,600.00**	**1,500.00**	**-**	**10,366.94**
- Gammon India Ltd	1,263.77	-	-	-	-	1,263.77
(Previous Year)	7,001.74	-	-	-	-	7,001.74
- Modern Tollroads Limited	-	265.20	-	-	-	265.20
(Previous Year)	-	265.20	-	-	-	265.20
- GRL	-	-	1,600.00	-	-	1,600.00
(Previous Year)	-	-	1,600.00	-	-	1,600.00
- Ansaldo Caldie Boilers India Private Limited	-	-	-	1,500.00	-	1,500.00
(Previous Year)	-	-	-	1,500.00	-	1,500.00

Disclosure as required under schedule III of the Companies Act, 2013 (Refer Note 58)

Sr. No.	Particulars	As at March 31, 2017				As at March 31, 2016			
		Net Assets		Share in profit or loss		Net Assets		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
	Holding Co.								
1	GIPL	119.54%	78,047.36	128.27%	-13,347.95	116.20%	88,001.58	-16.69%	3,427.83
	Subsidiaries								
2	BBHPL	-1.67%	-1,089.23	0.01%	-0.55	-1.44%	-1,087.67	0.00%	-0.83
3	CBICL	-0.39%	-251.59	2.48%	-258.15	0.08%	58.71	0.90%	-185.34
4	CICPL	-0.01%	-4.52	0.00%	0.05	0.00%	-3.57	-0.03%	5.96
5	EIPPL	-0.09%	-58.23	0.00%	-0.18	0.06%	47.67	-1.84%	377.75
6	GLL	-0.85%	-557.85	-0.50%	51.86	-0.81%	-609.72	0.01%	-1.04
7	GPDL	-0.05%	-33.74	0.01%	-0.78	-0.05%	-36.09	0.00%	-0.30
8	GREIL	-0.13%	-88.10	0.00%	-0.19	-0.02%	-15.47	0.00%	-0.20
9	GRIL	-0.41%	-267.68	0.00%	-0.19	-0.31%	-234.98	-0.01%	1.47
10	GSIL	0.00%	-2.51	0.00%	-0.21	0.00%	1.70	0.00%	-0.21
11	GREPL	-0.01%	-9.23	0.00%	-0.21	-0.01%	-9.02	0.00%	-0.20
12	HBPL	-0.42%	-275.14	0.00%	-0.20	-0.36%	-274.94	0.00%	-0.20
13	JPDL	0.00%	-1.50	0.00%	-0.19	0.00%	-1.31	0.04%	-7.57
14	LIDL	-0.01%	-3.33	0.00%	-0.20	0.00%	1.48	0.01%	-1.23
15	MPSL	0.02%	13.46	0.00%	-0.20	0.02%	13.67	0.04%	-7.38
16	PHPL	3.40%	2,217.92	-8.34%	868.08	2.38%	1,798.71	19.60%	-4,027.11
17	PREL	-14.47%	-9,447.27	40.85%	-4,250.44	-4.94%	-3,743.53	17.05%	-3,503.16
18	RCTPL	-0.16%	-103.14	0.15%	-15.46	-0.02%	-12.23	0.00%	-0.17
19	RGBL	-9.55%	-6,237.51	44.42%	-4,621.97	-1.95%	-1,480.28	13.23%	-2,716.71
20	SREPL	-0.04%	-24.36	0.00%	-0.07	-0.03%	-21.16	0.00%	-0.25
21	SHPVL	-0.09%	-60.78	0.01%	-0.90	-0.08%	-59.66	0.00%	-0.71

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Sr. No.	Particulars	As at March 31, 2017				As at March 31, 2016			
		Net Assets		Share in profit or loss		Net Assets		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
22	SIPPL	-0.02%	-10.97	0.01%	-0.76	0.02%	15.18	-0.07%	14.99
23	SSRPL	21.54%	14,065.25	-132.37%	13,774.74	0.38%	290.51	-1.33%	273.08
24	TIDCL	-0.03%	-18.65	0.00%	-0.19	-0.02%	-18.45	0.00%	-0.16
25	TREPL	0.00%	-1.40	0.00%	-0.21	0.00%	-1.19	0.00%	-0.11
26	THPL	-0.01%	-5.25	-0.08%	8.45	0.02%	11.71	-0.06%	12.35
27	VGRPPL	-4.37%	-2,855.40	-9.46%	984.07	-4.12%	-3,121.31	17.28%	-3,550.29
28	VSPL	0.81%	525.67	9.86%	-1,026.15	-0.82%	-623.22	12.64%	-2,595.82
29	YMMPL	-0.01%	-9.15	0.00%	0.08	-0.01%	-9.22	0.00%	-0.19
30	YPHPL	-4.29%	-2,798.87	0.01%	-1.02	-1.18%	-892.85	0.01%	-1.36
31	YPVL	-0.49%	-322.07	0.11%	-11.43	-0.41%	-309.58	0.15%	-31.42
	Joint Venture								
32	ICTPL	-7.69%	-5,022.52	24.64%	-2,564.12	-0.18%	-138.99	-3.48%	715.78
33	GIPL-GIL JV	-0.03%	-17.35	-0.08%	8.66	-0.03%	-26.01	0.00%	0.00
34	BWIOTPL					0.00%	-1.71	0.00%	0.00
	Associates								
35	ESMSPL	0.00%	0.00	0.00%	0.00	0.00%	-0.09	0.00%	0.00
36	SEZAL	0.00%	0.00	0.00%	0.00	0.00%	-1.32	0.00%	0.00
	Divested Entities								
37	AEL	0.00%	0.00	0.00%	0.00	1.08%	815.37	2.57%	-528.80
38	AIIPL	0.00%	0.00	0.00%	0.00	0.01%	5.36	-0.04%	8.58
39	GICL	0.00%	0.00	0.00%	0.00	-1.89%	-1,429.40	-26.03%	5,347.75
40	KBICL	0.00%	0.00	0.00%	0.00	-1.09%	-822.12	0.92%	-188.36
41	MNEL	0.00%	0.00	0.00%	0.00	0.32%	240.41	53.59%	-11,007.20
42	MTL	0.00%	0.00	0.00%	0.00	-0.06%	-46.85	0.57%	-116.22
43	PBHL	0.00%	0.00	0.00%	0.00	0.00%	-0.87	-2.71%	556.28
44	PHL	0.00%	0.00	0.00%	0.00	-0.68%	-512.71	-6.10%	1,253.22
45	REL	0.00%	0.00	0.00%	0.00	-0.03%	-24.63	19.78%	-4,063.97
		100.00%	**65,292.32**	**100.00%**	**-10,405.95**		**75,731.89**		**-20,541.46**

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gammon Infrastructure Projects Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

Basis of Qualified Opinion

Attention is invited to note 21(a) to the Standalone IND AS Financial Statement relating to the excess managerial remuneration paid of ` 388.45 lacs for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ` 388.45 lacs. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of ` 388.45 lacs. Pending the same no adjustments have been made to the Standalone Ind AS Financial Statements . Subject to the outcome

INDEPENDENT AUDITOR'S REPORT

of the application *made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and year ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016.*

Qualified Opinion

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

Emphasis of Matter

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

a) We invite attention to Note 33 of the Standalone IND AS Financial Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. The Company's exposure towards the said project (funded and non-funded) is ₹ 2,588.40 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b) We invite attention to Note 34 of the Standalone IND AS Financial Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and is also exploring legal steps. The Company's exposure towards the said project includes investment and loans and advances of ₹ 7,110.91 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

c) We invite attention to Note 35 of the Standalone IND AS Financial Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of ₹ 12,632.78 lacs (funded and non-funded). As mentioned in the said note a draft supplementary agreement has been discussed between the parties under which the project would go for a re-bid and the SPV has a Right Of First Offer. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV Company. Pending execution of the supplementary agreement and the conclusion of the Re-bid, no adjustments have been made in the financial statements.

d) We invite attention to Note 36 of the Standalone IND AS Financial Statement, in respect of a tolling bridge project in Andhra Pradesh where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. Pending conclusions no adjustments have been made in the financial statements. The Company's exposure towards the project/SPV is ₹ 92,560 lacs (funded and non-funded).

e) We invite attention to Note 37 of the Standalone IND AS Financial Statement, in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The net exposure of the company in the SPV is ₹ 16,062.44 lacs (including Bank guarantee of ₹8420.00 Lakhs). Pending conclusions no adjustments have been made in the financial statements.

f) We invite attention to an annuity project of the Company where the SPV has accounted for the asset as a financial asset. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the proposed S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is ₹ 1,18,269.72 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements. (Refer Note 38)

g) We invite attention to Note 39 of the Standalone IND AS Financial Statement; wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets resulting in continued mismatch despite the sale of some of the SPVs in the previous period. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of significant uncertainty as to timing and realization of cash flow.

Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at October 1, 2014 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and September 30, 2014 prepared in accordance with the Companies (Accounting Standard) Rules 2006 (as amended) which were audited by us , on which we expressed modified opinion dated June 6, 2016 and November 18, 2014 respectively. The adjustments to these financial statements for the difference in accounting principles adopted by the Company on transition to the have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A , a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by section 143 (3) of the Act, we report that:
   (a) we have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

(f) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Standalone Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31 to the Standalone Ind AS Financial Statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund during the year.

   iv. The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as regards to holdings as well as dealings in Specified Bank Notes as defined in the notification S.O.3407(E) dated the November 8, 2016 of the Ministry of finance , during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representation provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer Note 5.3(i) to the Standalone Ind AS Financial Statements.

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: June 18, 2017

ANNEXURE A

To the Independent Auditors' Report on the Standalone Ind AS Financial Statements Gammon Infrastructure Projects Limited

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

(b) Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property in the name of the company and hence clause 3(i)(c) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(ii) As the company does not hold any inventory during the year, clause 3(ii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any 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. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable to the Company.

(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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to infrastructure developers business, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Cess, Work Contract Tax, and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable except in case of Wok Contract Tax of ₹22.76 lacs which is outstanding for more than six months they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax or Cess which have not been deposited on account of any dispute except as given herein below.

Name of the Statute	Nature of dues	₹ in lacs	Period for which it relates	Forum where dispute is pending
Income Tax Act, 1961	Demand under u/s 153A	558.13	A.Y. 2005-06 to A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
	Demand of Penalty u/s 271(1)(c)	134.40	A.Y. 2007-08	
	Demand under u/s 143(3)	107.03	A.Y. 2012-13 and A.Y. 2015-16	

ANNEXURE A

(viii) Based on the audit procedure and as per the information and explanation given by the management, we are of the opinion that the Company has not default in repayment of dues to financial institutions or bank. The Company has not borrowed any fund by way of debentures.

(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) As regards the Managerial remuneration the Company has paid excess managerial remuneration aggregating to ₹ 388.45 lacs for the periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016 to its Managing Director and Executive Director of the Company which is not in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 388.45 lacs. Similarly for the current year i.e., for the period April 1, 2016 to March 31, 2017 the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016.

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

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

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

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

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

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: June 18, 2017

ANNEXURE B

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

ANNEXURE B

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: June 18, 2017

BALANCE SHEET
as at March 31, 2017

(₹ in lacs)

Particulars	Note Ref	As at March 31, 2017	As at March 31, 2016	As at October 1, 2014
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	35.25	50.45	178.07
(b) Intangible Assets	4	-	-	944.70
(c) Financial Assets	5			
(i) Investments in Subsidiaries , Joint Ventures and Associates	5.1	127,082.40	119,373.35	155,240.28
(ii) Trade receivables	5.2	4,182.21	3,020.55	882.87
(iii) Loans and Advances	5.4	3,169.08	2,863.96	3,220.20
(iv) Other Financial Assets	5.5	8,333.72	4,024.33	1,650.44
(d) Deferred Tax Asset, Net	6	2,020.75	1,484.50	(8.97)
(e) Other non current assets	7	1,972.99	1,258.39	1,404.35
		146,796.40	**132,075.53**	**163,511.93**
(2) Current Assets				
(a) Inventories	8	-	-	17.99
(b) Financial Assets	5			
(i) Investments in Subsidiaries , Joint Ventures and Associates	5.1	-	1.00	490.00
(ii) Other Investments	5.1	7,082.18	2,338.19	130.40
(iii) Trade receivables	5.2	2,329.54	691.90	341.52
(iv) Cash and cash equivalents	5.3	1,669.37	227.45	1,134.45
(v) Bank balances	5.3	12.37	32,220.45	107.62
(vi) Loans and Advances	5.4	-	-	-
(vii) Others Financial Assets	5.5	3,239.38	2,096.87	2,003.70
(c) Other current assets	7	660.07	480.21	966.98
		14,992.91	**38,056.07**	**5,192.66**
Total Assets		**161,789.31**	**170,131.60**	**168,704.59**
EQUITY & LIABILITIES				
Equity				
(a) Equity Share capital	9	18,917.64	18,916.44	18,845.04
(b) Other Equity	11	73,218.39	71,335.15	69,026.04
		92,136.03	**90,251.59**	**87,871.08**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities	11			
(i) Borrowings	11.1	261.59	228.09	20,835.65
(ii) Other financial liabilities	11.2	141.63	136.23	100.00
(b) Provisions	12	57.03	61.44	42.10
(c) Other Non-current liabilities	13	23,025.03	26,536.48	17,803.14
		23,485.28	**26,962.24**	**38,780.89**
Current liabilities				
(a) Financial Liabilities	11			
(i) Borrowings	14	3,619.29	7,998.04	6,446.59
(ii) Trade payables	15	1,541.72	6,261.25	999.44
(iii) Other financial liabilities	11.2	12,678.22	19,810.10	21,089.21
(b) Provisions	13	181.12	311.72	108.93
(c) Liabilities for current tax (net)	16	1,795.83	2,061.33	1,773.51
(d) Other current liabilities	13	26,351.81	16,475.33	11,634.95
		46,167.99	**52,917.77**	**42,052.63**
Total Equity and Liabilities		**161,789.31**	**170,131.60**	**168,704.59**

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

Place : Mumbai
Date : June 18, 2017

For and on behalf of the Board of Directors of Gammon Infrastructure Projects Limited

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

PROFIT & LOSS ACCOUNT
for year ended March 31, 2017

(₹ in lacs)

	Particulars	Note Ref	12 months ended March 31, 2017	18 months ended March 31, 2016
I	Revenue from Operations	17	18,982.02	40,320.02
II	**Other Income**	18	2,695.94	5,844.16
III	Total Income (I +II)		**21,677.96**	**46,164.18**
IV	Expenses:			
	Construction expenses	19	15,630.75	29,780.71
	Changes in inventory of consumables	20	-	8.25
	Employee benefit expenses	21	718.61	1,994.14
	Finance Costs	22	2,641.72	8,960.18
	Depreciation & amortization	23	15.72	331.38
	Other expenses	24	991.06	1,995.86
	Total Expenses		**19,997.86**	**43,070.52**
	Profit before exceptional Item and tax (III-IV)		1,680.10	3,093.66
	Exceptional items	25	241.00	(892.30)
	Profit / (Loss) before tax		**1,921.10**	**2,201.36**
	Tax expenses	26		
	Current Tax		585.00	1,371.50
	Deferred Tax Liability / (asset)		(539.06)	(1,497.26)
	Total tax expenses		45.94	(125.76)
	Profit for the period		**1,875.16**	**2,327.12**
	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement of defined benefit plans		8.52	11.46
	Deferred tax effect thereon		**(2.82)**	**(3.79)**
	Other Comprehensive Income for the year, net of tax		**5.70**	**7.67**
	Total comprehensive income for the year		**1,880.86**	**2,334.79**
	Earnings per equity share	**27**		
	Nominal Value		**2.00**	**2.00**
	Basic		0.20	0.25
	Diluted		0.20	0.25

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

For and on behalf of the Board of Directors of Gammon Infrastructure Projects Limited

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

CASH FLOW STATEMENT
for year ended March 31, 2017

Particulars	For the twelve months period ended 31 March 2017		For the eighteen months period ended 31 March 2016	
Cash flows from operating activities				
Profit /(loss) before tax		1,921.10		2,201.36
Adjustments:				
Depreciation & amortization	15.72		331.38	
Employees Compensation Expenses	2.39		(16.90)	
Gurantee Commission	(1,024.14)		(1,034.57)	
Interest received on FD & Banks	(461.87)		(413.08)	
Interest Income-Ind-AS impact	(435.69)		(369.04)	
Dividend Income-Ind-AS impact	-		(2,576.33)	
Remesurement gain on loans given to Group Companies	(29.29)		(1,322.02)	
Profit on sale of current investment	(361.39)		(81.12)	
Profit on sale of assets	(0.45)		(0.10)	
Net gain on financial asset through FVTPL	(175.25)		(14.45)	
Write back of provision for advances	-		(33.30)	
Interest expenses on Financial liabilities at amortised cost	1,700.08		7,000.03	
Banks Interest	818.35		1,631.24	
Provision for doubtful advance	261.59		148.17	
Sundry balances written off	128.10		270.47	
Provision for Diminution in Value of Investments of subsidiaries	7.55		132.77	
Exceptional items	-	445.70	892.30	4,545.44
Operating cash flows before working capital changes and other assets		**2,366.80**		**6,746.80**
(Increase) / decrease in inventories	-		17.99	
Decrease/ (increase) in trade receivables	(2,799.30)		(5,634.45)	
Decrease/ (increase) in financial Assets	(1,366.09)		(1,394.35)	
Decrease/ (increase) in Other assets	(261.43)		486.77	
(Decrease) / increase in financial liabilities	(11,002.68)		11,510.01	
(Decrease) / increase in Non- financial liabilities	7,389.17		14,608.30	
(Decrease) / increase in provisions	(118.04)	(8,158.37)	(9,379.56)	10,214.71
Cash generated from operations		(5,791.56)		16,961.51
Income taxes refund / (paid), net		1,565.09		937.72
Net cash generated from in operating activities		**(7,356.66)**		**16,023.79**
Cash flows from investing activities				
Purchase of property, plant and equipment	(0.53)		(2.44)	
Proceeds from sale of property, plant and equipment	0.45		0.10	

CASH FLOW STATEMENT
for year ended March 31, 2017

Particulars	For the twelve months period ended 31 March 2017		For the eighteen months period ended 31 March 2016	
Investment in Subsidiaries	(0.00)		(5,903.00)	
Proceeds from sale of Investment	-		14,304.91	
Advance for Purchase of Shares	(3,750.00)		(1,156.51)	
Movement in Other Bank Balances	(559.39)		(1,839.09)	
Expenses on sale of Investments	-		(614.78)	
Purchase of Mutual Funds	(36,084.68)		(21,480.01)	
Proceeds from Sale of Mutual Funds	31,877.34		19,367.81	
Intercorporate loan	(14,430.39)		(18,581.39)	
Refund of Loans	6,668.00		36,731.60	
Interest received	566.63		365.59	
Cash flows from financing activities		(15,712.57)		21,192.79
Proceeds from issue of share capital & Security premium	1.20		71.40	
Net Proceed from Short term borrowings	(4,378.76)		1,551.45	
Proceeds from long-term borrowings	163.67		11,013.81	
Repayment of long-term borrowings	(1,361.75)		(11,348.47)	
Interest paid	(2,121.31)		(7,298.93)	
Net cash used in financing activities		**(7,696.94)**		**(6,010.74)**
Net increase / decrease in cash and cash equivalents		(30,766.17)		31,205.84
Cash and cash equivalents at the beginning of the period		32,447.90		1,242.07
Cash and cash equivalents at the end of the period		1,681.74		32,447.90
		(30,766.17)		**31,205.84**

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

A Equity

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Number of Shares	₹. in lacs	Number of Shares	₹. in lacs	Number of Shares	₹. in lacs
Equity shares of INR 10 each issued, subscribed and fully paid						
Balance at the beginning of the reporting period	941,770,724	18,835.41	938,200,724	18,764.01	734,026,438	14,680.53
Changes in equity share capital during the year - issued during the reporting period	60,000	1.20	3,570,000	71.40	204,174,286	4,083.49
	941,830,724	18,836.61	941,770,724	18,835.41	938,200,724	18,764.01
Add:						
Shares forfeited	162,050	81.03	162,050	81.03	162,050	81.03
Balance at the end of Reporting period		**18,917.64**		**18,916.44**		**18,845.04**

B Other Equity

Particulars	Retained Earnings	General Reserve	Security Premium Reserve	Other Comprehensive Income	Employee Stock Option Outstanding	Total
Balance as per Previous GAAP	6,466.47	23.96	56,195.23		199.55	62,885.20
Adjustments:						-
Fair Value of Mutual Funds	0.40					0.40
Fair Value Adjustment on Inter Corporate deposit	6,097.91					6,097.91
Amortisation of Guarantee Income	51.48					51.48
Remeasurement gain/(loss) on defined benefit plans	(27.12)			27.12		-
Less deferred tax liability on above				(8.97)		(8.97)
Balance as at October 1, 2014 as per IND AS	**12,589.15**	**23.96**	**56,195.23**	**18.16**	**199.55**	**69,026.04**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Retained Earnings	General Reserve	Security Premium Reserve	Other Comprehensive Income	Employee Stock Option Outstanding	Total
Profit for the year	2,327.12	-	-	-	-	2,327.12
Adjustment of additional depreciation	(8.78)	-	-	-	-	(8.78)
Transferred on account of Premium on issue of ESOP	-	-	174.24	-	(174.24)	-
Employee stock options forfeited	-	-	-	-	(59.52)	(59.52)
Deferred Employee Stock : Charge for the period	-	-	-	-	42.62	42.62
Remeasurement gain/(loss) on defined benefit plans	-	-	-	11.46	-	11.46
Less deferred tax liability on above	-	-	-	(3.79)	-	(3.79)
Balance as at 31 March 2016	**14,907.48**	**23.96**	**56,369.47**	**25.83**	**8.42**	**71,335.15**
Profit for the year	1,875.16	-	-	-		1,875.16
Deferred Employee Stock : Charge for the period	-	-	-	-	2.39	2.39
Remeasurement gain/(loss) on defined benefit plans	-	-	-	8.52	-	8.52
Less deferred tax liability on above	-	-	-	(2.82)	-	(2.82)
Balance as at 31 March 2017	**16,782.64**	**23.96**	**56,369.47**	**31.53**	**10.80**	**73,218.39**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

A Corporate Information

The Company is an infrastructure development company formed primarily to develop, invest in and manage various initiatives in the infrastructure sector. It is presently engaged in the development of various infrastructure projects in sectors like transportation, energy and urban infrastructure through several special purpose vehicles ("SPVs"). It is also engaged in carrying out operation and maintenance ("O&M") activities for the transportation sector projects.

B Significant Accounting Policies

I Basis of Preparation

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods upto and including the year ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rule, 2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The financial statements for the year ended March 31, 2017 are the first period for which the Company has prepared in accordance with Ind AS . The previous period comparatives for the eighteen months period ended March 31, 2016 which were earlier prepared as per IGAAP have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore October 1, 2014 for which the Opening Balance Sheet is prepared.

The standalone financial statements are presented in INR and all values are rounded to the nearest Rupees in lacs, except otherwise stated.

Accounting policies have been consistently applied except where a 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 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 realisability 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.

II 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.

III Summary of significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a) 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 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 Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Construction contract revenues :

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Company's operations involve levying of value added tax (VAT) on the construction work. Sales tax/VAT is not received by the Company on its own account.

ii) Operation and Maintenance income:

Revenue on Operation and Maintenance contracts are recognized over the period of the contract as per the terms of the contract.

iii) Developer fees & other advisory services:

Revenue on Developer Fees is recognized on an accrual basis.

iv) Interest income:

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

v) Dividend income:

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

vi) Finance and Other Income (including remeasurement Income):

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

vii) Financial guarantee income:

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

c) Property, Plant and Equipment (PPE)

i) Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

ii) Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

iii) Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv) Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v) Depreciation on all assets of the Company is charged on straight line basis over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

vi) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

viii) Leasehold improvements is amortized on a straight line basis over the period of lease.

d) Intangible assets

i) 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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

ii) The useful lives of intangible assets are assessed as either finite or indefinite.

iii) 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.

(iv) 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.

(v) 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 recognised in the statement of profit or loss when the asset is derecognised.

e) 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.

f) Impairment

Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its 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 are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

g) Equity Investments

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.

Investment in subsidiaries, joint venture and associates are carred at Cost in separate financial Statement less impairment if any.

Current Investments :- Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at fair value with the changes in fair value taken through the statement of Profit and Loss.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

a) Stores and materials are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price less estimated cost necessary to make the sale. The weighted average method of inventory valuation is used to determine the cost.

i) Taxes

1. Current Income Tax

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.

2. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company 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.

j) Leases

Operating lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis in accordance with INDAS 17.

k) Earnings per share

Earnings per share is 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.

l) Provisions, Contingent Liabilities and Contingent Assets

1. **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.

2. **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.

m) Employee Benefits

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.

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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

n) 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.

o) 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

p) Foreign Currencies

Transactions and Balances

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. INR.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

q) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

r) 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.

s) Financial instruments

1. Initial recognition

i) Financial Assets & Financial Liabilities

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii). Equity Instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

2. Subsequent measurement

i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these liabilities.

v) Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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 recognised 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 recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

3. De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

u) 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.

v) 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.

w) Trade Receivable

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

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

3 Property Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block - Asset class wise for 2016-17

Particulars	Plant & Machinery	Earth Moving Machinery	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Leasehold improvements	Total
Cost or valuation								
As at Oct 1, 2014	13.57	1.21	35.14	49.73	55.63	82.28	86.83	324.38
Additions			0.59	1.04	0.80			2.44
Sales/Disposals/ Adjustments	13.57	1.21	5.64	1.62	0.08	38.22		60.35
As at 31 March 2016	**-**	**-**	**30.09**	**49.15**	**56.35**	**44.06**	**86.83**	**266.47**
Additions				0.53	-			0.53
Sales/Disposals/ Adjustments					-	6.14		6.14
As at March 31, 2017	**-**	**-**	**30.09**	**49.68**	**56.35**	**37.92**	**86.83**	**260.87**
Depreciation								
As at Oct 1, 2014	4.02	0.85	6.63	10.38	36.10	44.92	43.42	146.31
Adjustment in opening block	-	-	-	2.63	4.71	1.45	-	8.78
Charge for the period (note 1)	2.08	0.16	5.45	18.11	13.81	19.44	43.42	102.47
Sales/Disposals/ Adjustments	6.10	1.02	2.52	0.81	0.03	31.06	-	41.54
As at 31 March 2016	**-**	**-**	**9.56**	**30.31**	**54.58**	**34.75**	**86.83**	**216.03**
Charge for the period			2.89	8.65	1.52	2.66		15.72
Sales/Disposals/ Adjustments					-	6.14		6.14
As at March 31, 2017	**-**	**-**	**12.45**	**38.95**	**56.11**	**31.27**	**86.83**	**225.62**
Net Block Value								
At March 31, 2017	**-**	**-**	**17.63**	**10.72**	**0.24**	**6.65**	**0.00**	**35.25**
At March 31, 2016	**-**	**-**	**20.53**	**18.84**	**1.76**	**9.31**	**0.00**	**50.45**
At October 1, 2014	**9.55**	**0.35**	**28.51**	**39.35**	**19.53**	**37.36**	**43.42**	**178.07**

During the previous period , pursuant to the first time applicability of Schedule II of the Companies Act, 2013 to the Company from October 1, 2014, the Company has revised the depreciation rate on fixed assets as per the useful life specified in the said Schedule. Due to this, depreciation for the period from October 1, 2014 to March 31, 2016 is higher by ₹ 74.85 lacs

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

4 Intangible Assets:

Particulars	O&M Rights	Total
Cost or valuation		
As at Oct 1, 2014	2,500.00	2,500.00
Additions	-	-
Sales/Disposals/Adjustments	2,500.00	2,500.00
As at 31 March 2016	**-**	**-**
Additions	-	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2017	**-**	**-**
Accumulated Amortisation		
As at Oct 1, 2014	1,555.30	1,555.30
Charge for the year	228.91	228.91
On Sale/Disposals	1,784.21	1,784.21
As at 31 March 2016	**0.00**	**0.00**
Charge for the period	-	-
On Sale/Disposals	-	-
As at March 31, 2017	**-**	**-**
Net Block		
As at March 31, 2017	**-**	**-**
As at March 31, 2016	**-**	**-**
As at October 1, 2014	**944.70**	**944.70**

5 Financial Assets

			As at			As at		
			March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
				Non- Current			**Current**	
5.1	**A**	**Investments in Subsidiaries, Joint Ventures and Associates (At Cost)**						
	i)	Equity Instrument of Subsidiaries	76,094.94	76,051.03	77,664.93	-	1.00	-
	ii)	Beneficial Interest in Equity Shares of Subsidiaries	74.18	74.18	5,287.22	-	-	-
	iii)	Equity instruments of Joint Venture Companies	2,744.66	2,744.66	2,744.66	-	-	490.00
	iv)	Beneficial Interest in Equity Shares of Joint Venture	2,640.72	2,640.72	2,640.72	-	-	-
	v)	Equity instruments of Associate Companies	219.29	219.29	219.29	-	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
		Non- Current			Current		
vi)	Less: Provision for Impairment	(2,887.32)	(2,879.77)	(2,747.00)	-	-	-
vii)	Quasi Equity (Interest free loans , Corporate Guarantee Support to Subsidiaries and Joint Venture and Fair Value of Interest free loans)	48,195.93	40,523.24	69,430.46	-	-	-
Total		**127,082.40**	**119,373.35**	**155,240.28**	**-**	**1.00**	**490.00**
B	**Other Investments (At Fair value through P&L)**						
i)	Liquid Mutual Funds	-	-	-	7,082.18	2,338.19	130.40
	Total	**-**	**-**	**-**	**7,082.18**	**2,338.19**	**130.40**
	Disclosure:						
i)	**Investment Carried at Cost**	**127,082.40**	**119,373.35**	**155,240.28**	**-**	**1.00**	**490.00**
ii)	**Investments carried at fair value through Profit and Loss**	**-**	**-**	**-**	**7,082.18**	**2,338.19**	**130.40**

I Details of Investments

	Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
		In ₹	Nos	Amount	Nos	Amount	Nos	Amount
A	**Non Current Investments:-**							
	Unquoted							
	Equity Instrument at Cost							
	Investment in equity instruments of Subsidiaries							
	(Fully paid-up unless otherwise stated)							
	Andhra Expressway Limited	10	-	-	-	-	21,459,950	2,569.69
	Birmitrapur Barkote Highway Pvt Ltd	10	10,000	1.00	10,000	1.00	10,000	1.00
	Cochin Bridge Infrastructure Company Limited	10	6,250,070	671.73	6,250,070	671.73	6,250,070	671.73

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
Gammon Logistics Limited	10	2,550,000	255.00	2,550,000	255.00	2,550,000	255.00
Gammon Projects Developers Limited	10	250,000	366.54	250,000	366.54	250,000	27.48
Gammon Renewable Energy Infrastructure Limited	10	50,000	199.74	50,000	199.74	50,000	199.74
Gammon Road Infrastructure Limited	10	50,000	92.67	50,000	92.67	50,000	92.67
Gammon Seaport Infrastructure Limited	10	50,000	5.00	50,000	5.00	50,000	5.00
Gorakhpur Infrastructure Company Limited	10	-	-	-	-	37,458,063	3,745.81
Haryana Biomass Power Limited	10	50,000	146.00	50,000	146.00	50,000	146.00
Jaguar Projects Developers Limited	10	50,000	5.00	50,000	5.00	50,000	5.00
Kosi Bridge Infrastructure Company Limited	10	-	-	-	-	35,737,169	3,573.72
Lilac Infra Projects Developers Limited	10	50,000	5.00	50,000	5.00	50,000	5.00
Marine Project Services Limited	10	50,000	5.00	50,000	5.00	50,000	5.00
Mormugao Terminal Limited	10	-	-	-	-	50,000	75.64
Mumbai Nasik Expressway Limited	10	-	-	-	-	41,595,000	4,268.65
Pataliputra Highway Limited	100	-	-	-	-	15,000	10.34
Patna Buxar Highways Limited	10	-	-	-	-	56,114,703	5,611.47
Patna Highway Projects Limited	10	50,000,000	11,387.62	50,000,000	11,387.62	2,500,000	250.00
Pravara Renewable Energy Limited	10	47,920,000	6,677.55	47,920,000	6,634.64	17,400,000	3,270.65

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
Rajahmundry Expressway Limited	10	-	-	-	-	21,459,950	2,569.69
Rajahmundry Godavari Bridge Limited	10	153,537,650	19,722.24	153,537,650	19,722.24	126,078,750	13,750.82
Satluj Renewable Energy Private Limited	10	4,000	0.40	4,000	0.40	4,000	0.40
Sidhi Singrauli Road Projects Ltd	10	170,410,000	19,944.06	170,410,000	19,944.06	170,410,000	19,944.06
Sikkim Hydro Power Ventures Limited	10	62,735,942	6,273.59	62,735,942	6,273.59	62,735,942	6,273.59
Tada Infra Development Company Limited	10	50,000	5.00	50,000	5.00	50,000	5.00
Vijayawada Gundugolanu Road Project Pvt Ltd	10	10,000	1.00	-	-	10,000	1.00
Vizag Seaport Private Limited	10	64,313,847	6,980.80	64,313,847	6,980.80	64,313,847	6,980.80
Yamunanagar Panchkula Highway Pvt Ltd	10	19,050,000	1,905.00	19,050,000	1,905.00	19,050,000	1,905.00
Youngthang Power Ventures Limited	10	14,450,000	1,445.00	14,450,000	1,445.00	14,450,000	1,445.00
Total			**76,094.94**		**76,051.03**		**77,664.93**
Unquoted							
Beneficial Interest in Equity Shares of Subsidiaries							
Andhra Expressway Limited	10	-	-	-	-	7,540,050	1,266.52
Chitoor Infra Company Private Limited	10	10,000	1.00	10,000	1.00	10,000	1.00
Gorakhpur Infrastructure Company Limited	10	-	-	-	-	14,947,238	1,494.72
Kosi Bridge Infrastructure Company Limited	10	-	-	-	-	12,562,831	1,256.28

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
Rajahmundry Expressway Limited	10	-	-	-	-	7,540,050	1,195.76
Earthlink Infrastructure Projects Pvt Ltd	10	10,000	1.00	10,000	1.00	10,000	1.00
Segue Infrastructure Projects Pvt Ltd	10	10,000	1.00	10,000	1.00	10,000	1.00
Tidong Hydro Power Limited	10	25,500	71.18	25,500	71.18	25,500	70.93
Total			**74.18**		**74.18**		**5,287.22**
Unquoted							
Equity instruments of Joint Venture Companies							
(Fully paid-up unless otherwise stated)							
Blue Water Iron Ore Terminal Private Limited	10	3,051,808	305.18	3,051,808	305.18	3,051,808	305.18
Indira Container Terminal Private Limited	10	24,375,840	2,437.58	24,375,840	2,437.58	24,375,840	2,437.58
SEZ Adityapur Limited	10	19,000	1.90	19,000	1.90	19,000	1.90
Total			**2,744.66**		**2,744.66**		**2,744.66**
Unquoted							
Beneficial Interest in Equity Shares of Joint Venture							
Indira Container Terminal Private Limited	10	26,407,160	2,640.72	26,407,160	2,640.72	26,407,160	2,640.72
Total			**2,640.72**		**2,640.72**		**2,640.72**
Unquoted							
Equity instruments of Associate Companies							
(Fully paid-up unless otherwise stated)							

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
ATSL Infrastructure Projects Limited	10	24,450	2.45	24,450	2.45	24,450	2.45
Eversun Sparkle Maritimes Services Private Limited	10	2,143,950	214.40	2,143,950	214.40	2,143,950	214.40
Modern Tollroads Limited	10	24,470	2.45	24,470	2.45	24,470	2.45
Total			**219.29**		**219.29**		**219.29**
Less: Provision for Impairment of Investment							
ATSL Infrastructure Projects Limited			2.45		2.45		-
Birmitrapur Barkote Highway Pvt Ltd			1.00		1.00		1.00
Blue Water Iron Ore Terminal Private Limited			305.18		305.18		300.00
Chitoor Infra Company Private Limited			1.00		1.00		1.00
Eversun Sparkle Maritimes Services Private Limited			214.40		214.40		133.00
Gammon Logistics Limited			255.00		255.00		255.00
Gammon Projects Developers Limited			25.00		25.00		-
Gammon Seaport Infrastructure Limited			4.00		4.00		4.00
Haryana Biomass Power Limited			146.00		146.00		146.00
Jaguar Projects Developers Limited			5.00		5.00		-
Lilac Infra Projects Developers Limited			5.00		5.00		1.00
Modern Tollroads Limited			2.45		2.45		-

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
Satluj Renewable Energy Private Limited			0.40		0.40		-
Segue Infrastructure Projects Pvt Ltd			1.00		1.00		1.00
SEZ Adityapur Limited			1.90		1.90		-
Tada Infra Development Company Limited			5.00		5.00		-
Yamunanagar Panchkula Highway Pvt Ltd			1,905.00		1,905.00		1,905.00
Gammon Road Infrastructure Ltd			5.00		-		-
Tidong Hydro Power Ltd			2.55		-		-
Total			**2,887.32**		**2,879.77**		**2,747.00**
Quasi Equity at Cost							
Interest free Inter- Corporate Deposits in the nature of Quasi Equity :							
Aparna Infraenergy India Pvt Limited			-		-		3,867.84
Cochin Bridge Infrastructure Company Limited			904.79		904.79		675.37
Gammon Projects Developers Limited			-		-		12.84
Ghaggar Renewable Energy Private Limited			-		-		1.23
Gorakhpur Infrastructure Company Limited			-		-		24,540.73
Indira Container Terminal Pvt Limited			3,753.88		3,753.88		2,992.58

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos	Amount	Nos	Amount	Nos	Amount
Pataliputra Highway Limited			-		-		5,847.55
Patna Buxar Highways Limited			-		-		1,744.99
Patna Highway Projects Limited			10,460.50		6,460.50		9,442.50
Rajahmundry Godavari Bridge Limited			2,212.75		2,212.75		2,250.00
Sikkim Hydro Power Ventures Limited			4,050.21		4,384.30		3,737.67
Sutluj Renewable Energy Private Limited			-		-		9.90
Sidhi Singrauli Road Projects Limited			3,527.16		3,527.16		737.16
Vijayawada Gundugolanu Road Project Pvt Limited			17,552.07		13,474.29		7,851.49
Youngthang Power Ventures Limited			5,734.58		5,805.58		5,718.60
Total …………... (A)			**48,195.93**		**40,523.24**		**69,430.46**
Total non-current investments			**127,082.40**		**119,373.35**		**155,240.28**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Movement in investment as at October 1, 2014 on account of IND AS Adjustments

Particulars	Investment as at October 1, 2014 as per previous GAAP	Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at October 1, 2014 as per IND AS
Cochin Bridge Infrastructure Company Limited	625.01		46.72	671.73
Sidhi Singrauli Road Projects Limited	17,041.00		2,903.06	19,944.06
Patna Highway Projects Limited	250.00		-	250.00
Rajahmundry Godavari Bridge Limited	13,750.82		-	13,750.82
Gammon Renewable Energy Infrastructure Limited	5.00	194.74		199.74
Gammon Road Infrastructure Limited	5.00	87.67		92.67
Mormugao Terminal Limited	5.00	70.64		75.64
Mumbai Nasik Expressway Limited	4,159.50	109.15		4,268.65
Pravara Renewable Energy Limited	1,740.00	1,530.65		3,270.65
Gammon Projects Developers Limited(thru EIIPL)	25.00	2.48		27.48
Tidong Hydro Power Limited (beneficial Interest)	2.55	68.38		70.93
Total	**37,608.87**	**2,063.70**	**2,949.78**	**42,622.35**

Movement in investment as at March 31, 2016 on account of IND AS Adjustments

Particulars	Investment as at October 1, 2014 as per previous GAAP	Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at October 1, 2014 as per IND AS
Cochin Bridge Infrastructure Company Limited	625.01		46.72	671.73
Sidhi Singrauli Road Projects Limited	17,041.00		2,903.06	19,944.06
Patna Highway Projects Limited	5,000.00		6,387.62	11,387.62
Rajahmundry Godavari Bridge Limited	16,496.71		3,225.53	19,722.24
Gammon Renewable Energy Infrastructure Limited	5.00	194.74		199.74

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Investment as at October 1, 2014 as per previous GAAP	Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at October 1, 2014 as per IND AS
Gammon Road Infrastructure Limited	5.00	87.67		92.67
Mormugao Terminal Limited	-	-		-
Mumbai Nasik Expressway Limited	-	-		-
Pravara Renewable Energy Limited	4,792.00	1,842.64		6,634.64
Gammon Projects Developers Limited (thru EIIPL)	25.00	341.54		366.54
Tidong Hydro Power Limited	2.55	68.63		71.18
Total	**43,992.26**	**2,535.21**	**12,562.93**	**59,090.41**

Movement in investment as at March 31, 2017 on account of IND AS Adjustments

Particulars	Investment as at October 1, 2014 as per previous GAAP	Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at October 1, 2014 as per IND AS
Cochin Bridge Infrastructure Company Limited	625.01		46.72	671.73
Sidhi Singrauli Road Projects Limited	17,041.00		2,903.06	19,944.06
Patna Highway Projects Limited	5,000.00		6,387.62	11,387.62
Rajahmundry Godavari Bridge Limited	16,496.71		3,225.53	19,722.24
Gammon Renewable Energy Infrastructure Limited	5.00	194.74		199.74
Gammon Road Infrastructure Limited	5.00	87.67		92.67
Mormugao Terminal Limited	-	0.00		0.00
Mumbai Nasik Expressway Limited	-	-		-
Pravara Renewable Energy Limited	4,792.00	1,885.55		6,677.55
Gammon Projects Developers Limited(thru EIIPL)	25.00	341.54		366.54
Tidong Hydro Power Limited	2.55	68.63		71.18
Total	**43,992.26**	**2,578.12**	**12,562.93**	**59,133.32**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

B Current Investments:-

Particulars	Face Value	March 31, 2017		March 31, 2016		October 1 , 2014	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount	Nos/ Units	Amount
Unquoted							
Equity Instrument at Cost							
Trade Investments in Subsidiaries held for sale:							
Vijayawada Gundugolanu Road Project Pvt Ltd (VGRPPL)	10	-	-	10,000	1.00		-
(Note: In the previous period as at March 31, 2016 the investment in VGRPPL were held for disposal in terms of SPA with the Investor for the Sale of 9 SPVs. During the year the arrangement to dispose VGRPPL has fallen through and therefore the said investment is reclassified from held for sale to Long term investments.							
Unquoted							
Equity Instrument at Cost							
Trade Investments in Joint venture entities							
Maa Durga Expressways Private Limited	10	-	-	-	-	4,900,000	490.00
Total		**-**	**-**	**10,000**	**1.00**	**4,900,000**	**490.00**
Quoted							
Investments carried at fair value through Profit and Loss							
Mutual fund scheme							
ICICI Liquid plan - Growth (NAV Mar'17 - ₹ 223.85, Mar'16 - ₹ 223.85, Sept'14 ₹ 198.26)		-	-	147,340.41	329.83	65,772.30	130.40
Canara Robeco savings plus fund - regular Growth ((NAV Mar'17 - ₹ 25.4931, Mar'16 - Nil)		17,675,762	4,506.10	-	-	-	-
Reliance Liquid fund - Treasury plan - Growth (NAV Mar'17 - ₹ 3685.49, Mar'16 - ₹ 3685.49)		64,932	2,576.08	54,493.53	2,008.36	-	-
Total			**7,082.18**		**2,338.19**		**130.40**
Total current investments			**7,082.18**		**2,339.19**		**620.40**
Total Investments			**134,164.58**		**121,712.53**		**155,860.68**
Aggregate amount of quoted investments			**7,082.18**		**2,338.19**		**130.40**
Market Value of Quoted Investment			**7,082.18**		**2,338.19**		**130.40**
Aggregate amount of unquoted investments			**127,082.40**		**119,374.35**		**155,730.28**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

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

Name of Party	Nature	Relation	Purpose	Period ended (Amount in ₹) March 31, 2017	March 31, 2016	October 1, 2014
Pataliputra Highway Limited	Investment	Subsidiary	Increase in equity interest	-	579,755,400	-
Patna Buxar Highways Limited	Investment	Subsidiary		-	255,848,860	-
Mormugao Terminal Limited	Investment	Subsidiary		-	61,964,940	-
Rajahmundry Godavari Bridge Limited	Investment	Subsidiary		-	274,589,000	-
Patna Highway Projects Limited	Investment	Subsidiary		-	475,000,000	-
Pravara Renewable Energy Limited	Investment	Subsidiary		-	305,200,000	-

b) Pledge of Shares

The Company has pledged the following shares in favour of the lenders to the projects as part of the terms of financing agreements for facilities taken by GIPL or its project SPV's as indicated below:

Company Name	Face value In ₹	No. of Equity shares pledged as at March 31, 2017	March 31, 2016	October 1, 2014
Pledge of shares of SPV's which are being held by the Company				
Sidhi Singrauli Road Project Limited	10/-	163,613,200	163,613,200	98,820,560
Rajahmundry Godavari Bridge Limited	10/-	140,519,039	140,519,039	118,967,215
Vizag Seaport Private Limited	10/-	63,770,015	63,770,015	63,770,015
Sikkim Hydro Power Ventures Limited	10/-	31,995,331	31,995,331	31,995,331
Indira Container Terminal Private Limited	10/-	16,500,000	16,500,000	16,500,000
Patna Highway Projects Limited	10/-	5,940,000	5,940,000	750,000
Cochin Bridge Infrastructure Company Limited	10/-	1,664,019	1,664,019	1,664,019
Birmitrapur Barkote Highway Private Limited	10/-	2,600	2,600	2,600
Pledge of shares of SPV's which are sold during the period				
Andhra Expressway Limited	10/-	-	-	13,175,970
Rajahmundry Expressway Limited	10/-	-	-	14,744,579
Mumbai Nasik Expressway Limited	10/-	-	-	38,942,800
Gorakhpur Infrastructure Company Limited	10/-	-	-	27,686,396
Kosi Bridge Infrastructure Company Limited	10/-	-	-	20,767,040
Patna Buxar Highways Limited	10/-	-	-	14,589,823
Pataliputra Highway Limited	10/-	-	-	7,350

The change in the balances between March 31, 2017, March 31, 2016 and October 1, 2014 represent additional / reduction of pledge during the period ended March 31, 2016 and March 31, 2017.

Details of Investments:

1 Andhra Expressway Limited

Andhra Expressway Annuity Road Project: strengthening of the existing 2 lanes and widening thereof to 4 lane dual carriageway, from kms. 253.00 to 300.00 (approximately 47 kms.) on the Dharmavaram-Tuni section of NH-5 in the state of Andhra Pradesh, being developed and maintained by our SPV, AEL, which commenced commercial operations on October 30, 2004.The equity interest in this SPV was disposed on 29th February 2016 to BIF India Holdings Pte.Ltd.

2 Birmitrapur Barkote Highway Pvt Ltd

BBHPL has entered into an agreement with NHAI on March 28, 2014, for the termination of concession agreement dated May 31, 2012, executed for the purpose of rehabilitation and upgradation of Birmitrapur – Barkote section of NH – 23, in the State of Orissa, as BBHPL was unable to commence construction activities at the project site on account of non availability of land and certain government approvals.This Investment has been fully impaired.

3 Cochin Bridge Infrastructure Company Limited

CBICL is an SPV promoted for developing the New Mattancherry Bridge at Cochin in Kerala on a BOT (Toll) basis. The 480-metre long bridge along with the 200-metre approach road on both ends connect Fort Kochi to Willingdon Island in Cochin Port Trust area and was operational for 14 years from October 1999 to April 2014. The total capitalization of the project is ₹878.94 Lakhs. The original concession period of CBICL was valid till April 27, 2014 which was extended by the Government of Kerala (GOK) by six years till April 27, 2020 by its Government Order dated January 24, 2005 because CBICL has not revised the toll rates based on WPI as per the terms of the Concession and other compliance deficiencies on the part of GOK with reference to the Concession Agreement. However, instead of entering into a supplementary agreement to amend the original concession agreement, as agreed, GOK choose to unilaterally cancel its Government Order dated January 24, 2005 by its Government Order dated December 26, 2008. CBICL had referred the issue to arbitration and the Arbitral Tribunal had passed orders permitting CBICL to collect the toll fees till further notice. However, the Greater Cochin Development Authority (GCDA) has on April 27, 2014 (on the last day of the original concession period), without compensating CBICL and in disregard of the Arbitral Tribunal orders, chose to unilaterally seal the toll booths of CBICL at the Mattancherry Bridge at Kochi. Government of Kerala showed inclination/ willingness to settle the matter through mutual negotiations. Hence, CBICL has put the arbitration proceedings on hold pending settlement talks with the Government of Kerala. Further, CBICL has approached Hon'ble High Court of Kerala for seeking directions to the Government of Kerala to conclude its decision on settlement talks expeditiously. The Hon'ble Court was pleased to direct the Government of Kerala to decide the matter within a period of 3 months, which period has been further extended till 14.09.2016. Simultaneously, the Company is also attempting to hold dialogues with the new Government for settlement of the matter, without requiring arbitration. In case Government does not settle, the Company will have to invoke arbitration.

4 Gammon Logistics Limited

Gammon Logistics Limited (GLL) is incorporated as a subsidiary of Gammon Infrastructure Projects Limited for providing logistics/supply chain services and support in relation to transportation of all type of goods/parcels by road, rail, air, sea including multimodal operations, on door to door basis and provision of other logistical services in India or abroad on own account or on behalf of or on account of other persons.This Investment has been fully impaired.

5 Gammon Projects Developers Limited

Gammon Projects Developers Limited ("GPDL") was incorporated as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a Build, Operate, Transfer (BOT) or Build, Own, Operate, Transfer (BOOT) or Build, Operate, Lease and Transfer (BOLT) basis or otherwise apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities, other works or convenience of public or private utility involving public or private financial participation, either directly or and through any subsidiary or group company and to carry out business on contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or other income from infrastructure projects undertaken by the Company.This Investment has been fully impaired.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

6 Gammon Renewable Energy Infrastructure Limited

Gammon Renewable Energy Infrastructure Limited (GREIL) (formerly known as Gammon Renewable Energy Infrastructure Limited) is incorporated as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) participation any infrastructure facilities in the power projects to generate, transmit, distribute electrical power and energy by use of biomass, bagasse, agro waste, coal, gas etc. or any other conventional and non-conventional sources of energy construct, lay down, establish, fix, operate and maintain all necessary dams, tunnels, reservoirs, turbines, reactors, boilers, generators, power stations etc. either directly or though any subsidiary or group company or on contractual basis and to assign, convey, transfer, lease, auction, sell, any right or income accruing or arising from such infrastructure projects undertaken by the Company

7 Gammon Road Infrastructure Limited

Gammon Road Infrastructure Limited ('GRIL') is incorporated , as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities in the road sector including roads, streets, highways, expressways, motorways, toll roads, side roads, bridges etc either directly or though any subsidiary or group company, and to carry out the business on contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or other income from such infrastructure projects undertaken by the Company.This Investment has been fully impaired.

8 Gammon Seaport Infrastructure Limited

Gammon Seaport Infrastructure Limited ('GSIL') is incorporated , as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) or financial participation any infrastructure facilities in water transport sector in relation to ports, harbour, berths, water-ways etc. and to carry on every kind of port management activity and to make tender, apply or bid to acquire either directly or though any subsidiary or group company, and to carry out the business on contractual basis, assign, convey, transfer, lease, auction, sell any right or income accruing or occurring from such infrastructure projects undertaken by the Company. This Investment has been fully impaired.

9 Gorakhpur Infrastructure Company Limited

Gorakhpur Annuity Road Project: designing, construction, financing, maintenance and operation of a bypass from kms. 0.00 to 32.27 (approximately 32.27kms.) on NH – 28, in Gorakhpur located in the state of Uttar Pradesh and is being developed and maintained by our SPV, GICL, which commenced commercial operations on March 31, 2012.The equity interest in this SPV was disposed on 29th February 2016 to BIF India Holdings Pte.Ltd.

10 Haryana Biomass Power Limited

The Project involves 8 biomass based Power Projects in various districts in Haryana state on a BOO basis. Each of these projects involve the development of a 10-24 MW power Projects based on biomass fuel, essentially rice straw and rice husk. The client is Haryana Renewable Energy Development Agency (HAREDA).The partners in the SPV will be Gammon and Bermaco Energy Systems Limited (BESL).Currently, the Detailed Project Report (DPR) preparation is underway.The Power Purchase Agreement will be for 20 years from the date of commencement of operations.This Investment has been fully impaired.

11 Jaguar Projects Developers Limited

Jaguar Projects Developers Limited (JPDL) is incorporated , as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities including but not limited to roads, bridges, airports, ports, waterways, rail systems, highway projects, commercial real estate projects, warehouse, factories, godowns, either directly or though any subsidiary or group company, and to carry out the business on contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or other income from infrastructure projects undertaken by the Company.This Investment has been fully impaired.

12 Kosi Bridge Infrastructure Company Limited

Kosi Bridge Annuity Road Project: designing, construction, financing, maintenance and operation of a 4 – lane Bridge across the river Kosi (including its approaches and guide bund and afflux bund) from kms. 155.00 to 165.00 (designed chainage: kms. 148.550 to 159.185, approximately 10.635 kms.) on NH – 57 , in the State of Bihar and is being developed and maintained by our SPV, KBICL, which commenced commercial operations on February 8, 2012.The equity interest in this SPV was disposed on 29th February 2016 to BIF India Holdings Pte.Ltd.

13 Lilac Infra Projects Developers Limited

Lilac Infraprojects Developers Limited ("LIDL") is incorporated under the Companies Act, 1956, on May 11, 2010, as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities including but not limited to roads, bridges, airports, ports, waterways, rail systems, highway projects, commercial real estate projects, warehouse, factories, godowns, either directly or though any subsidiary or group company, and to carry out the business on contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or other income from infrastructure projects undertaken by the Company.This Investment has been fully impaired.

14 Marine Project Services Limited

Marine Project Services Limited (MPSL) is incorporated under the Companies Act, 1956, on 14th March, 2007, as a subsidiary of Gammon Infrastructure Projects Limited to provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in marine infrastructure projects including those in relation to ports, sea, ocean going vessels and rendering of services in relation to such businesses.

15 Mormugao Terminal Limited

Our SPV, MTL has entered into a concession agreement with Mormugao Port Trust on January 18, 2013 for providing mechanized handling facilities for handling coal at berth no. 11 at Mormugao Port in the state of Goa. MTL and the Mormugao Port Trust were to satisfy all the conditions precedent by February 2014. However, due to a disagreement between the parties in relation to non-compliance of conditions precedent, Mormugao Port Trust has communicated that it is unilaterally terminating the concession agreement. Subsequently, MTL filed a suit for injunction and obtained a stay order on the termination of the concession agreement and the invocation of the bank guarantee of 200.00 lakhs. Further, despite the ad-interim stay order the bank guarantee has been invoked by Mormugao Port Trust.The equity interest in this SPV was disposed on 31st March 2016 to Hiten Shah.

16 Mumbai Nasik Expressway Limited

Mumbai Nasik Expressway Toll Road Project: envisaging improvement, operation, maintenance, rehabilitation and strengthening of the existing 2- lane road and widening the same to 4 –lane divided highway, from kms. 539.50 to 440.00 (approximately 99.50 kms.) on the Vadape – Gonde section of NH-3, located in the state of Maharashtra and is being developed and maintained by our SPV, MNEL, which commenced partial operations on May 11, 2010 and full operations on July 11, 2011. The final COD was achieved in June 2012.The equity interest in this SPV was disposed on 29th February 2016 to BIF India Holdings Pte.Ltd.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

17 Pataliputra Highway Limited

The Company was originally incorporated as Gammon-L & T MRTS Ltd on October, 12, 2004. Its name was changed to Gammon Metro Transport Limited vide SRN A48977920 dated November 4, 2008. During the financial year 2009-10, the name of the Company was further changed to Pataliputra Highway Limited vide SRN A74743014 dated December 16, 2009. The Company has been incorporated as a Special Purpose Vehicle for carrying out a single infrastructure activity of constructing, operating and maintaining a road project under Public Private Partnership scheme.The equity interest in this SPV was disposed on 31st March 2016 to Hiten Shah.

18 Patna Buxar Highways Limited

Patna Buxar Toll Road Project: augmentation of existing road by four laning of the Patna-Buxar section on NH – 30 & NH - 84 from kms. 0.00 to 124.850 (total length approximately 125.443 kms.), located in the state of Bihar, proposed to be developed and maintained by our SPV, PBHL.The equity interest in this SPV was disposed on 31st March 2016 to Hiten Shah.

19 Patna Highway Projects Limited

PHPL is the SPV incorporated for design, construction, finance and maintenance of a 63.17 kms long four-lane dual carriageway on NH 77, which includes new bypass of 16.87 kms connecting NH-28 in the State of Bihar on BOT (Annuity) basis. The Company has an equity stake of 100% in PHPL. The concession period is 15 years, including a construction period of 30 months. PHPL will receive an annuity payment of ₹9,460 Lakhs from NHAI, semi-annually, in the entire operations period. The project obtained PCOD on September 1, 2016 and received the first annuity payment since the Balance Sheet date.

20 Pravara Renewable Energy Limited

PREL has setup 30 MW co-generation power project on Built Own Operate and Transfer Basis (BOOT) basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Karkhana Limited (Karkhana) in Pravara Nagar, Tal. Rahata, Dist. Ahmednagar in Maharashtra for the period of 25 years. The Karkhana is a co-operative sugar factory registered under the provisions of the Maharashtra Cooperativ Societies Act, 1960. The project has commenced operations on 6th November 2015. The total capitalization of the project is ₹27,396.16 Lakhs as on 31st March 2016. The project completed the testing of coal as additional fuel and the initial reports are encouraging for sustained operations with coal as supplementary fuel in addition to the bagasse supplied by sugar factory. The company expects to operate the plant at optimum level with sustainable fuel mix.

21 Rajahmundry Expressway Limited

Rajahmundry Expressway Annuity Road Project: strengthening of the existing 2 lanes and widening of the same to 4 lane dual carriageway from kms. 200.00 to 253.00 (approximately 53 kms.) on the Rajahmundry – Dharmavaram section of NH-5 in the state of Andhra Pradesh, being developed and maintained by our SPV, REL, which commenced commercial operations on September 20, 2004.The equity interest in this SPV was disposed on 29th February 2016 to BIF India Holdings Pte.Ltd.

22 Rajahmundry Godavari Bridge Limited

RGBL is the SPV incorporated for design, construction, operation and maintenance of a 4.15 kms long four-lane bridge, which will connect Kovvur and Rajahmundry in Andhra Pradesh across the Godavari River, with 10.34 kms of approach roads. The concession period for the project is 25 years, including a construction period of three years. RGBL commenced operations from November 1, 2015. The responsibilities for tolling (Tolling Services) and maintenance (Maintenance Services) of the project shall remain with the Company. Tolling and Maintenance Services have commenced from the Commercial Operations Date (COD) and will continue until the expiry of the concession period.The project received PCOD on November 1,2015 and is collecting toll on the project.The steps to receive the final PCOD is underway.

23 Sidhi Singrauli Road Projects Ltd

SSRPL is the SPV incorporated for design, construction, finance and maintenance of a 102.6 kms long four-lane dual carriageway on NH-75E, which includes the construction of new bypasses of Kauchwahi, Behri, Karthua, Bargawa and Gorbi and realignment of certain stretches. The project is located in Madhya Pradesh and is to be developed on BOT (Toll) basis. The Concession Period is 30 years, including the construction period of 2 years. SSRPL will be entitled to collect toll in the entire operation period in lieu of its investment for development of the Project Highway. The total project cost estimated to be ₹ 1,09,416 Lakhs. The total capitalisation for the project is ₹ 69,539.62 lakhs as on 31st March 2017 and entire debt for the project has been tied up and financing documents have been executed for the same.The project is expected to receive PCOD during the year 2017-18

24 Sikkim Hydro Power Ventures Limited

SHPVL is the SPV incorporated for developing Rangit II Hydroelectric Power Project in Sikkim on BOOT basis. The project involves the development of a 66 MW run-of-the-river Hydroelectric Power Project on Rimbi River, a tributary of River Rangit. Concession period for the project is 35 years from the COD. The financial closure for the project was achieved in January 2014. The project cost is estimated to be ₹ 496 Crores. The total capitalisation of the project is ₹8496.02 Lakhs as on 31st March 2017. The project has received all major clearances and approvals including environmental clearances from MoEF. All major contracts for the project have been awarded and the construction of various project components such as river diversion tunnel and surge shaft is underway.

25 Vijayawada Gundugolanu Road Project Pvt Ltd

VGRPPL is the SPV incorporated for design, construction, finance and maintenance of six-laning of the Vijayawada-Gundugolanu section of NH 16 from KM 1,076.48 to KM 1,022.48, including 6-lane Hanuman Junction bypass (length 6.72 kms) and 4-lane Vijayawada bypass (length 47.88 kms) [Total Length: 103.59 kms] in Andhra Pradesh under the NHDP Phase V. Of these, 4 lanes are already operational, while 2 are in the development phase. This will be executed on BOT (Toll) mode on Design, Build, Finance, Operate and Transfer basis. Your Company holds 100% equity in VGRPPL. The Concession Agreement was signed on 21st March, 2012. The Concession Period is 30 years (including a construction period of 2.5 years) from the Appointed Date declared on 1st September 2014. VGRPPL has started toll collection from the Appointed Date and has to pay a premium of ₹5,757 Lakhs annually to NHAI from the Appointed Date until the end of the Concession Period with an annual increase of 5% per annum. The total project cost is estimated at ₹208,500 Lakhs. As on 27th August 2016,the NHAI suspended its tolling arrangement which the company had.The company is in constant dialouge with the NHAI for revival of the project and to that extent the company has received in priciple approval subject to certain conditions to be fulfilled.

26 Vizag Seaport Private Limited

VSPL is the SPV formed to develop, construct, operate and manage two multi- purpose berths in the northern arm of the inner harbour at Visakhapatnam Port on a BOT basis. VSPL is the only BOT operator for handling multi bulk cargo in India's largest major port at Visakhapatnam. VSPL has developed the berths and terminal as a fully mechanised integrated handling system, incorporating state-of-the-art technologies capable of handling cargo up to 9 MTPA. The commercial operations began in July 2004 and the Company has handled 6.98 Million tonnes of cargo during October 2014 to March 2016. With the possession of an additional storage area of 30 acres and two more harbour mobile cranes, VSPL is expected to achieve 7 Million Tonne during the current financial year. The concession period is 30 years, including the construction period. The project has been capitalised at ₹20984.93 Lakhs. After completion of the dredging in the inner harbor and along the jetties, VSPL is geared up to handle largest vessels calling the Visakhapatnam Port. The Port has suffered a dip in the cargo handled due to downward commodity cycle and reduced import. However, your company expects improvement in the capacity utilization and improvement in the margin after completion of the dredging works by VPT and marginal turnaround in commodity cycle.

27 Yamunanagar Panchkula Highway Pvt Ltd

Our SPV, YPHPL has entered into an agreement with NHAI on March 14, 2014, for the termination of concession agreement dated July 30, 2012, for four laning of the Uttar Pradesh-Haryana border on the Yamunanagar-Saha-Barwala-Panchkula section of NH – 73, in the State of Haryana, as YPHPL was unable to commence construction activities at the project site on account of non availability of land and certain government approvals.This Investment has been fully impaired.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

28 Youngthang Power Ventures Limited

The project involves the development of a 261 MW run-of-the-river hydroelectric power project on the River Spiti in Himachal Pradesh on a BOOT basis at an estimated cost of ₹2,500 Crores. The concession period of the project is 40 years post commencement of commercial operations. Presently, YPVL is pursuing with Government of Himachal Pradesh to be able to commence field investigations to complete its Detailed Project Report (DPR).The local government has issued order to demobilize the site and the company presently is pursuing legal steps to resolve the matter and restart the project.

29 Indira Container Terminal Private Limited

ICTPL and The Board of Trustees of the Port of Mumbai (MbPT) entered into a License Agreement dated December 3, 2007 for the construction of offshore berths and development of Offshore Container Terminal (OCT) on BOT basis in Mumbai Harbour and the Operation of Ballard Pier Station Container Terminal (BPS). The revenue share payable by ICTPL to MbPT is 35.064% of gross revenue for the year. The License was granted for the following: a) BPS Project for a period of five years commencing from the date of award of License; or two years from the commissioning of the OCT Project whichever is earlier OCT Project for a period of 30 years commencing from the Date of Award of License during which the Licensee is authorised to implement the project in accordance with the provisions of the License Agreement. The OCT Project consists of an offshore jetty of 700 metres with alongside committed draft of 14.5 metres by MbPT in Phase I and an exclusive option to extend it by another 350 metres in Phase II. Total back-up area envisaged for Phase I is around 38 hectares and an additional 7 hectares for Phase II. The Company achieved Financial Closure in the year 2008. Gammon India Limited was appointed as the EPC contractor. The construction of the project was scheduled to be completed in three years and the commercial operations were scheduled to commence from December 3, 2010. However, the project has been delayed by nearly 6 years as MbPT which was required to complete several obligations at various sites failed to complete the same as per the terms of the License Agreement. The construction period of the project has been extended for three times by MbPT. The continuing delays on the part of MbPT have resulted in the asset being classified as a non-performing asset by the lenders. As an interim arrangement, Mumbai Port Trust has allowed alternate use of OCT Berths by permitting handling of Car Carrier (RORO vessels) and few steel cargo and combi vessels on trial basis. Simultaneously, with the intervention of PMO and support of Ministry of Shipping, the efforts are also on to reorganize the project by re-bidding whereby all clean cargo will be permitted on OCT Berths. In this regard, the dialogues are on with all stakeholders i.e. MbPT, ICTPL, Lenders, etc. and same is being monitored as the highest level in Ministry of Shipping and PMO. Currently there was detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principal to enter into a joint supplementary agreement between Board of Trustees of MbPT, Company and the lenders. The supplementary agreement in the draft form and is subject to clearance from the Ministry of Shjpping.

30 SEZ Adityapur Limited

The Project involves design, construction, finance, operation and maintenance of the SEZ. It spans over 90 acres of land near Industrial town of Jamshedpur, Jharkhand State. The SEZ is envisaged as single product SEZ involving Auto & Auto ancillary sector industries. In this project state of the art industrial infrastructure including utilities and logistic infrastructure will be provided. ASEZ has support from key agencies like GATI & G. M. Bakshi for Logistics; CONCOR for Inter-Container Depot.The client is Adityapur Industrial Area Development Authority (AIADA).The partners in the SPV are Gammon and Jamshedpur Utilities & Services Company Limited (JUSCO - TATA Group Company).The concession/ licence agreement is expected to be signed shortly.The concession/ licence period is 90 years.This Investment has been fully impaired.

31 Tidong Hydro Power Limited

THPL, a Special Purpose Vehicle, has signed an agreement with the Government of Himachal Pradesh for developing a 60 MW Tidong – II hydro-electric project in Himachal Pradesh. The pre-feasibility report for the project has been prepared and submitted to GoHP, which has since been approved. Preparation of Detailed Project Report is under progress.This Investment has been fully impaired.

32 Aparna Infraenergy India Pvt Limited

Aparna Infraenergy Thermal Power Project, a 250 MW coal based thermal power project, in Mauza- Kawthala, Taluka Chimur, District Chandrapur, Maharashtra, proposed to be developed and maintained by our SPV, AIIPL.The equity interest in this SPV was disposed on 29th February 2016 to BIF India Holdings Pte.Ltd.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
5.2	**Trade Receivables**						
	(Unsecured, at amortised cost)						
	i) Considered good	-	-	-	2,329.54	606.13	188.91
	ii) Considered doubtful	-	-	-	487.67	487.67	487.67
	Less:- Provision for doubtful debt	-	-	-	(487.67)	(487.67)	(487.67)
	iii) Other Receivable- Retentions	4,182.21	3,020.55	882.87	-	85.77	152.61
	Total	**4,182.21**	**3,020.55**	**882.87**	**2,329.54**	**691.90**	**341.52**

	As at		
Note: Receivables from related parties are as follows:	March 31, 2017	March 31, 2016	October 1, 2014
Ultimate Holding Company:			
Gammon India Limited	-	-	82.61
Subsidiaries:			
Gorakhpur Infrastructure Company Ltd	-	-	70.00
Sidhi Singrauli Road Projects Ltd	4,659.84	3,626.68	1,071.78
Viyayawada Gundugolanu Road Project Pvt Ltd	1,851.91	30.00	-
Birmitrapur Barkote Highway Pvt Ltd (fully provided)	487.67	487.67	487.67
Less Provision for doubtful debts	(487.67)	(487.67)	(487.67)
Total	**6,511.75**	**3,656.68**	**1,224.39**

Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss since the amounts are receivable from its SPV and there are no experience of losses on receivable in the past . The only case of provision is due to termination of contract with NHAI which has a separate receivable and not in normal course of business.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

			As at			As at	
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
			Non- Current			**Current**	
5.3	Cash and Bank Balances						
A	**Cash and cash equivalents**						
i)	Balances with banks	-	-	-	1,667.95	222.62	1,128.74
ii)	Cash on hand	-	-	-	1.42	4.83	5.71
	Total	**-**	**-**	**-**	**1,669.37**	**227.45**	**1,134.45**
B	**Other bank balances**						
i)	Balances in escrow account	-	-	0.34	0.20	4,798.77	16.28
ii)	Debt service reserve account	-	-	-	12.17	11.68	91.34
iii)	Fixed Deposit in escrow account	-		-	-	27,410.00	-
iv)	Fixed Deposit as margin for BG issued	1,896.45	1,790.00	-	-	-	-
v)	Fixed Deposit under lien (Refer note 14)	1,090.68	637.74	588.32	-	-	-
vi)	Less : Transferred to Other Financial Assets (Refer Note 5.5)	(2,987.13)	(2,427.74)	(588.65)			
	Total	**-**	**-**	**-**	**12.37**	**32,220.45**	**107.62**
	Grand Total	**-**	**-**	**-**	**1,681.74**	**32,447.90**	**1,242.07**

i) Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the Ministry of Corporate Affairs notification G.S. R. 308(E) dated 30th March, 2017 on the details of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 the denomination wise SBNs and other notes as per the notification is given below:

(₹ in full figures)

Particulars	**SBN's (*)**	**Other Denomination Notes**	**Total**
Closing cash in hand as on 8th November, 2016	949,500	165,752	1,115,252
(+) Permitted receipts	-	605,000	605,000
(-) Permitted payments	-	(636,674)	(636,674)
(-) Amount deposited in Banks	(949,500)	-	(949,500)
Closing cash in hand as on 30th December, 2016	**-**	**134,078**	**134,078**

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
5.4	**Loans and Advances (at amortised cost)**						
	Security Deposit						
	(Unsecured, Considered good)						
	Leave and license	10.00	10.00	10.10	-	-	-
	O & M Contract Deposit	-	1.00	33.74	-	-	-
	Others	0.05	0.05	0.05	-	-	-
	(A)	**10.05**	**11.04**	**43.89**	**-**	**-**	**-**
	Intercorporate Deposits						
	Related parties						
	Unsecured, Considered good	3,159.03	2,852.92	3,176.31			
	Unsecured, Considered doubtful	2,070.96	1,865.31	1,744.04			
	Others						
	Unsecured, Considered good	-	-	-			
	Unsecured, Considered doubtful	38.92	38.92	38.92			
	Less: Provision for doubtful ICD's	(2,109.88)	(1,904.23)	(1,782.96)			
	(B)	**3,159.03**	**2,852.92**	**3,176.31**	**-**	**-**	**-**
	Total (A+B)	**3,169.08**	**2,863.96**	**3,220.20**	**-**	**-**	**-**

a) The break-up of Intercorporate Loans granted by the Company to related parties is as under :

		As at	
Company Name	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
Considered good			
Earthlink Infrastructure Projects Pvt Limited	1,113.08	976.68	4.02
Gammon Renewable Energy Infrastructure Limited	219.04	190.99	316.46
Gammon Road Infrastructure Limited	0.00	90.98	142.47
Mormugao Terminal Limited (up to 31/3/16)	-	-	114.79
Pravara Renewable Energy Limited	1,805.92	1,457.18	2,487.44
Tidong Hydro Power Limited	-	137.10	111.13
Sutluj Renewable Energy Private Limited	21.00	-	-
Total	**3,159.03**	**2,852.92**	**3,176.31**
Considered doubtful			

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Company Name	As at March 31, 2017	March 31, 2016	October 1, 2014
Gammon Logistics Limited	158.35	158.35	158.01
Gammon Road Infrastructure Limited	84.00	84.00	-
Birmitrapur Barkote Highway Pvt Limited	608.18	608.03	608.03
Yamunanagar Panchkula Highway Pvt Limited	915.53	915.53	914.46
Chitoor Infra Company Private Limited	9.88	9.88	1.00
Ghaggar Renewable Energy Private Limited	7.98	8.98	7.75
Satluj Renewable Energy Private Limited	24.90	24.90	15.00
Segue Infrastructure Projects Pvt Limited	2.50	2.50	2.50
Yamunanagar Minor Mineral Pvt Limited	7.30	7.30	7.30
Gammon Projects Developers Limited	43.84	45.84	30.00
Gammon Road Infrastructure Ltd	51.27	-	-
Tidong Hydro Power Ltd	157.23	-	-
Total	**2,070.96**	**1,865.31**	**1,744.04**

	As at			As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
	Non- Current			Current		
5.5 Other Financial Assets						
i) Advance recoverable in cash or in kind						
Unsecured, Considered Good						
Dues from Ultimate holding company	-	-	-	49.28	49.28	49.28
Dues from Joint Ventures	-	-	-	118.09	255.53	230.48
Dues from Subsidiary companies	-	-	-	2,999.76	1,551.88	1,696.94
Dues from Associates	-	-	-	-	0.48	0.48
Unsecured, Considered doubtful				-	-	-
Dues from Subsidiary Companies	-	-	-	165.75	166.20	155.04
Dues from Joint Ventures	-	-	-	15.83	15.68	-
Dues from Associates	-	-	-	0.48	-	-
	-	**-**	**-**	**3,349.19**	**2,039.07**	**2,132.23**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

		As at			As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
			Non- Current			**Current**	
ii)	Others:						
	Unsecured, Considered Good	-	-	-	2.00	64.69	11.70
	Unsecured, Considered doubtful	-	-	-	83.16	21.19	21.14
		-	**-**	**-**	**85.17**	**85.88**	**32.84**
iii)	Less: Provision for doubtful advance recoverable in cash or in kind	-	-	-	(265.22)	(203.08)	(176.17)
	(A)	**-**	**-**	**-**	**3,169.14**	**1,921.86**	**1,988.89**
iv)	Interest accrued receivable						
	From related parties, considered good	310.14	310.14	422.84			
	From Banks, considered good	-	-	-	70.25	175.01	14.81
	From others, considered doubtful	-	-	-	6.92	6.92	6.92
	Less: Provision for doubtful Interest accrued receivable	-	-	-	(6.92)	(6.92)	(6.92)
	(B)	**310.14**	**310.14**	**422.84**	**70.25**	**175.01**	**14.81**
v)	Advance for purchase of shares(*)	4,906.51	1,156.51	-	-	-	-
	(C)	**4,906.51**	**1,156.51**	**-**	**-**	**-**	**-**
vi)	Share application money paid						
	Related parties (Refer 5.5 (b))	129.95	129.95	638.95	-	-	-
	(D)	**129.95**	**129.95**	**638.95**	**-**	**-**	**-**
vii)	Other bank balances						
	Transferred from Cash and Bank Balance	2,987.13	2,427.74	588.65	-	-	-
	(E)	**2,987.13**	**2,427.74**	**588.65**	**-**	**-**	**-**
	Total (A+B+C+D+E)	**8,333.72**	**4,024.33**	**1,650.44**	**3,239.38**	**2,096.87**	**2,003.70**

(*) Advance for Purchase of Shares:-The Company had entered in to a Agreement for Sale and Subscription of Shares (SSA) with IFCI Limited for 8,64,80,000 equity shares of Rajahmundhry Godavari Bridge Limited (RGBL) . However the company could not adhere to the terms of the aforesaid arrangements. The advance for purchase of shares represents advance paid to IFCI for purchase of equity shares of RGBL held by IFCI.The company has to pay an additional amount of ₹3500 lacs for the total consideration to reach the agreed consideration for the transfer of shares of RGBL. The said IFCI has granted further time till September 30, 2017 for the said payment, on payment of which the shares of RGBL will be transferred back to the company. In case the company is not able to make the additional payment as envisaged above, the One Time Settlement (OTS) of purchase of equity shares of RGBL shall undergo change and the company shall be required to renegotiate the terms. As per the aforesaid agreement if in case the revised OTS terms are not adhered to the entire benefit availed under the OTS would be reversed back.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a) The break-up of advance recoverable in cash or in kind from related parties is as under :

	As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**
Dues from Ultimate holding company : Unsecured, Considered good			
Gammon India Ltd	49.28	49.28	49.28
	49.28	**49.28**	**49.28**
Dues from Subsidiary companies : Unsecured, Considered good			
Patna Highway Projects Ltd	411.87	311.12	-
Pravara Renewable Energy Ltd	745.59	662.98	-
Siddhi Singrauli Road Project Ltd	10.82	110.26	-
Aparna Infraenergy India Private Ltd (up to 29/2/16)	-	-	13.82
Cochin Bridge Infrastructure Company Ltd	137.63	111.83	8.21
Gammon Renewable Energy Infrastructure Ltd	0.53	0.36	0.26
Gammon Road Infrastructure Ltd	-	0.76	4.17
Gorakhpur Infrastructure Projects Ltd (up to 29/2/16)	-	-	21.35
Kosi Bridge Infrastructure Company Ltd (up to 29/2/16)	-	-	2.29
Mormugao Terminal Ltd (up to 30/3/16)	-	-	379.73
Mumbai Nasik Expressway Ltd (up to 29/2/16)	-	-	42.00
Pataliputra Highway Ltd (up to 30/3/16)	-	-	0.00
Patna Buxar Highways Ltd (up to 30/3/16)	-	-	819.13
Pravara Renewable Energy Ltd	-	-	0.74
Rajahmundry Expressway Ltd (up to 29/2/16)	-	-	0.11
Rajahmundry Godavari Bridge Ltd	332.50	321.93	6.64
Siddhi Singrauli Road Project Ltd	-	-	182.70
Sikkim Hydro Power Ventures Ltd	26.98	15.56	3.91
Tangri Renewable Energy Pvt Ltd	-	-	0.08
Vijaywada Gundugulanu Road Project Pvt Ltd	1,309.66	7.89	210.33
Birmitrapur Barkote Highways Private Ltd	-	-	0.17
Lilac Infraprojects Developers Ltd	-	-	0.85
Yamuna Minor Minerals Pvt Ltd	-	-	0.34
Yamunanagar Panchkula Highways Private Ltd	-	-	0.12
Gammon Seaport Infrastructure Ltd	0.30	0.12	-
Marine Projects Services Ltd	0.27	0.10	-
Segue Infrastructure Projects Ltd	-	0.07	-
Tidong Hydro Power Limited	-	0.96	-
Youngthang Power Ventures Ltd	23.58	7.95	-
	2,999.76	**1,551.88**	**1,696.94**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
Dues from Subsidiary companies : Unsecured, Considered doubtful			
Birmitrapur Barkote Highways Private Ltd	4.98	2.52	-
Chitoor Infra Energy Private Ltd	0.24	0.07	-
Earthlink Infrastructure Projects Pvt Ltd	0.24	0.07	-
Gammon Logistics Ltd	15.55	15.30	14.00
Gammon Project Developers Ltd	0.34	0.14	-
Ghaggar Renewable Energy Pvt Ltd	0.29	0.11	-
Haryana Biomass Power Ltd	123.35	123.16	123.06
Jaguar Projects Developers Ltd	0.28	2.10	-
Lilac Infraprojects Developers Ltd	0.10	1.99	-
Ras Cities and Townships Limited	0.26	0.09	-
Satluj Renewable Energy Pvt Ltd	-	0.14	-
Tada Infra Development Company Ltd	13.71	19.04	17.97
Yamuna Minor Minerals Pvt Ltd	0.71	0.53	-
Tangri Renewable Energy Pvt Ltd	0.38	0.20	-
Yamunanagar Panchkula Highways Private Ltd	1.68	0.73	-
Patna Buxar Highways Limited	1.25	-	-
Segue Infrastructure Projects Pvt Ltd	0.24	-	-
Tidong Hydro Power Ltd	1.16	-	-
Gammon Road Infrastructure Ltd	1.00	-	-
	165.75	**166.20**	**155.04**
Dues from Joint Venture entities :Unsecured, Considered good			
Indira Container Terminal Pvt Ltd	118.09	255.53	230.48
Dues from Joint Venture entities :Unsecured, Considered doubtful			
GIPL GIL JV	15.83	15.68	-
	133.92	**271.22**	**230.48**
Dues from Associates :Unsecured, Considered good			
Modern TollRoads Ltd	-	0.48	0.48
Dues from Associates :Unsecured, Considered Doubtful			
Modern TollRoads Ltd	0.48	-	-
	0.48	**0.48**	**0.48**
	3,349.19	**2,039.07**	**2,132.23**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

b) The break-up of share application money paid by the Company to related parties is as under :

		As at		
	Company Name	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
i)	Modern Toll Roads Limited	129.95	129.95	129.95
ii)	Vijayawada Gundugolanu Road Project Private Limited	-	-	509.00
	Total	**129.95**	**129.95**	**638.95**

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
c)	**Break-up of interest accrued receivable from related parties is as follows:**			
i)	Cochin Bridge Infrastructure Company Limited	17.47	17.47	17.47
ii)	Gorakhpur Infrastructure Company Limited (up to 29/2/16)	-	-	112.70
iii)	Indira Container Terminal Private Limited	247.88	247.88	247.88
iv)	Patna Highway Projects Limited	19.33	19.33	19.33
v)	Pravara Renewable Energy Limited	25.47	25.47	25.47
		310.14	**310.14**	**422.84**

6 Deferred Tax Assets

			As at		
			March 31, 2017	**March 31, 2016**	**October 1, 2014**
a)	**Deferred Tax Liability on account of :**				
	i)	Depreciation due to timing difference	-	-	183.36
	ii)	Remeasurement gain/(loss) on defined benefit plans	15.57	12.76	8.97
			15.57	**12.76**	**192.33**
b)	**Deferred Tax Asset on account of :**				
	i)	Depreciation due to timing difference	36.45	86.60	
	ii)	Employee benefits	43.37	39.16	59.10
	iii)	Unabsorbed depreciation	-	-	37.60
	iv)	Unabsorbed losses	-	-	86.66
	v)	Mat Credit Entitlement	1,956.50	1,371.50	-
			2,036.32	**1,497.26**	**183.36**
		Deferred Tax Asset, net	**2,020.75**	**1,484.50**	**(8.97)**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

7 Other Assets

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non-Current			Current	
i)	Unbilled Work in progress	-	-	-	-	33.53	33.53
ii)	Advance to sub-contractor	-	-	-	308.09	-	586.02
iii)	Prepaid expenses	-	-	-	54.02	4.76	12.43
iv)	Statutory and other receivables	-	-	-	297.95	441.92	335.00
v)	Advance Income Tax (Net of Provision for Taxation)	1,972.99	1,258.39	1,404.35	-	-	-
	Total	**1,972.99**	**1,258.39**	**1,404.35**	**660.07**	**480.21**	**966.98**

8 Inventories

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
		Current	
Stores and Materials at site (at lower of cost computed at weighted average method and net realisable value)			17.99
	-	**-**	**17.99**

9 Equity Share capital

		As at		
		March 31, 2017	March 31, 2016	October 1, 2014
i)	**Authorised shares :**			
	March 31, 2017: 1,25,00,00,000 Equity shares of ₹2/- each March 31, 2016 : 1,25,00,00,000 Equity Shares of ₹2/each October 1, 2014 : 1,00,00,00,000 Equity Shares of ₹ 2/- each	25,000.00	25,000.00	20,000.00
	Total	**25,000.00**	**25,000.00**	**20,000.00**
ii)	**Issued and subscribed shares :**			
	March 31, 2017: 94,26,40,974 Equity shares of ₹2/- each March 31, 2016 : 94,25,80,974 Equity Shares of ₹2/each October 1, 2014 : 93,90,10,974 Equity Shares of ₹ 2/- each	18,852.82	18,851.62	18,780.22
	Total	**18,852.82**	**18,851.62**	**18,780.22**
iii)	**Paid-up shares :**			
	March 31, 2017: 94,18,30,724 Equity shares of ₹2/- each March 31, 2016 : 94,17,70,724 Equity Shares of ₹2/each October 1, 2014 : 93,82,00,724 Equity Shares of ₹ 2/- each	18,836.61	18,835.41	18,764.01
	Total	**18,836.61**	**18,835.41**	**18,764.01**
iv)	**Shares forfeited :**			
	Amount received (including securities premium) in respect of 162,050 equity shares of ₹ 10/-	81.03	81.03	81.03
	Total	**81.03**	**81.03**	**81.03**
	Total paid-up share capital (iii + iv)	**18,917.64**	**18,916.44**	**18,845.04**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at					
	March 31, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2016**	**October 1, 2014**	**October 1, 2014**
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Balance, beginning of the period	941,770,724	18,835.41	938,200,724	18,764.01	734,026,438	14,680.53
Issued during the period	60,000	1.20	3,570,000	71.40	204,174,286	4,083.49
Balance, end of the period	**941,830,724**	**18,836.61**	**941,770,724**	**18,835.41**	**938,200,724**	**18,764.01**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) In the previous period ended September 30, 2014 , the Company has issued 204,174,286 equity shares under the Qualified Institutional Placement (QIP) issue. The face value of these shares were ` 2 each and these were issued at a premium of ` 10.68 per share.

d) Shares held by holding / ultimate holding company and /or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding / ultimate holding Company and /or their subsidiaries / associates are as follows:

	As at					
	March 31, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2016**	**October 1, 2014**	**October 1, 2014**
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Equity shares of ₹ 2/- each fully paid up						
Gammon Power Limited, Holding Company (w.e.f Sept 29, 2014)	528,000,000	10,560.00	528,000,000	10,560.00	528,000,000	10,560.00
Gactel Turnkey Projects Limited, Fellow Subsidiary	22,400,000	448.00	22,400,000	448.00	22,400,000	448.00
	550,400,000	**11,008.00**	**550,400,000**	**11,008.00**	**550,400,000**	**11,008.00**

e) Details of shareholders holding more than 5% shares in the Company

	March 31, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2016**	**October 1, 2014**	**October 1, 2014**
	Number	**%**	**Number**	**%**	**Number**	**%**
Gammon Power Limited	528,000,000	56.06	528,000,000	56.06	528,000,000	56.28
HDFC Trustee Company Limited - HDFC Infrastructure Fund	78,864,353	8.37	78,864,353	8.37	78,864,353	8.41
DB International (Asia) Limited	41,488,886	4.41	41,488,886	4.41	57,227,129	6.10
	648,353,239	**68.84**	**648,353,239**	**68.84**	**664,091,482**	**70.78**

f) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

g) The Company had issued bonus shares in the year ended Mar'13 to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 5,262,820 equity shares of ₹ 2 each as fully paid by utilising securities premium account aggregating to ₹ 105.26 lacs/-

h) Shares reserved under options to be given.

120,000 equity shares (March 31, 2016 : 2,40,000 equity shares , October 1, 2014: 5,110,000 equity shares) have been reserved for issue as Employee Stock Options. For details refer Note 10A .

10 Other Equity

		As at		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**
i)	Retained Earnings	16,782.64	14,907.48	12,589.15
ii)	General Reserve	23.96	23.96	23.96
iii)	Security Premium Reserve	56,369.47	56,369.47	56,195.23
iv)	Employee Stock Option Outstanding	10.80	8.42	199.55
v)	Other Comprehensive Income:			
	Items that will not be reclassified subsequently to profit or loss:			
	- Re-measurement gains/ (losses) on defined benefit plans	31.53	25.83	18.16
		73,218.39	**71,335.15**	**69,026.04**

A Employees Stock Options Scheme ('ESOP'):-

During the financial period ending Dec'13 the Company had instituted an ESOP Scheme "GIPL ESOP 2013", approved by the shareholders vide their resolution dated September 20, 2013, as per which the Board of Directors of the Company granted 6,160,000 equity-settled stock options to the eligible employees. Pursuant to the ESOP Scheme each options entitles an employee to subscribe to 1 equity share of ₹ 2 each of the Company at an exercise price of ₹2 per share upon expiry of the respective vesting period which ranges from one to four years commencing from October 1, 2014.

The details of ESOP's granted under the aforesaid ESOPs Schemes are summarized herein under :

Particulars	**Period ended Mar'17**	**Period ended Mar'16**	**Period ended Oct'14**
Grant Date	23-Sep-13	23-Sep-13	23-Sep-13
Market Price considered (Rupees)	6.80	6.80	6.80
Exercise Price of Options granted during the period (Rupees)	2.00	2.00	2.00
Options outstanding at the beginning of the period	240,000	5,110,000	5,320,000
Options granted during the period	-	-	-
Options lapsed /forfeited during the period	-	1,240,000	210,000
Options vested during the period	120,000	3,630,000	-
Options granted and vesting outstanding at the end of the period	120,000	240,000	5,110,000

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Of the aforesaid vested options of 1,20,000 (March 16: 36,30,000 option) , 60,000 options (March 16: 35,70,000 options) were exercised and allotment made against the same.

The Company has used intrinsic value method for valuation of options by reducing the exercise price from the market value. However if the compensation cost would have been determined using the alternative approach to value options at fair value, the Company's net loss would have been changed to amounts indicated below:

Particulars	Period ended Mar'17	Period ended Mar'16
Net loss as reported	1,875.16	2,327.12
Add: Stock based compensation expense included in the reported income	2.39	(16.90)
Less: Stock based compensation expenses determined using fair value of options	2.39	(16.90)
Net profit / (loss) (adjusted)	**1,875.16**	**2,327.12**
Basic earnings per share as reported	0.20	0.25
Basic earnings per share (adjusted)	0.20	0.25
Diluted earnings per share as reported	0.20	0.25
Diluted earnings per share (adjusted)*	0.20	0.25
Weighted average number of equity shares at the end of the period	941,806,724	940,464,164
Weighted average number of shares considered for diluted earnings per share	941,976,136	940,675,929

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options are as follows:

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	9/23/2014	9/23/2013	9/23/2013	9/23/2013
Vesting date	10/1/2014	10/1/2015	10/1/2016	10/1/2017
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

11 Financial Liabilities (at amortised cost)

	As at			As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
	Non- Current			**Current Maturities**		
11.1 Long term Borrowings						
i) Inter-corporate deposit (ICD) from subsidiaries (unsecured):						
Vizag Seaport Pvt Ltd (VSPL)	-	-	-	10,673.31	11,053.39	11,151.00
Mumbai Nasik Expressway Ltd (MNEL)	-	-	9,746.59	-	-	-
Kosi Bridge Infrastructure Company Limited (KBICL)	-	-	1,171.97	-	-	-
Andhra Expressway Ltd (AEL)	-	-	3,120.32	-	-	-
Rajahmundry Expressway Ltd (REL)	-	-	5,519.27	-	-	-
Ras Cities & Township Pvt Ltd (RCTPL)	261.59	228.09	-	-	-	-
ii) Term loan from Financial Institutions	-	-	-	-	-	5,425.00
iii) Term loan from Others	-	-	1,277.50	117.00	935.00	492.50
Less: disclosed in Other Current Liabilities	-	-	-	(10,790.31)	(11,988.39)	(17,068.50)
	261.59	**228.09**	**20,835.65**	**-**	**-**	**-**
The break-up of above:						
Secured	-	-	1,277.50	117.00	935.00	5,917.50
Unsecured	261.59	228.09	19,558.15	10,673.31	11,053.39	11,151.00
	261.59	**228.09**	**20,835.65**	**10,790.31**	**11,988.39**	**17,068.50**

a) Details of ICD from VSPL :

Based on the revised terms with VSPL :- Moratorium in repayment of the principle and interest overdue outstanding of ₹109,77.40 lacs as on March 31, 2017 is granted for a period of 12 months from April 1, 2017 to the Company. Accordingly entire ICD outstanding shall be fully repaid on March 31, 2018. However Interest as specified below shall be paid on due dates without any default during the said moratorium period. The Company will pay to VSPL interest on principal amount as on March 31, 2017 on the 1st of every month from 1st July 2017 onwards , including interest for the months of April 17 to June 17 . Thereafter, interest shall be paid every month on 1st day of the following month. Interest shall be paid at a rate equal to interest rate of IDFC charged on VSPL plus a markup of 0.5% i.e., applicable interest rate of IDFC charged on VSPL plus a margin of 50 bps. In case of interest default a penalty of 1% and 1% liquidated damages as charged by IDFC on VSPL is payable by GIPL."

b) Term Loans from Others

a) This secured term loan carries an interest rate of 14.50% p.a. It's repayment is in 7 semi-annual structured installments from June 2014 to June 2017.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

b) It is secured by the following:
   (i) Pledge of 26% shares of SSRPL including pledge of 26% of the incremental share capital as and when the same is issued;
   (ii) Hypothecation over the O&M Fees from AEL deposited in the Escrow Account;
   (iii) Hypothecation over the income from the O&M Fees income arising from the GIL O&M Sub-contract
   (iv) Hypothecation over the O&M Fees to be received from AEL in the Borrower and deposited in the Escrow Account;
   (v) Hypothecation over the developer fee payable by SSRPL to the Borrower under the SSRPL Developer Fee Agreement and deposited in the Escrow Account; and
   (vi) Hypothecation over the developer fee payable by VGRPPL to the Borrower under the VGRPPL Developer Fee Agreement and deposited in the Escrow Account.

c) As the event of certain covenants related to underlying security has been breached the entire outstanding amount has been recalled by the lender and accordingly the outstanding sum due has been classified as current.The amount has been paid after the balance sheet date.

c) List of continuing defaults

	As at					
	March 31, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2016**	**October 1, 2014**	**October 1, 2014**
	Principal Outstanding	**Interest Outstanding**	**Principal Outstanding**	**Interest Outstanding**	**Principal Outstanding**	**Interest Outstanding**
ICD from VSPL	-	-	11,053.39	-	287.63	811.94
ICD from MNEL	-	-			-	870.40
Term loan from IDFC	-	-	-	-	5,425.00	42.81
Term loans from IREP Credit Capital Private Limited (*)	117.00	95.00	935.00	33.30	-	-

d) The ICD from VSPL has since been renegotiated the entire ICD as at 31st March, 2017 of ₹10673.31 lacs plus accrued interest of ₹ 303.67 lacs are due for repayment before March 31, 2018. Accordingly the same is not shown as continuing default as at 31st March, 2017.

e) The default of IREP Credit Capital Private Limited on account of Principal and interest was paid subsequently

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
11.2	**Other Financial Liabilities (at amortised cost)**						
i)	Current maturity of long term borrowings	-	-	-	10,790.31	11,988.39	17,068.50
ii)	Interest accrued and due to related parties	-	-	-	-	-	1,682.34
iii)	Interest accrued but not due to related parties	41.63	36.23	-	303.67	-	682.43
iv)	Interest accrued and due to Financial Institutions	-	-	-	-	-	42.81
v)	Interest accrued and due to others	-	-	-	95.00	33.30	-
vi)	Interest accrued but not due to others	-	-	-	7.50	14.64	71.44
vii)	Other dues - related parties	-	-	-	92.38	123.22	99.82
viii)	Advance received for sale of subsidiary's equity shares	-	-	-	265.20	265.20	265.20
ix)	Deposit received towards Margin Money from related parties	100.00	100.00	100.00	-	-	-
x)	Money received in trust - kept in escrow account*	-	-	-	-	6,263.12	
xi)	Other Liabilities	-	-	-	124.16	122.23	176.68
xii)	Deposit received from contractor	-	-	-	1,000.00	1,000.00	1,000.00
	Total	**141.63**	**136.23**	**100.00**	**12,678.22**	**19,810.10**	**21,089.21**

* The Company has received money in trust parked in escrow account towards due to Gammon India Limited, the ultimate parent, as part of the SPA to be discharged on satisfaction of certain conditions amounting to ₹ 6241.00 lacs along with interest accrued thereon amounting to ₹ 22.12 lacs which is part of Fixed Deposit in escrow account.

12 Long Term Provisions

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
			Non- Current			Current	
i)	Provision for employee benefits:						
	Leave Encashment	42.51	45.23	-	57.01	41.46	106.77
	Gratuity	14.51	16.21	42.10	10.38	10.26	2.16
ii)	Provision for Project Obligations:	-	-	-	113.73	260.00	-
	Total	**57.03**	**61.44**	**42.10**	**181.12**	**311.72**	**108.93**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a) Provision for Project Obligations is on account of provision made towards obligations to the purchaser of equity shares of SPV's towards project related expenditure.

Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Particulars	Opening	Addition	Utilisation	Closing
Provision for Project Obligations (Current Year)	260.00	-	146.27	113.73
Provision for Project Obligations (Previous Year)	-	260.00	-	260.00

b) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

	Particulars	As at March 31, 2017	As at March 31, 2016
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	26.47	44.25
	Current Service Cost	4.86	6.04
	Interest Cost	2.08	0.44
	Actuarial (Gain) /Loss	(8.52)	(11.46)
	Past employees Service	-	-
	Benefits paid	-	(12.80)
	Defined Benefit obligation at the year end	**24.89**	**26.47**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	-	-
	Expected return on Plan Assets	-	-
	Actuarial Gain/ (Loss)	-	-
	Employer Contribution	-	-
	Benefits Paid	-	-
	Fair Value of Plan Assets at the year end	-	-
	Actual Return on Plan Assets	**-**	**-**
(c)	**Reconciliation of fair value of assets and obligations**		
	Fair Value of Plan Assets	-	-
	Present value of Defined Benefit obligation	24.89	26.47
	Liability recognized in Balance Sheet	**24.89**	**26.47**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

	Particulars	As at March 31, 2017	As at March 31, 2016
(d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	Current Service Cost	4.86	6.04
	Interest Cost	2.08	0.44
	Expected Rate of return on Plan Assets	-	-
	Past employees Service	-	-
	Actuarial (Gain)/Loss	(8.52)	(11.46)
	Net Cost	**(1.58)**	**(4.98)**

ii) Actuarial Assumptions

Particulars	As at March 31, 2017	As at March 31, 2016
Mortality Table (LIC)	Indian Assured Lives 2006-08	
Discount rate (per annum)	7.50%	7.75%
Expected rate of return on Plan assets (per annum)	NA	NA
Rate of escalation in salary (per annum)	5%	5%
Withdrawal rate:		
- upto age of 34	3%	3%
- upto age of 35-44	2%	2%
- upto age 45 & above	1%	1%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate
Change in assumption		
March 31, 2017	1%	1%
March 31, 2016	1%	1%
Increase in assumption		
March 31, 2017	-5.54%	6.61%
March 31, 2016	-6.27%	7.20%
Decrease in assumption		
March 31, 2017	6.51%	-5.72%
March 31, 2016	7.38%	-6.18%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

iv) Experience adjustment

Particulars	As on March 31, 2017	As on March 31, 2016
Experience adjustment on Plan Liability	(8.92)	(43.31)

13 Other Liabilities

		As at			As at		
		March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
		Non- Current			Current		
i)	Mobilisation advance received from related parties	13,609.49	15,974.59	15,830.27	3,960.60	174.10	2,824.93
ii)	Duties and Taxes payable	-	-	-	197.19	469.93	116.21
iii)	Advance from customers - related parties	-	-	-	1,221.98	1,221.98	1,460.19
iv)	Due to EPC Customers -Related Parties	-	-	-	19,455.85	13,311.33	6,011.38
iii)	Deferred Income -Guarantee Margin	9,415.54	10,561.89	1,972.87	1,146.35	1,024.14	1,034.57
iv)	Other Payables	-	-	-	369.85	273.85	187.67
	Total	**23,025.03**	**26,536.48**	**17,803.14**	**26,351.81**	**16,475.32**	**11,634.95**

14 Short Term Borrowings (at amortised cost)

	As at		
	March 31, 2017	March 31, 2016	October 1, 2014
Bank overdraft	3,619.29	7,998.04	6,446.59
Total	**3,619.29**	**7,998.04**	**6,446.59**
Bank Overdraft :-			
Secured (which is secured against fixed deposit under lien)	1,090.68	637.74	588.32
Unsecured	2,528.61	7,360.30	5,858.27
Interest Rate	MCLR + 5% (presently 14.75%)	13.35%	13.25%

15 Trade Payables (at amortised cost)

		As at		
		March 31, 2017	March 31, 2016	October 1, 2014
i)	Trade payables - Micro, small and medium enterprises	-	-	-
ii)	Trade payables - Others	1,541.72	6,261.25	999.44
Total		**1,541.72**	**6,261.25**	**999.44**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

a) **Amounts due to Micro, Small and Medium Enterprises**
As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
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 is relied upon by the auditors.

16 Liabilities for current tax (net)

	As at		
	March 31, 2017	**March 31, 2016**	**October 1, 2014**
Provision for taxation, net of advance tax	1,795.83	2,061.33	1,773.51
Total	**1,795.83**	**2,061.33**	**1,773.51**

		12 months period ended March 31, 2017	**18 months period ended March 31, 2016**
17	**Revenue from Operations**		
i)	Construction contract revenue	18,982.02	27,847.66
ii)	Developer's Fees	-	486.83
iii)	Operating and Maintenance Income	-	7,425.00
iv)	Works Contract Income	-	1,385.08
v)	Periodic Maintenance Income	-	3,175.46
Total		**18,982.02**	**40,320.02**

a) The disclosures as per provisions of INDAS 11"Construction Contracts"

	Particulars	**12 months period ended March 31, 2017**	**18 months period ended March 31, 2016**
i)	Contract revenue recognised for the period	18,982.02	27,847.66
ii)	Aggregate amount of cost incurred as at the end of the financial period for all contracts in progress,	15,630.75	21,792.10
iii)	Aggregate amount of income recognised as at the end of the financial period for all contracts in progress,	3,351.28	6,055.56
iv)	Contract Advances outstanding as at the end of the financial period	26,636.45	16,148.69
v)	Retention amount due from customers as at the end of the financial period	4,182.21	3,020.55
vi)	Gross Amount due from Customers for contract work	477.63	3,103.67
vii)	Gross Amount due to customers for contract work	19,455.85	13,311.33

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

18 Other Income

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Interest Income on Financial Assets at amortised cost	897.56	782.12
ii)	Income from SPV's recognised under IND AS -109	-	2,576.33
iii)	Remeasurement gain on loans given to Group Companies	29.29	1,322.02
iv)	Guarantee commission recognised under IND AS -109	1,024.14	1,034.57
v)	Profit on Sale of current Investments	361.39	81.12
vi)	Profit on Sale of assets	0.45	0.10
vii)	Net gain on financial asset through FVTPL	175.25	14.45
viii)	Write back of provision for advances	-	33.30
ix)	Miscellaneous Income	22.65	0.14
x)	Interest on Income Tax	185.20	-
	Total	**2,695.94**	**5,844.16**

19 Construction expenses

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Sub-contractor expenses	15,630.75	21,792.10
ii)	Operation and Maintenance expenses	-	7,988.62
	Total	**15,630.75**	**29,780.71**

20 Changes in inventory of consumables

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Opening stock of materials	-	17.99
ii)	Less : Transferred	-	**9.74**
iii)	Less : Closing stock of materials	-	-
	Total	-	**8.25**

21 Employee benefit expenses

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Salaries, wages and bonus	661.98	1,842.91
ii)	Gratuity and Leave Encashment	23.93	28.10
iii)	Contributions to Provident Fund	23.33	54.42
iv)	Staff Welfare Expenses	7.00	85.60
v)	Employees 'ESOP' compensation cost (net of reversal)	2.39	(16.90)
	Total	**718.61**	**1,994.14**

a) During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of ₹ 204.49 lacs and ₹ 183.96 lacs respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (Ministry) for approval of waiver of recovery of such excess remuneration. One of the Company's applications had been partially allowed and the Ministry has rejected the others, with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to ₹ 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is ₹ 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

22 Finance Costs:

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	Interest expenses on Financial liabilities at amortised cost	1,700.08	7,000.03
ii)	Banks Interest	818.35	1,631.24
iii)	Interest on Margin Money Deposit	6.00	9.01
iv)	Other finance costs	117.30	319.89
	Total	**2,641.72**	**8,960.18**

23 Depreciation & amortization

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Depreciation	15.72	102.47
Amortisation	-	228.91
Total	**15.72**	**331.38**

24 Other expenses

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Plant Hire Charges	-	35.58
Professional Fees	182.43	143.10
Rent	75.03	191.78
Power & Fuel	19.48	301.36
Travelling Expenses	29.28	51.49
Communication	8.39	27.52
Insurance	5.79	22.63
Remuneration to Auditors	49.92	42.85

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Office Maintenance	28.76	75.11
Rates & Taxes	18.65	220.09
Bank Charges	1.19	5.26
Printing & Stationary	3.97	14.01
Postage & Courier	1.35	6.19
Security	1.76	33.29
Motor Car Expenses	7.92	60.00
Directors Fees & Commission	29.50	57.40
Business Development Expenses	-	5.69
Annual Report Expenses	13.02	9.36
Guarantee Bond Commission	45.54	11.36
Sundry Expenses	71.82	130.38
Provision for Doubtful Debts / Advances	261.59	148.17
Sundry balances written off	128.10	270.47
Provision for Diminution in Value of Investments of subsidiaries	7.55	132.77
Total	**991.06**	**1,995.86**

a) Payment to auditors

	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Audit fee including limited review fee	28.63	30.50
Tax audit fee	5.60	3.60
Certifications & other services	15.01	7.19
Reimbursement of expenses	0.69	1.56
Total payments to auditors	**49.92**	**42.85**

25 Exceptional items

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
i)	(Profit) / Loss on disposal of SPV's (refer note 32)	-	390.56
ii)	Sundry balances written back / Write off on divestment of SPV's (refer note 32)	-	66.51
iii)	Intangible asset written off (refer note 32)	-	(715.79)
iv)	Fixed asset written off (refer note 32)	-	(18.81)
v)	Professional fees in connection with disposal of SPV's	-	(614.78)
vi)	Project Claims received	241.00	-
	Total	**241.00**	**(892.30)**

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

26 Tax Expense

		12 months period ended March 31, 2017	18 months period ended March 31, 2016
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	585.00	1,371.50
	Deferred tax	(539.06)	(1,497.26)
	Income tax recognised in statement of profit or loss	**45.94**	**(125.76)**

b) 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

	Particulars	**12 months period ended March 31, 2017**	**18 months period ended March 31, 2016**
A	**Current Tax**		
	Accounting profit before income tax for 18 months	-	2,201.36
	Accounting profit before income tax for 12 months	1,921.10	6,038.85
	Enacted tax rates in India (%)	34.608%	34.608%
	Computed expected tax expenses	664.86	2,089.92
	Effect of non- deductible expenses	96.23	879.47
	Effects of deductible Expenses	-	(1,947.29)
	Non Taxable effects	(576.01)	-
	Set off of brought forward losses	(185.77)	(1,022.10)
	Income tax expenses - Net	-	-
	Tax liability as per Minimum Alternate Tax on book profits		
	Minimum Alternate Tax rate	21.342%	21.342%
	Computed tax liability on book profits	409.99	1,288.79
	Tax effect on adjustments:		
	1/5 portion of Opening IND AS Reserve as on April 1, 2016	114.09	-
	Effect of non deductible expense	59.36	82.71
	Others	1.55	-
	Minimum Alternate Tax on Book Profit	**585.00**	**1,371.50**

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	**Opening**	**Recognised in profit and loss**	**Recognised in O C I**	**Recognised directly in equity**	**Closing**
Property, Plant and Equipment	(183.36)	-	-	-	(183.36)
Employee benefits	59.10	-	-	-	59.10
Unabsorbed depreciation	37.60	-	-	-	37.60
Unabsorbed losses	86.66	-	-	-	86.66

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	**Opening**	**Recognised in profit and loss**	**Recognised in O C I**	**Recognised directly in equity**	**Closing**
Remeasurement gain/(loss) on defined benefit plans	-	-	(8.97)	-	(8.97)
MAT Credit Entitlement	-	-	-	-	-
As at October 1, 2014	**0.00**	**-**	**(8.97)**	**-**	**(8.97)**
Property, Plant and Equipment	(183.36)	269.96	-	-	86.60
Employee benefits	59.10	(19.94)	-	-	39.16
Unabsorbed depreciation	37.60	(37.60)	-	-	-
Unabsorbed losses	86.66	(86.66)	-	-	-
Remeasurement gain/(loss) on defined benefit plans	(8.97)	-	(3.79)	-	(12.76)
MAT Credit Entitlement	-	1,371.50	-	-	1,371.50
As at March 31, 2016	**(8.97)**	**1,497.26**	**(3.79)**	**-**	**1,484.50**
Property, Plant and Equipment	86.60	(50.15)	-	-	36.45
Employee benefits	39.16	4.21	-	-	43.37
Remeasurement gain/(loss) on defined benefit plans	(12.76)	-	(2.82)	-	(15.57)
MAT Credit Entitlement	1,371.50	585.00	-	-	1,956.50
As at March 31, 2017	**1,484.50**	**539.06**	**(2.82)**	**-**	**2,020.75**

27 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	**12 months period ended March 31, 2017**	**18 months period ended March 31, 2016**
Net Profit / (Loss) as per Statement of Profit and Loss	1,875.16	2,327.12
Outstanding equity shares at period end	941,830,724	941,770,724
Weighted average Number of Shares outstanding during the period – Basic	941,806,724	940,464,164
Weighted average Number of Shares outstanding during the period - Diluted	941,976,136	940,675,929
Earnings per Share - Basic (₹)	0.20	0.25
Earnings per Share - Diluted (₹) *	0.20	0.25

Reconciliation of weighted number of outstanding during the period:

Particulars	**12 months period ended March 31, 2017**	**18 months period ended March 31, 2016**
Nominal Value of Equity Shares (₹per share)	2.00	2.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	941,770,724	938,200,724
Add : Issue of Equity Shares	60,000	3,570,000
Total number of equity shares outstanding at the end of the period	941,830,724	941,770,724

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	12 months period ended March 31, 2017	18 months period ended March 31, 2016
Weighted average number of equity shares at the end of the period	941,806,724	940,464,164
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	941,891,430	940,464,164
Add : Equity shares arising on grant of stock options under ESOP	84,706	211,765
Less : Equity shares arising on grant of stock options under ESOP forfeited / lapsed (included above)	-	-
Weighted average number of equity shares used in calculating diluted EPS	941,976,136	940,675,929

28 Details of Loans and Advances in the nature of Loans

a) Disclosure of amounts outstanding at the period end as per Schedule V of the LODR.

Particulars	Balance as on March 31, 2017	Maximum Amount Outstanding during the period	Balance as on March 31, 2016	Maximum Amount Outstanding during the period
Subsidiaries :				
Aparna Infraenergy India Pvt Ltd (up to 29/2/16)	-	-	-	4,020.92
Birmitrapur Barkote Highway Pvt Ltd	608.18	608.18	608.03	608.03
Cochin Bridge Infrastructure Co Limited	922.25	922.25	922.25	922.25
Chitoor Infrastructure Company Pvt Ltd	9.88	9.88	9.88	9.88
Earthlink Infrastructure Projects Pvt Ltd	1,276.58	1,284.58	1,284.58	1,284.58
Gammon Logistics Limited	158.35	158.35	158.35	158.35
Gammon Project Developers Limited	43.84	55.84	45.84	45.84
Gammon Renewable Energy Infrastructure Limited	251.20	251.20	251.20	511.20
Ghaggar Renewable Energy Private Limited	7.98	8.98	8.98	8.98
Gammon Road Infrastructure Limited	155.14	230.14	230.14	230.14
Gorakhpur Infrastructure Company Limited (up to 29/2/16)	-	-	112.70	24,653.43
Kosi Bridge Infrastructure Company Limited (up to 29/2/16)	-	-	-	2,455.41
Mormugao Terminal Limited (up to 31/3/16)	-	-	-	214.72
Pataliputra Highway Limited (up to 31/3/16)	-	-	-	5,847.55
Patna Buxar Highways Limited (up to 31/3/16)	-	-	-	1,759.84
Patna Highway Projects Limited	10,479.83	10,479.83	6,479.83	11,191.83
Pravara Renewable Energy Limited	2,096.57	2,122.57	1,942.02	1,942.02
Rajahmundry Godavari Bridge Limited	2,212.75	2,212.75	2,212.75	2,745.89

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Particulars	Balance as on March 31, 2017	Maximum Amount Outstanding during the period	Balance as on March 31, 2016	Maximum Amount Outstanding during the period
Satluj Renewable Energy Private Limited	45.90	45.90	24.90	24.90
Segue Infrastructure Project Pvt Ltd	2.50	2.50	2.50	2.50
Sidhi Singrauli Road Projects Ltd	3,527.16	3,527.16	3,527.16	3,527.16
Sikkim Hydro Power Ventures Limited	4,050.21	4,423.10	4,384.30	4,384.30
Tidong Hydro Power Limited	180.32	180.32	180.32	180.32
Viyayawada Gundugolanu Road Project Pvt Ltd	17,552.07	21,671.92	13,474.29	13,474.29
Yamunanagar Minor Mineral Pvt Ltd	7.30	7.30	7.30	7.30
Yamunanagar Panchkula Highway Pvt Ltd	915.53	915.53	915.53	915.53
Youngthang Power Ventures Limited	5,734.58	5,805.58	5,805.58	5,805.58
Associates and Joint Venture Companies:				
Indira Container Terminal Private Limited	4,001.76	4,001.76	4,001.76	4,001.76

Note: Disclosure is done as per transaction value before IND AS adjustments.

b) Details of investments by loanees in the share of subsidiaries of the Company:

Loanee	Investment in Subsidiary	As on March 31, 2017	As on March 31, 2016
		(No. of shares)	(No. of shares)
Gammon Projects Developers Limited	Chitoor Infra Company Private Limited	10,000	10,000
	Ras Cities & Townships Private Limited	10,000	10,000
	Earthlink Infrastructure Projects Private Limited	10,000	10,000
	Segue Infrastructure Projects Private Limited	10,000	10,000
	Ghaggar Renewable Energy Pvt Ltd	3,750	3,750
	Tangri Renewable Energy Pvt Ltd	3,750	3,750
	Yamuna Minor Minerals Pvt Ltd	3,750	3,750
	Satluj Renewable Energy Pvt Ltd	4,000	4,000
Gammon Seaport Infrastructure Limited	Ghaggar Renewable Energy Pvt Ltd	2,500	2,500
	Tangri Renewable Energy Pvt Ltd	2,500	2,500
	Yamuna Minor Minerals Pvt Ltd	2,500	2,500
Gammon Renewable Energy Infrastructure Projects Limited	Ghaggar Renewable Energy Pvt Ltd	3,750	3,750
	Tangri Renewable Energy Pvt Ltd	3,750	3,750
	Yamuna Minor Minerals Pvt Ltd	3,750	3,750
	Satluj Renewable Energy Pvt Ltd	2,000	2,000

29 Details of Joint Ventures

a) Details of Joint Ventures entered into by the Company.

	% of Interest as at	
	March 31, 2017	**March 31, 2016**
Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) *	10.12%	10.12%
Indira Container Terminal Private Ltd	50.00%	50.00%
SEZ Adityapur Ltd	38.00%	38.00%
GIPL - GIL JV	95.00%	95.00%

All the above joint ventures entities are incorporated in India.
* GIPL had entered into a Joint Venture agreement for 31% equity stake in BWIOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWIOTPL. BWIOTPL has initiated the process of liquidation and the group management believes that it does not have any obligation to further contribute in the equity capital of BWIOTPL. Accordingly the interest is restricted to 10.12%.

30 Commitments

Particulars	**March 31, 2017**	**March 31, 2016**
Capital Commitments:		-
Other Commitments:		
- Share of equity commitment in SPV's	58,729.13	66,472.91
- Buyback / purchase of shares of subsidiaries	5,300.00	8,988.00
Total	**64,029.13**	**75,460.90**

31 Contingent Liabilities

1 Guarantees:

i) The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries and lenders, amounting to ₹333,320.00 lacs (previous period ₹1,95,125.69 lacs)

ii) Counter Guarantees given to the bankers for the guarantees given by them on our behalf ₹13,735.18 lacs (previous period ₹22,638.47 lacs).

2		**Particulars**	**March 31, 2017**	**March 31, 2016**
	i)	Disputed Tax demand against which the Company has preferred appeals	2,463.25	2,439.21
	ii)	Tax paid and refunds adjusted against the same	1,663.68	1,597.60
	iii)	TDS demands under rectification	40.57	41.63

3 The Company has received a letter for transfer of shares of one of its divested subsidiary from a party who has paid advance for the same. The Company does not acknowledge the Claim due to non satisfaction of certain conditions and is in the process of refunding the said advance to the party.

32 The Company has during the previous period ended March 31, 2016 had transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for the following six entities:

a) Andhra Expressway Limited

b) Aparna Infraenergy India Pvt Limited (through PHL being 100% subsidiary of GIPL)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

c) Gorakhpur Infrastructure Company Limited

d) Kosi Bridge Infrastructure Company Limited

e) Mumbai Nasik Expressway Limited

f) Rajahmundry Expressway Limited

The SPA covered the sale of another 3 entities Pravara Renewable Energy Limited, Sikkim Hydro Power Ventures Limited and Vijayawada Gundugolanu Road Project Pvt Limited in respect of which certain condition precedent were required to be satisfied.

In respect of Pravara Renewable Energy Limited and Sikkim Hydro Power Ventures Limited the long stop date expired on May 26, 2016. The long stop date for Vijayawada Gundugolanu Road Project Pvt Limited is August 26, 2016.

In respect of the six entities transferred the Company has received a total cash consideration of ₹ 13,784.91 lacs and a waiver of ICD received by the Company including accrued interest payable there on aggregating to ₹ 26,555.82 lacs The difference between the carrying value of investment and afore mentioned aggregate consideration has been shown as profit on sale of investment of ₹ 15,044.78 lacs after providing towards certain obligations towards the projects. Also Refer Note 48D(vi) for INDAS impact on the profit on sale of six Subsidiaries.

The releases of pledge in respect of some of the shares are in progress although the necessary documents and authorities have been granted in favour of the purchaser. In respect of these shares, the registered shareholder continues to be the Company.

As a consequence of the sale of these six SPV's the O&M contracts in favour of the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. An amount of ₹ 715.79 lacs has been charged to the Statement of Profit and Loss. Similarly various tangible assets at the project sites assisting the Company in its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six SPV aggregating to ₹ 66.51 lacs. These amounts are debited to the statement of profit and loss. Further there has also been a reversal of O&M income pursuant to the aforesaid SPA, of ₹ 13,55.79 lacs which has been effected.

Since these adjustments including the waiver of the loan is arising out of the SPA for the sale of these entities the same are not reflected as Related Party Transaction.

The Company has also sold its equity interest in three other Subsidiaries namely Patna Buxar Highways Limited, Mormugao Terminals Limited and Pataliputra Highways Limited, which had projects in limbo for an aggregate consideration of ₹ 30.00 lacs.

The difference between carrying value of the three subsidiaries and the aforesaid consideration has been charged as loss on sale of investment aggregating to ₹ 146,54.22 lacs. The write off on account of the second divestment aggregates to ₹ 80.36 lacs. Also Refer Note 48D(vi) for INDAS impact on the profit on sale of three Subsidiaries.

33 During the previous period, the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. The Company has also in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court vide order dated 20.10.2016, granted extension of 3 months from March 28, 2017 to settle the matter. Exposure of the Company in the SPV is ₹ 2,588.40 lacs (funded and non-funded)

34 Hydro power project at Himachal Pradesh - the project is stalled due to local agitation relating to environment issues. The matter with State Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the company in the SPV is ₹ 7,110.91 lacs.

35 Container terminal at Mumbai – where the Company is a Joint Venture (JV) partner, the project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter with the MBPT was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the lenders. The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Offer (ROFO) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Company in the JV is ₹ 12,632.78 lacs (funded and non-funded).

36 One of the SPV of the Company commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The exposure of the Company to the SPV is ₹ 92560 lacs (funded and non-funded)

37 Vijayawada Gundugolanu Road Project Private Limited (SPV) had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of the Company's efforts and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Pursuant to the requirements stipulated by NHAI the Company has entered into a binding agreement with a Strategic investor for a committed equity participation of 49% in the Project. With the committed equity participation by the Strategic investor, bankers have expressed their willingness to give their respective sanctions , which are under final stages of approval for financial closure of this Project. The exposure of the company in the SPV is ₹ 16,062.44 lacs (including Bank guarantee of ₹ 8420.00 Lakhs). The management is hopeful of the financial closure of the project and the project being revived.

38 In respect of another project on annuity basis of the Group, The SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the SPV has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is ₹ 1,18,269.72 lacs

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

39 The Company had divested some of its subsidiaries in the previous period for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch for which based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the going concern assumption and the carrying values of the assets and liabilities in these quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

40 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.

41 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has taken office premises on leave and license basis which are cancellable contracts.

42 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per INDAS 108. Further, the Company's operations are within single geographical segment which is India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

43 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

44 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2017 and March 31, 2016 . The Company has no foreign currency exposure towards liability outstanding as at March 31, 2017 and March 31, 2016.

45 Significant accounting judgements, 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. Uncertainity 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 .

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, 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 judgement 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.

46 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the eighteen months period ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at October 1, 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at October 1, 2014 and the financial statements as at and for the year ended March 31, 2016.

47 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

a) Fair value measurement of Financial Assets or Financial Liabilities:
Loans and Borrowings: In the absence of information , the Company has re-computed the present value of its loans existed as at the date of transition i.e., October 1, 2014.

b) Share Based Payments:
Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to October 1, 2014.

c) Investments in subsidiaries, joint ventures and associates
The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

48 A Effect of IND AS adoption on the Balance Sheet as on March 31 ,2016 and October 1, 2014

Particulars			Note Ref	As at March 31, 2016 (End of Last Period presented under previous GAAP) Previous GAAP	Effect of Transition to IND AS	IND AS	As at October 1, 2014 (Date of Transition) Previous GAAP	Effect of Transition to IND AS	IND AS
				(₹ in lacs)	(₹in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
ASSETS									
(1)	**Non-current assets**								
	(a)	Property, Plant and Equipment		50.45	(0.00)	50.45	178.07	-	178.07
	(b)	Intangible Assets Under Development		-	-	-	944.70	(0.00)	944.70
	(c)	Financial Assets		-	-	-	-	-	-
		(i) Investments in Subsidiaries , Joint Ventures and Associates	48D (i)-(iv)	63,751.96	55,621.39	119,373.35	80,796.33	74,443.94	155,240.28
		(ii) Trade receivables		3,020.55	-	3,020.55	882.87	-	882.87
		(iii) Loans and Advances	48D (i)-(iv)	44,313.08	(41,449.12)	2,863.96	74,605.21	(71,385.01)	3,220.20
		(iv) Other Financial Assets		4,024.33	-	4,024.33	1,650.44	-	1,650.44
	(d)	Deferred Tax Asset, Net	48D (v)	1,497.26	(12.76)	1,484.50	-	(8.97)	(8.97)
	(e)	Other non current assets		1,258.39	-	1,258.39	1,404.35	-	1,404.35
				117,916.02	**14,159.51**	**132,075.53**	**160,461.97**	**3,049.96**	**163,511.93**
(2)	**Current Assets**								
	(a)	Inventories		-	-	-	17.99	-	17.99
	(b)	Financial Assets					-		-
		(i) Investments in Subsidiaries , Joint Ventures and Associates		1.00	-	1.00	490.00		490.00
		(ii) Investments	48D(i)	2,323.33	14.86	2,338.19	130.00	0.40	130.40
		(iii) Trade receivables		691.90	-	691.90	341.52	-	341.52
		(iv) Cash and cash equivalents		227.45	-	227.45	1,134.45	-	1,134.45
		(v) Bank balances		32,220.45	-	32,220.45	107.62	-	107.62
		(vi) Loans and Advances		-	-	-	-	-	-
		(vii) Others Financial Assets		2,096.87	-	2,096.87	2,003.70	-	2,003.70

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

	Particulars	Note Ref	As at March 31, 2016 (End of Last Period presented under previous GAAP) Previous GAAP	Effect of Transition to IND AS	IND AS	As at October 1, 2014 (Date of Transition) Previous GAAP	Effect of Transition to IND AS	IND AS
			(₹ in lacs)	(₹in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
(c)	Other current assets		480.21	-	480.21	966.98	-	966.98
			38,041.21	**14.86**	**38,056.07**	**5,192.25**	**0.40**	**5,192.66**
	Total assets		**155,957.23**	**14,174.37**	**170,131.60**	**165,654.22**	**3,050.37**	**168,704.59**
EQUITY & LIABILITIES								
Equity								
(a)	Equity share capital		18,916.44	-	18,916.44	18,845.04	-	18,845.04
(b)	Other equity	48D-(vii)	68,674.91	2,660.24	71,335.15	62,885.20	6,140.83	69,026.04
			87,591.35	**2,660.24**	**90,251.59**	**81,730.24**	**6,140.83**	**87,871.08**
Liabilities								
Non-current liabilities								
(a)	Financial Liabilities							
	(i) Borrowings	48-(iv)	300.00	(71.91)	228.09	26,933.56	(6,097.91)	20,835.65
	(ii) Other financial liabilities		136.23	-	136.23	100.00	-	100.00
(b)	Provisions		61.44	-	61.44	42.10	-	42.10
(c)	Other Non-current liabilities	48D-(ii)	15,974.59	10,561.89	26,536.48	15,830.27	1,972.87	17,803.14
			16,472.26	**10,489.98**	**26,962.24**	**42,905.92**	**(4,125.04)**	**38,780.89**
Current liabilities								
(a)	Financial Liabilities							
	(i) Borrowings		7,998.04	-	7,998.04	6,446.59	-	6,446.59
	(ii) Trade payables		6,261.25	-	6,261.25	999.44	-	999.44
	(iii) Other financial liabilities		19,810.10	-	19,810.10	21,089.21	-	21,089.21
(b)	Provisions		311.72	-	311.72	108.93	-	108.93
(c)	Liabilities for current tax (net)		2,061.33	-	2,061.33	1,773.51	-	1,773.51
(d)	Other current liabilities	48D-(ii)	15,451.19	1,024.15	16,475.33	10,600.37	1,034.57	11,634.95
			51,893.62	**1,024.15**	**52,917.77**	**41,018.05**	**1,034.57**	**42,052.63**
	Total equity and liabilities		**155,957.23**	**14,174.37**	**170,131.60**	**165,654.22**	**3,050.37**	**168,704.59**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

48 B Effect of IND AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

	Particulars	Note Ref	Previous GAAP	Effect of Transition to IND AS	IND AS
			(₹in lacs)	(₹in lacs)	(₹in lacs)
I)	**INCOME:**				
	Revenue from Operations :		40,320.02	-	40,320.02
	Other Income	48D-(iv)	527.75	5,316.42	5,844.16
	Total Income (I)		**40,847.77**	**5,316.42**	**46,164.18**
II)	**EXPENSES:**				
	Construction expenses		29,780.71	-	29,780.71
	Changes in inventory of consumables		8.25	-	8.25
	Employee benefit expenses	48D-(v)	1,982.68	11.46	1,994.14
	Finance Costs	48D-(iv)	5,233.00	3,727.18	8,960.18
	Depreciation & amortization		331.38	0.00	331.38
	Other expenses		1,995.86	-	1,995.86
	Total Expenses		**39,331.88**	**3,738.64**	**43,070.52**
	Profit Before exceptional and extraordinary items and Tax		**1,515.88**	**1,577.78**	**3,093.66**
	Exceptional items	468-(vi)	4,173.74	(5,066.03)	(892.30)
	Profit / (Loss) before tax		**5,689.62**	**(3,488.26)**	**2,201.36**
	Tax expense		(125.76)	-	(125.76)
	1. Current tax		1,371.50	-	1,371.50
	2. Deferred tax liability / (asset)		(1,497.26)	-	(1,497.26)
	Profit for the period		**5,815.38**	**(3,488.26)**	**2,327.13**
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
	Reameasurement of the net defined benefit liability / asset	468-(v)	-	11.46	11.46
	Tax effect thereon		-	(3.79)	(3.79)
	Total other comprehensive income, net of tax		**-**	**7.67**	**7.67**
	Total comprehensive income for the period		**5,815.38**	**(3,480.58)**	**2,334.80**

48 C Reconciliation of Other Equity

Particulars	Note Ref	As at March 31, 2016	As at October 1, 2014
Total equity / shareholders' funds under previous GAAP		**87,591.35**	**81,730.24**
Adjustments on account of IND AS:			
Effects of IND AS 109	46(iv)	6,638.13	6,097.91
Exceptional Item	46(vi)	(5,066.03)	-
Guarantee Amortisation	46(ii)	1,086.06	51.48
Fair Valuation of Mutual Funds	46(i)	14.86	0.40
Reclassification of Acturial gains (Gratuity) to OCI	46(v)	(38.59)	(27.12)
Other Comprehensive Income	46(v)	38.59	27.12
Deferred Tax on OCI	46(v)	(12.76)	(8.97)
Total adjustment to equity		**2,660.25**	**6,140.83**
Total equity under Ind AS		**90,251.61**	**87,871.08**
Control Total		**90,251.61**	**87,871.08**

48 D Notes to effect of first time adoption

i) FVTPL Financial assets

Under Previous GAAP, the Company accounted for long term investments and mutual funds in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments other than investments in subsidiaries / joint ventures and associates as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been recognised under retained earnings. On this account of this adjustment the retained earning increased by 14.86 lacs as at March 31, 2016 and by 0.40 lacs lacs as at October 01, 2014 .

ii) Corporate Guarantee

As per IND AS 109 " Financial Instruments" the Company has during the year accounted for Guranatee Income for the Corporate Gurantee given for its various SPV;s to the lenders for financing . Accordigly the Company has recognised the amount of Guarantee to be received over the period of Guarantee to Non- Current Investments and proportinately is charged to P&L over the period of Guarantee. Guarantee amount shown under Non - Current Investments as at Transition date i.e., October 1, 2014 is ₹ 2,949.78 lac , as at March 31, 2016 and March 31, 2017 is ₹12,562.93 lacs. Amount Recognised to Opening reserves is ₹51.48 lacs at the date of transition, ₹1034.57 lacs for the eighteen months period ended March 31, 2016.

iii) Investments in Subsidiaries , Joint Ventures and Associates

Based on the Principle of IND AS 32 " Financial Instruments: Presentation " the Company has reclassified the amount of long term loans given to various subsidiaries as Quasi Equity where ever the loans evidences a residual interest in the Subsidiaries. Accordingly the Company has Classified ₹69,430.46 lacs at the date of transition ₹40,523.24 lacs as at March 31, 2016 and ₹48,105.93 lacs as at March 31, 2017 in Non - Current Investments.

iv) Discounting of Long term Loans and Advances and Borrowings

As per IND AS 109 "" Financial Instruments"" the Company has discounted the Long term Loans and Advances given to its Subsidiaries , Joint Venture and Associates and the difference between the Present Value and the Carrying value is taken to Non Current Investments. Accordingly the amount taken to Non Current Investment at the date of transition is ₹2063.70 lacs ₹12,148.36 lacs as at March 31, 2016. Correspondingly the Company has discounted the Long terms Loans Borrowings from its Subsidiaries based on Effective Interest rate and the diffencial is charged to Opening Reseves as on the date of transition and to Profit and loss for the year 2015-16 and 2016-17 in the form of Interest Income, Dividend income, remeasurement impact on

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

early repayments/ receipts.

v) Defined benefit liabilities

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Accordingly 18.16 lacs net of tax thereon has been adjusted in other comprehensive income from retained earnings as at October 01, 2014. The adjustment for the year ended March 31, 2016 is 7.67 lacs net of the tax effect thereon. As a result of this change, the retained earnings as at October 01, 2014 and profit for the year ended March 31, 2016 has been adjusted. There is no impact on the total equity as at 31 March 2016.

vi) Exceptional Item

During the year 2015-16 the Company had sold 9 SPV's , as per IGAAP the Gain on sale of Investments was recorded at book value i.e., at cost. As per IND AS all the Non- Current Financial Instruments needs to be discounted based on Effective interest rate of the Company. All the said SPV Loans were discounted and the effects of the same was taken in Opening Reserves and Surplus on transition date i.e., October 1, 2014. Therefore the gain shown in exceptional item as per IGAAP is taken upfront on the date of transition in the form of discounting and corresponding net effects are taken in Exceptional Item as per IND AS Financials as profit on Sale of Investments. Part of the Consideration was waived of loans taken and since the balance of loans taken adjusted as per IND AS 109 "" Financial Instruments"" , the consideration and Profit on Sale of Investments was also modified.

vii) Retained earning

Retained earnings as at October 1, 2014 has been adjusted consequent to the above Ind AS transition adjustments.

viii) Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

49 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

i) Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

ii) Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

50 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and October 1, 2014 is as follows:

		Carrying Value			Fair Value		
		March 31, 2017	**March 31, 2016**	**October 1, 2014**	**March 31, 2017**	**March 31, 2016**	**October 1, 2014**
a)	**Financial Assets**						
	Amortised Cost						
	Loans	3,169.08	2,863.96	3,220.20	3,169.08	2,863.96	3,220.20
	Others	11,573.11	6,121.21	3,654.14	11,573.11	6,121.21	3,654.14
	Trade receivables	6,511.75	3,712.45	1,224.39	6,511.75	3,712.45	1,224.39
	Cash and cash equivalents	1,681.74	32,447.90	1,242.07	1,681.74	32,447.90	1,242.07
	FVTPL				-	-	-
	Mutual Funds	7,082.18	2,338.19	130.40	7,082.18	2,338.19	130.40
	Total Financial Assets	**30,017.85**	**47,483.71**	**9,471.20**	**30,017.85**	**47,483.71**	**9,471.20**
b)	**Financial Liabilities**						
	Amortised Cost						
	Borrowings	3,880.87	8,226.14	27,282.24	3,880.87	8,226.14	27,282.24
	Trade payables	1,541.72	6,261.25	999.44	1,541.72	6,261.25	999.44
	Others	12,819.85	19,946.33	21,189.21	12,819.85	19,946.33	21,189.21
	Total Financial Liabilities	**18,242.45**	**34,433.72**	**49,470.89**	**18,242.45**	**34,433.72**	**49,470.89**

51 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.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2017, March 31, 2016 and October 1, 2014.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

		Fair Value measurement using		
Particulars	**Date of Valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-17	7,082.18	-	-
Total financial assets		7,082.18	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-16	2,338.19	-	-
Total financial assets		2,338.19	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	1-Oct-14	130.40	-	-
Total financial assets		130.40	-	-

Financial Risk Management

The Company is in the business of infrastructure development and it undertakes projects in multiple infrastructure segments. The nature of the business is complex and the Company is exposed to multiple sector specific and generic risks. PPP projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, be it in the Road Sector, Power Sector, Ports or Urban Development, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process. An enterprise wide comprehensive risk management policy including risk appetite, tolerance and risk limits for more effective, informed and measurable risk management has been developed and it continues to evolve.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

52 Financial risk factors

i) Business / Market Risk

Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

One of the first and foremost business risk is the achievement of the traffic projections made at the time of the bid. This will include the introduction of alternate roads by the state or central government which impacts the traffic projected to ply on the asset under the control of the Company. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company / SPV to risk. "

ii) Capital and Interest rate Risk

Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. The Company intends to pursue a strategy of continued investment in infrastructure development projects. In the past, the Company was able to infuse equity and arrange for debt financing to develop infrastructure projects on acceptable terms at the SPV-level of relevant projects. However, the Company believes that its ability to continue to arrange for capital requirements is dependent on various factors. These factors include: timing and internal accruals generation; timing and size of the projects awarded; credit availability from banks and financial institutions; the success of its current infrastructure development projects. Besides, there are also several other factors outside its control. However, the Company's track record has enabled it to raise funds at competitive rates. The Company's average cost of debt remains at 13.78% p.a.

iii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2017	Plus 100 basis point	(146.71)
	Minus 100 basis points	146.71
March 31, 2016	Plus 100 basis point	(202.15)
	Minus 100 basis points	202.15

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.

iv) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and Other Receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 6,511.75 lacs as at March 31, 2017 and ₹3,712.45 lacs as at March 31, 2016 , which is primarily from the SPV of the Company.

Since the primary customer is the SPV the credit risk is remote. In the absence of any bad debts from the SPV in the past the expected credit loss is zero and the Company is making no provisions on account any expected credit loss.

The credit risk from customers in the case of the SPV is very low as without payment of upfront toll the vehicles is not allowed to pass. However there are frequent local political issues which result in leakages which is a credit risk for the Company.

(v) Liquidity risk

The company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.

The company has outstanding borrowings of ₹14,671.18 lacs as at March 31, 2017 and ₹20,214.52 lacs as at March 31, 2016.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

The companies' working capital is not sufficient to meet its current requirements. Accordingly, liquidity risk is perceived. The Current Liabilities of the Company exceeds current Assets by 14,861.69 lacs as at March 31, 2016 this was despite the sale of some of the SPVs and ₹31,175.08 lacs as at March 31, 2017. These conditions indicate the existence of an uncertainty as to timing and realization of cash flow of the company.

The achievement of the projections in the traffic and the toll rates is critical for the liquidity to pay the lenders.

Timely completion of the project has a major impact on the liquidity of the SPV. The delay caused due to the grantor and the timely receipt of compensation from the grantor impacts liquidity of the SPV and the holding company materially and is one of the major reasons for the liquidity issue of the group.

The Working Capital Position of the Company is given below:

Particulars	March 31, 2017	March 31, 2016
Cash and Cash Equivalent	1,669.37	227.45
Bank Balance	12.37	32,220.45
Investments in mutual Funds	7,082.18	2,338.19
Interest bearing deposits with Corporates	3,159.03	2,852.92
Total	**11,922.95**	**37,639.01**

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	Less than 1 year	1-2 year	2-5 years	More than 5 years	Total
As at March 31, 2017					
Borrowings	3,619.29	-	-	-	-
Trade Payables	1,541.72	261.59	-	-	-
Other Financial Liabilities	12,678.22	141.63	-	-	-
Other Non Current Liabilities	26,351.81	23,025.03	-	-	-
Total	**44,191.04**	**23,428.25**	**-**	**-**	**-**
As at March 31, 2016					
Borrowings	7,998.04	228.09	-	-	-
Trade Payables	6,261.25	-	-	-	-
Other Financial Liabilities	19,810.10	136.23	-	-	-
Other Current Liabilities	16,475.33	26,536.48	-	-	-
Total	**50,544.72**	**26,900.81**	**-**	**-**	**-**

(vi) 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.

(vii) 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.

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

(viii) Exchange risk

Since the operations of the group are within the country the group is not exposed to any exchange risk directly. The group also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal. However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

53 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 parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2017	March 31, 2016	October 1, 2014
Gross Debt	14,671.18	20,214.52	44,350.74
Less:			
Cash and Cash Equivalent	1,669.37	227.45	1,134.45
Marketable Securities -Liquid Mutual Funds	7,082.18	2,338.19	130.40
Net debt (A)	**5,919.63**	**17,648.89**	**43,085.89**
Total Equity (B)	**92,136.03**	**90,251.59**	**87,871.08**
Gearing ratio (A/B)	**0.06**	**0.20**	**0.49**

54 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2017.

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : Mumbai
Date : June 18, 2017

Place: Mumbai
Date : June 18, 2017

Place : Mumbai
Date : June 18, 2017

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

43 Related Party Disclosure

a. Relationships :

Entity where control exists :

1 Gammon India Limited - Ultimate Holding Company (up to Sept 29, 2014)

2 Gammon Power Limited - Holding Company (w.e.f Sept 29, 2014)

Subsidiaries:

1 Andhra Expressway Limited (upto 29/02/16)
2 Aparna Infraenergy India Pvt Ltd (upto February 29, 2016)
3 Birmitrapur Barkote Highway Pvt Ltd
4 Chitoor Infrastructure Company Private Limited
5 Cochin Bridge Infrastructure Company Limited
6 Earthlink Infrastructure Projects Pvt Ltd
7 Gammon Logistics Limited
8 Gammon Projects Developers Limited
9 Gammon Renewable Energy Infrastructure Limited
10 Gammon Road Infrastructure Limited
11 Gammon Seaport Infrastructure Limited
12 Ghaggar Renewable Energy Private Limited
13 Gorakhpur Infrastructure Company Limited (upto 29/02/16)
14 Haryana Biomass Power Limited
15 Jaguar Projects Developers Limited
16 Kosi Bridge Infrastructure Company Limited (upto 29/02/16)
17 Lilac Infraprojects Developers Limited
18 Marine Projects Services Limited
19 Mumbai Nasik Expressway Limited (upto 29/02/16)
20 Mormugao Terminal Limited (upto 31/03/16)
21 Pataliputra Highway Limited (upto 31/03/16)
22 Patna Buxar Highway Limited (upto 31/03/16)
23 Patna Highway Projects Limited
24 Pravara Renewable Energy Limited
25 Ras Cities and Townships Private Limited
26 Rajahmundry Expressway Limited (upto 29/02/16)
27 Rajahmundry Godavari Bridge Limited
28 Satluj Renewable Energy Private Limited
29 Segue Infrastructure Projects Pvt Ltd
30 Sidhi Singrauli Road Project Ltd
31 Sikkim Hydro Power Ventures Limited
32 Tada Infra Development Company Limited
33 Tangri Renewable Energy Private Limited
34 Tidong Hydro Power Limited
35 Vijaywada Gundugolanu Road Project Pvt Ltd
36 Vizag Seaport Private Limited
37 Yamuna Minor Minerals Private Limited
38 Yamunanagar Panchkula Highway Pvt Ltd
39 Youngthang Power Ventures Limited

Joint Ventures:

1 Blue Water Iron Ore Terminal Private Limited
2 Indira Container Terminal Private Limited
3 SEZ Adityapur Limited
4 GIPL - GIL JV

Associates:

1 Eversun Sparkle Maritime Services Limited
2 ATSL Infrastructure Projects Limited
3 Modern Tollroads Limited

Key Management Personnel:

1 Kishor Kumar Mohanty - Managing Director
2 Parag Parikh (upto 18/11/14)- Whole Time Director & CFO
3 Naresh Chandra- Chairman
4 Chandrahas Charandas Dayal- Independent Director
5 Sushil Chandra Tripathi- Independent Director
6 Homai A Daruwalla- Independent Director
7 Abhijit Rajan - Non Executive Director

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

b. Details of related parties transactions for the period ended on March 31, 2017

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Operations & Maintenance Income		**-**	**-**	**-**	**-**	**-**
		5,063.06	**1,485.35**	**-**	**-**	**6,548.41**
-	Gammon India Ltd	-	-	-	-	-
	(Previous Year)	5,063.06	-	-	-	5,063.06
-	Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	1,485.35	-	-	1,485.35
Developer's Fees		**-**	**-**	**-**	**-**	**-**
		-	**486.83**	**-**	**-**	**486.83**
-	Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(Previous Year)	-	486.83	-	-	486.83
Interest Income		**-**	**435.69**	**-**	**-**	**435.69**
		-	**369.04**	**-**	**-**	**369.04**
-	Earthlink Infrastructure Project Pvt Ltd	-	143.22	-	-	143.22
	(Previous Year)	-	33.64	-	-	33.64
-	Gammon Renewable Energy Infrastructure Ltd	-	28.05	-	-	28.05
	(Previous Year)	-	47.61	-	-	47.61
-	Gammon Road Infrastructure Ltd	-	18.64	-	-	18.64
	(Previous Year)	-	32.51	-	-	32.51
-	Mormugoa Terminal Limited	-	-	-	-	-
	(Previous Year)	-	22.00	-	-	22.00
-	Pravara Renewable Energy Ltd	-	225.66	-	-	225.66
	(Previous Year)	-	207.87	-	-	207.87
-	Tidong Hydro Power Ltd	-	20.13	-	-	20.13
	(Previous Year)	-	25.41	-	-	25.41
	Remeasurment gain on Fair Value	-	29.29	-	-	29.29
		-	**1,322.06**	**-**	**-**	**1,322.06**
-	Earthlink Infrastructure Project Pvt Ltd	-	1.18	-	-	1.18
	(Previous Year)	-	-	-	-	-
-	Gammon Renewable Energy Infrastructure Ltd	-	-	-	-	-
	(Previous Year)	-	86.91	-	-	86.91
-	Gammon Road Infrastructure Ltd	-	16.66	-	-	16.66
	(Previous Year)	-	-	-	-	-
-	Mormugao Terminal Ltd	-	-	-	-	-
	(Previous Year)	-	59.76	-	-	59.76
-	Pravara Renewable Energy Ltd	-	11.45	-	-	11.45
	(Previous Year)	-	1,175.39	-	-	1,175.39
Rent Paid		**-**	**62.24**	**-**	**-**	**62.24**
		-	**152.52**	**-**	**-**	**152.52**
-	Pravara Renewable Energy Ltd	-	62.24	-	-	62.24
	(Previous Year)	-	-	-	-	-
-	Youngthang Power Ventures Ltd	-	-	-	-	-
	(Previous Year)	-	152.52	-	-	152.52

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Gurantee Commission income		-	**1,024.14**	-	-	**1,024.14**
		-	**1,034.57**	-	-	**1,034.57**
-	Cochin Bridge Infrastructure Co Ltd	-	**2.76**	-	-	**2.76**
	(Previous Year)	-	6.15	-	-	6.15
-	Mumbai Nasik Expressway Limited	-	-	-	-	-
	(Previous Year)	-	109.15	-	-	109.15
-	Rajahmundry Godavari Bridge Ltd	-	324.29	-	-	324.29
	(Previous Year)	-	324.64	-	-	324.64
-	Patna Highway Projects Ltd	-	530.54	-	-	530.54
	(Previous Year)	-	448.86	-	-	448.86
-	Sidhi Singrauli Road Project Ltd	-	166.55	-	-	166.55
	(Previous Year)	-	145.77	-	-	145.77
EPC billing		-	**19,858.09**	-	-	**19,858.09**
		-	**27,847.66**	-	-	**27,847.66**
-	Sidhi Singrauli Road Project Ltd	-	17,671.86	-	-	17,671.86
	(Previous Year)	-	27,847.66	-	-	27,847.66
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	2,186.22	-	-	2,186.22
	(Previous Year)	-	-	-	-	-
Share application money paid		-	-	-	-	-
		-	**5,797.89**	-	-	**5,797.89**
-	Pravara Renewable Energy Ltd	-	-	-	-	-
	(Previous Year)	-	3,052.00	-	-	3,052.00
-	Rajahmundry Godavari Bridge Ltd	-	-	-	-	-
	(Previous Year)	-	2,745.89	-	-	2,745.89
Conversion of ICD given into share application and subsequent allotment		-	-	-	-	-
		-	**7,746.82**	-	-	**7,746.82**
-	Mormugao Terminal Ltd	-	-	-	-	-
	(Previous Year)	-	214.42	-	-	214.42
-	Patliputra Highway Ltd	-	-	-	-	-
	(Previous Year)	-	5,797.55	-	-	5,797.55
-	Patna Buxar Highway Ltd	-	-	-	-	-
	(Previous Year)	-	1,734.84	-	-	1,734.84
Conversion of Share application money given into ICD		-	-	-	-	-
		-	**509.00**	-	-	**509.00**
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	-			-
	(Previous Year)		509.00			509.00
Advance received from on account of mob advance		-	**4,234.69**	-	-	**4,234.69**
		-	**4,931.00**	-	-	**4,931.00**
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	4,234.69	-	-	4,234.69
	(Previous Year)	-	4,931.00	-	-	4,931.00

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Amount liquidated/adjusted towards the mob adv		**-**	**2,813.30**	**-**	**-**	**2,813.30**
		-	**7,434.44**	**-**	**-**	**7,434.44**
-	Sidhi Singrauli Road Project Ltd	-	2,813.30	-	-	2,813.30
	(Previous Year)	-	6,934.44	-	-	6,934.44
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	-	-	-	-
	(Previous Year)	-	500.00	-	-	500.00
Provision for ICD		**-**	**208.66**	**-**	**-**	**208.66**
		-	**121.26**	**-**	**-**	**121.26**
-	Gammon Logistic Ltd	-	-	-	-	-
	(Previous Year)	-	0.34	-	-	0.34
-	Gammon Project Developers Ltd	-	-	-	-	-
	(Previous Year)	-	15.84	-	-	15.84
-	Gammon Road Infrastructure Ltd	-	-	-	-	-
	(Previous Year)	-	84.00	-	-	84.00
-	Yamunanagar Panchkula Highway Pvt Ltd	-	-	-	-	-
	(Previous Year)	-	1.08	-	-	1.08
-	Chitoor Infra Company Private Limited		-			-
	(Previous Year)		8.88			8.88
-	Ghaggar Renewable Energy Private Limited		-			-
	(Previous Year)		1.23			1.23
-	Satluj Renewable Energy Private Limited		-			-
	(Previous Year)		9.90			9.90
-	Birmitrapur Barkote Highway Pvt Limited		0.15			0.15
	(Previous Year)		-			-
-	Gammon Road Infrastructure Ltd		51.27			51.27
	(Previous Year)		-			-
-	Tidong Hydro Power Ltd		157.23			157.23
	(Previous Year)		-			
Managerial Remuneration		**-**	**-**	**-**	**228.72**	**228.72**
		-	**-**	**-**	**409.63**	**409.63**
-	Mr. K. K. Mohanty	-	-	-	228.72	228.72
	(Previous Year)	-	-	-	374.76	374.76
-	Mr. Parag Parikh	-	-	-	-	-
	(Previous Year)	-	-	-	34.87	34.87
Director Sitting fees and Commission		**-**	**-**	**-**	**29.50**	**29.50**
		-	**-**	**-**	**57.40**	**57.40**
-	C.C Dayal				6.50	6.50
	(Previous Year)				14.20	14.20
-	Homai A Daruwala				7.50	7.50
	(Previous Year)				13.20	13.20
-	Sushil Chandra Tripathi				7.50	7.50
	(Previous Year)				13.70	13.70
-	Naresh Chandra				6.00	6.00
	(Previous Year)				11.00	11.00
-	Abhijit Rajan				2.00	2.00
	(Previous Year)				4.40	4.40
-	Himanshu Parikh				-	-
	(Previous Year)				0.90	0.90

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Investment in equity shares of		**-**	**-**	**-**	**-**	**-**
		-	**18,903.93**	**-**	**-**	**18,903.93**
-	Patna Buxar Highway Ltd	-	-	-	-	-
	(Previous Year)	-	2,558.49	-	-	2,558.49
-	Patliputra Highway Ltd	-	-	-	-	-
	(Previous Year)	-	5,797.55	-	-	5,797.55
-	Patna Highway Projects Ltd	-	-	-	-	-
	(Previous Year)	-	4,750.00	-	-	4,750.00
-	Pravara Renewable Energy Ltd	-	-	-	-	-
	(Previous Year)	-	3,052.00	-	-	3,052.00
-	Rajahmundry Godavari Bridge Ltd	-	-	-	-	-
	(Previous Year)	-	2,745.89	-	-	2,745.89
-	Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(Previous Year)	-	-	-	-	-
Movement in Quasi Investment (Net)		**-**	**7,715.60**	**-**	**-**	**7,715.60**
		-	**(19,583.85)**	**761.30**	**-**	**(18,822.56)**
-	Aparna Infraenergy India Pvt Limited		-			-
	(Previous Year)		(3,867.84)			(3,867.84)
-	Cochin Bridge Infrastructure Company Limited		-			-
	(Previous Year)		229.42			229.42
-	Gammon Projects Developers Limited		-			-
	(Previous Year)		(12.84)			(12.84)
-	Ghaggar Renewable Energy Private Limited		-			-
	(Previous Year)		(1.23)			(1.23)
-	Gorakhpur Infrastructure Company Limited		-			-
	(Previous Year)		(24,540.73)			(24,540.73)
-	Indira Container Terminal Pvt Limited			-		-
	(Previous Year)			761.30		761.30
-	Pataliputra Highway Limited		-			-
	(Previous Year)		(5,847.55)			(5,847.55)
-	Patna Buxar Highways Limited		-			-
	(Previous Year)		(1,744.99)			(1,744.99)
-	Patna Highway Projects Limited		4,000.00			4,000.00
	(Previous Year)		(2,982.00)			(2,982.00)
-	Rajahmundry Godavari Bridge Limited		-			-
	(Previous Year)		(37.25)			(37.25)
-	Sikkim Hydro Power Ventures Limited		(334.09)			(334.09)
	(Previous Year)		646.62			646.62
-	Sutluj Renewable Energy Private Limited		-			-
	(Previous Year)		(9.90)			(9.90)
-	Sidhi Singrauli Road Projects Limited		-			-
	(Previous Year)		2,790.00			2,790.00
-	Vijayawada Gundugolanu Road Project Pvt Limited		4,077.78			4,077.78
	(Previous Year)		5,622.80			5,622.80
-	Youngthang Power Ventures Limited		(71.00)			(71.00)
	(Previous Year)		86.97			86.97
-	Rajahmundry Godavari Bridge Limited	-	-		-	-
	(Previous Year)	-	3,225.53		-	3,225.53

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Patna Highway Projects Ltd	-	-		-	-
(Previous Year)	-	6,387.62		-	6,387.62
- Mormugao Terminal Limited					-
(Previous Year)		(70.64)			(70.64)
- Mumbai Nasik Expressway Limited					-
(Previous Year)		(109.15)			(109.15)
- Pravara Renewable Energy Limited		42.91			42.91
(Previous Year)		311.99			311.99
- Gammon Projects Developers Limited(thru EIIPL)					-
(Previous Year)		339.07			339.07
- Tidong Hydro Power Limited					-
(Previous Year)		0.25			0.25
Inter corporate loans given to	**-**	**261.70**	**-**	**-**	**261.70**
	-	**2,331.55**	**-**	**-**	**2,331.55**
- Earthlink Infrastructure Project Pvt Ltd		-			-
(Previous Year)		1,278.08			1,278.08
- Birmitrapur Barkote Highway Pvt Ltd	-	0.15	-	-	0.15
(Previous Year)	-	-	-	-	-
- Pravara Renewable Energy Ltd	-	230.55	-	-	230.55
(Previous Year)	-	1,050.47	-	-	1,050.47
- Satluj Renewable Energy Pvt Ltd	-	21.00	-	-	21.00
(Previous Year)	-	-	-	-	-
- Gammon Projects Development Ltd		10.00			10.00
(Previous Year)		3.00			3.00
Refund of inter corporate loans given	**-**	**171.00**	**-**	**-**	**171.00**
	-	**3,412.00**	**-**	**-**	**3,412.00**
- Earthlink Infrastructure Project Pvt Ltd	-	8.00	-	-	8.00
(Previous Year)	-	-	-	-	-
- Gammon Projects Development Ltd	-	12.00	-	-	12.00
(Previous Year)	-	-	-	-	-
- Gammon Road Infrastructure Ltd	-	75.00	-	-	75.00
(Previous Year)	-	-	-	-	-
- Ghaggar Renewable Energy Pvt Ltd	-	-	-	-	-
(Previous Year)	-	260.00	-	-	260.00
- Pravara Renewable Energy Ltd	-	76.00	-	-	76.00
(Previous Year)	-	3,152.00	-	-	3,152.00
Expenses incurred/payments made by the Company on behalf of	**-**	**2,982.67**	**836.03**	**-**	**3,818.70**
	10.16	**3,124.08**	**398.56**	**-**	**3,532.80**
- Blue Water Iron Ore Terminal Private Ltd	-	-	-	-	-
(Previous Year)	-	-	0.75	-	0.75
- Indira Container Terminal Pvt Ltd	-	-	835.89	-	835.89
(Previous Year)	-	-	397.81	-	397.81
- GIPL - GIL JV	-	-	0.15	-	0.15
(Previous Year)	-	-	-	-	-
- Gammon India Ltd		-	-	-	-
(Previous Year)	10.16	-	-	-	10.16

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	390.32	-	-	390.32
-	Birmitrapur Barkote Highway Pvt Ltd	-	0.46	-	-	0.46
	(Previous Year)	-	-	-	-	-
-	Chitoor Infra Company Pvt Ltd	-	3.17	-	-	3.17
	(Previous Year)	-	-	-	-	-
-	Cochin Bridge Infrastructure Co Ltd	-	25.83	-	-	25.83
	(Previous Year)	-	-	-	-	-
-	Earthlink Infrastructure Project Pvt Ltd	-	19.23	-	-	19.23
	(Previous Year)	-	-	-	-	-
-	Gammon Logistic Ltd	-	0.41	-	-	0.41
	(Previous Year)	-	-	-	-	-
-	Gammon Projects Development Ltd	-	0.19	-	-	0.19
	(Previous Year)	-	-	-	-	-
-	Gammon Renewable Energy Infrastructure Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Gammon Road Infrastructure Ltd	-	0.24	-	-	0.24
	(Previous Year)	-	-	-	-	-
-	Gammon Seaport Infrastructure Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Ghaggar Renewable Energy Pvt Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Gammon Realty Limited	-	300.00	-	-	300.00
	(Previous Year)	-	-	-	-	-
-	Haryana Biomass Power Ltd	-	0.19	-	-	0.19
	(Previous Year)	-	-	-	-	-
-	Jaguar Projects Developers Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Lilac Infraprojects Developers Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Marine Project Services Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Patna Highway Projects Ltd	-	208.41	-	-	208.41
	(Previous Year)	-	-	-	-	-
-	Pravara Renewable Energy Ltd	-	282.56	-	-	282.56
	(Previous Year)	-	746.99	-	-	746.99
-	Patna Buxar Highway Ltd	-	-	-	-	-
	(Previous Year)	-	22.59	-	-	22.59
-	Rajahmundry Godavari Bridge Ltd	-	46.46	-	-	46.46
	(Previous Year)	-	751.98	-	-	751.98
-	Ras Cities And Townships Pvt Ltd	-	0.18	-	-	0.18
	(Previous Year)	-	-	-	-	-
-	Satluj Renewable Energy Pvt Ltd	-	0.22	-	-	0.22
	(Previous Year)	-	-	-	-	-
-	Segue Infrastructure Projects Pvt Ltd	-	7.67	-	-	7.67
	(Previous Year)	-	-	-	-	-
-	Sidhi Singrauli Road Project Ltd	-	403.81	-	-	403.81
	(Previous Year)	-	626.82	-	-	626.82

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Sikkim Hydro Power Ventures Ltd	-	33.85	-	-	33.85
	(Previous Year)	-	-	-	-	-
-	Tada Infra Development Co Ltd	-	0.17	-	-	0.17
	(Previous Year)	-	-	-	-	-
-	Tangri Renewable Energy Pvt Ltd	-	0.19	-	-	0.19
	(Previous Year)	-	-	-	-	-
-	Tidong Hydro Power Ltd	-	0.20	-	-	0.20
	(Previous Year)	-	-	-	-	-
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	1,629.12	-	-	1,629.12
	(Previous Year)	-	585.38	-	-	585.38
-	Yamuna Minor Minerals Pvt Ltd	-	0.17	-	-	0.17
	(Previous Year)	-	-	-	-	-
-	Yamunanagar Panchkula Highway Pvt Ltd	-	0.95	-	-	0.95
	(Previous Year)	-	-	-	-	-
-	Youngthang Power Ventures Ltd	-	17.92	-	-	17.92
	(Previous Year)	-	-	-	-	-
Amount liquidated towards the above finance		**-**	**1,593.19**	**973.33**	**-**	**2,566.52**
		-	**3,204.13**	**357.20**	**-**	**3,561.33**
-	Indira Container Terminal Pvt Ltd	-	-	973.33	-	973.33
	(Previous Year)	-	-	357.20	-	357.20
-	Chitoor Infra Company Pvt Ltd	-	3.00	-	-	3.00
	(Previous Year)	-	-	-	-	-
-	Cochin Bridge Infrastructure Co Ltd	-	0.03	-	-	0.03
	(Previous Year)	-	-	-	-	-
-	Earthlink Infrastructure Project Pvt Ltd	-	19.06	-	-	19.06
	(Previous Year)	-	-	-	-	-
-	Gammon Logistic Ltd	-	0.17	-	-	0.17
	(Previous Year)	-	-	-	-	-
-	Gammon Road Infrastructure Ltd	-	0.01	-	-	0.01
	(Previous Year)	-	-	-	-	-
-	Gammon Realty Limited	-	300.00	-	-	300.00
	(Previous Year)	-	-	-	-	-
-	Lilac Infraprojects Developers Ltd	-	2.07	-	-	2.07
	(Previous Year)	-	-	-	-	-
-	Patna Highway Projects Ltd	-	107.66	-	-	107.66
	(Previous Year)	-	-	-	-	-
-	Pravara Renewable Energy Ltd	-	256.64	-	-	256.64
	(Previous Year)	-	-	-	-	-
-	Mormugao Terminal Ltd	-	-	-	-	-
	(Previous Year)	-	425.64	-	-	425.64
-	Patna Buxar Highway Ltd	-	-	-	-	-
	(Previous Year)	-	832.47	-	-	832.47
-	Rajahmundry Godavari Bridge Ltd	-	36.89	-	-	36.89
	(Previous Year)	-	438.68	-	-	438.68
-	Satluj Renewable Energy Pvt Ltd	-	0.37	-	-	0.37
	(Previous Year)	-	-	-	-	-
-	Segue Infrastructure Projects Pvt Ltd	-	7.50	-	-	7.50
	(Previous Year)	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Sidhi Singrauli Road Project Ltd	-	503.25	-	-	503.25
	(Previous Year)	-	699.26	-	-	699.26
-	Sikkim Hydro Power Ventures Ltd	-	22.43	-	-	22.43
	(Previous Year)	-	-	-	-	-
-	Tada Infra Development Co Ltd	-	4.50	-	-	4.50
	(Previous Year)	-	-	-	-	-
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	327.34	-	-	327.34
	(Previous Year)	-	787.83	-	-	787.83
-	Youngthang Power Ventures Ltd	-	2.29	-	-	2.29
	(Previous Year)	-	20.25	-	-	20.25
Expense incurred on behalf of the Company		**-**	**-**	**-**	**-**	**-**
		-	**0.13**	**-**	**-**	**0.13**
-	Vizag Seaport Pvt Ltd	-	-	-	-	-
	(Previous Year)	-	0.13	-	-	0.13
Inter corporate borrowings taken from		**-**	**35.75**	**-**	**-**	**35.75**
		-	**10,335.71**	**-**	**-**	**10,335.71**
-	Andhra Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	5,310.63	-	-	5,310.63
-	Rajahmundry Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	2,915.08	-	-	2,915.08
-	Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
	(Previous Year)	-	2,110.00	-	-	2,110.00
-	Marine Project Services Ltd	-	18.75	-	-	18.75
	(Previous Year)	-	-	-	-	-
-	Ras Cities And Townships Pvt Ltd	-	17.00	-	-	17.00
	(Previous Year)	-	-	-	-	-
Refund of inter corporate borrowings taken earlier		**-**	**543.75**	**-**	**-**	**543.75**
		-	**6,813.62**	**-**	**-**	**6,813.62**
-	Andhra Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	3,267.64	-	-	3,267.64
-	Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
	(Previous Year)	-	2,076.76	-	-	2,076.76
-	Rajahmundry Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	1,469.22	-	-	1,469.22
-	Marine Project Services Ltd	-	18.75	-	-	18.75
	(Previous Year)	-	-	-	-	-
-	Ras Cities And Townships Pvt Ltd	-	17.00	-	-	17.00
	(Previous Year)	-	-	-	-	-
-	Vizag Seaport Pvt Ltd	-	508.00	-	-	508.00
	(Previous Year)	-	-	-	-	-
Finance paid for Security Deposit for Director Appointment to		**-**	**38.00**	**-**	**-**	**38.00**
		-	**38.00**	**-**	**-**	**38.00**
-	Andhra Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Birmitrapur Barkote Highway Pvt Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	2.00	-	-	2.00

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Cochin Bridge Infrastructure Co Ltd	-	-	-	-	-
	(Previous Year)	-	2.00	-	-	2.00
-	Gammon Logistic Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	1.00	-	-	1.00
-	Gammon Project Developers Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	2.00	-	-	2.00
-	Gammon Renewable Energy Infrastructure Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	1.00	-	-	1.00
-	Gammon Road Infrastructure Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Gammon Seaport Infrastructure Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	1.00	-	-	1.00
-	Ghaggar Renewable Energy Pvt Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	1.00	-	-	1.00
-	Gorakhpur Infrastructure Co. Ltd	-	-	-	-	-
	Previous Year)	-	1.00	-	-	1.00
-	Haryana Biomass Power Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	2.00	-	-	2.00
-	Jaguar Project Developers Ltd	-	3.00	-	-	3.00
	(Previous Year)	-	2.00	-	-	2.00
-	Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Lilac Infraprojects Developers Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	1.00	-	-	1.00
-	Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Marine Project Services Ltd	-	3.00	-	-	3.00
	(Previous Year)	-	-	-	-	-
-	Patliputra Highway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Patna Buxar Highway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Patna Highway Projects Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Pravara Renewable Energy Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	2.00	-	-	2.00
-	Ras Cities And Townships Pvt Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	-	-	-	-
-	Rajahmundry Godavari Bridge Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	2.00	-	-	2.00
-	Rajahmundry Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Satluj Renewable Energy Pvt Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	2.00	-	-	2.00
-	Sidhi Singrauli Road Project Ltd	-	3.00	-	-	3.00
	(Previous Year)	-	2.00	-	-	2.00
-	Sikkim Hydro Power Ventures Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Tada Infra Development Co Ltd	-	2.00	-	-	2.00
(Previous Year)	-	1.00	-	-	1.00
- Tangri Renewable Energy Pvt Ltd	-	1.00	-	-	1.00
(Previous Year)	-	1.00	-	-	1.00
- Tidong Hydro Power Ltd	-	-	-	-	-
(Previous Year)	-	1.00	-	-	1.00
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	2.00	-	-	2.00
(Previous Year)	-	1.00	-	-	1.00
- Yamunanagar Panchkula Highway Pvt Ltd	-	2.00	-	-	2.00
(Previous Year)	-	1.00	-	-	1.00
- Youngthang Power Ventures Ltd	-	1.00	-	-	1.00
(Previous Year)	-	1.00	-	-	1.00
Refund Received of Security Deposit for Director Appointment	**-**	**37.00**	**-**	**-**	**37.00**
	-	**30.00**	**-**	**-**	**30.00**
- Andhra Expressway Ltd	-	-	-	-	-
(Previous Year)	-	1.00	-	-	1.00
- Cochin Bridge Infrastructure Co Ltd	-	-	-	-	-
(Previous Year)	-	2.00	-	-	2.00
- Gammon Logistic Ltd	-	2.00	-	-	2.00
(Previous Year)	-	-	-	-	-
- Gammon Project Developers Ltd	-	2.00	-	-	2.00
(Previous Year)	-	2.00	-	-	2.00
- Gammon Renewable Energy Infrastructure Ltd	-	2.00	-	-	2.00
(Previous Year)	-	1.00	-	-	1.00
- Gammon Road Infrastructure Ltd	-	1.00	-	-	1.00
(Previous Year)	-	1.00	-	-	1.00
- Gammon Seaport Infrastructure Ltd	-	2.00	-	-	2.00
(Previous Year)	-	1.00	-	-	1.00
- Ghaggar Renewable Energy Pvt Ltd	-	1.00	-	-	1.00
(Previous Year)	-	1.00	-	-	1.00
- Gorakhpur Infrastructure Co. Ltd	-	-	-	-	-
(Previous Year)	-	1.00	-	-	1.00
- Haryana Biomass Power Ltd	-	1.00	-	-	1.00
(Previous Year)	-	2.00	-	-	2.00
- Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
(Previous Year)	-	1.00	-	-	1.00
- Jaguar Project Developers Ltd	-	5.00	-	-	5.00
(Previous Year)	-	-	-	-	-
- Lilac Infraprojects Developers Ltd	-	2.00	-	-	2.00
(Previous Year)	-	1.00	-	-	1.00
- Mumbai Nasik Expressway Ltd	-	-	-	-	-
(Previous Year)	-	1.00	-	-	1.00
- Marine Project Services Ltd	-	3.00	-	-	3.00
(Previous Year)	-	-	-	-	-
- Patliputra Highway Ltd	-	-	-	-	-
(Previous Year)	-	1.00	-	-	1.00

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Patna Buxar Highway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Patna Highway Projects Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Pravara Renewable Energy Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	2.00	-	-	2.00
-	Ras Cities And Townships Pvt Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	-	-	-	-
-	Rajahmundry Godavari Bridge Ltd	-	-	-	-	-
	(Previous Year)	-	-	-	-	-
-	Rajahmundry Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Satluj Renewable Energy Pvt Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	2.00	-	-	2.00
-	Sidhi Singrauli Road Project Ltd	-	3.00	-	-	3.00
	(Previous Year)	-	2.00	-	-	2.00
-	Sikkim Hydro Power Ventures Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	-	-	-	-
-	Tada Infra Development Co Ltd	-	3.00	-	-	3.00
	(Previous Year)	-	-	-	-	-
-	Tangri Renewable Energy Pvt Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	1.00	-	-	1.00
-	Tidong Hydro Power Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Vijaywada Gundugolanu Raod Project Pvt Ltd	-	2.00	-	-	2.00
	(Previous Year)	-	1.00	-	-	1.00
-	Yamunanagar Panchkula Highway Pvt Ltd	-	-	-	-	-
	(Previous Year)	-	1.00	-	-	1.00
-	Youngthang Power Ventures Ltd	-	1.00	-	-	1.00
	(Previous Year)	-	1.00	-	-	1.00
Interest expenses / paid during the year		**-**	**1,368.43**	**6.00**	**-**	**1,374.43**
		(22.12)	**(2,862.45)**	**(9.01)**	**-**	**(674.33)**
-	Indira Container Terminal Pvt Ltd	-	-	6.00	-	6.00
	(Previous Year)	-	-	(9.01)	-	(9.01)
-	Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(Previous Year)	-	(643.21)	-	-	(643.21)
-	Gammon India Ltd	-		-	-	-
	(Previous Year)	(22.12)		-	-	(22.12)
-	Vizag Seaport Pvt Ltd	-	1,368.43	-	-	1,368.43
	(Previous Year)		(2,219.25)			
Interest expenses / paid during the year		**-**	**33.49**	**-**	**-**	**33.49**
		-	**(2,386.24)**	**-**	**-**	**(2,386.24)**
-	Ras Cities And Townships Pvt Ltd	-	33.49	-	-	33.49
	(Previous Year)	-	(29.13)	-	-	(29.13)
-	Andhra Expressway Limited		-			-
	(Previous Year)		(858.66)			(858.66)
-	Rajahmumdry Expressway Limited		-			-
	(Previous Year)		(1,227.05)			(1,227.05)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Mumbai Nasik Expressway Ltd		-			-
	(Previous Year)		(206.74)			(206.74)
-	Kosi Bridge Infrastructure Company Limited		-			-
	(Previous Year)		(64.66)			(64.66)
Remeasurement loss during the year		**-**	**-**	**-**	**-**	**-**
		-	**(1,340.94)**	**-**	**-**	**(1,340.94)**
-	Andhra Expressway Limited					-
	(Previous Year)		(893.90)			(893.90)
-	Rajahmumdry Expressway Limited					-
	(Previous Year)		(433.20)			(433.20)
-	Kosi Bridge Infrastructure Company Limited					-
	(Previous Year)		(13.84)			(13.84)
Amount received on behalf of		**-**	**-**	**-**	**-**	**-**
		(6,241.00)	**-**	**-**	**-**	**(6,241.00)**
-	Gammon India Limited	-	-	-	-	-
	(Previous Year)	(6,241.00)	-	-	-	(6,241.00)
Amount refunded to		**6,241.00**	**-**	**-**	**-**	**6,241.00**
		-	**-**	**-**	**-**	**-**
-	Gammon India Limited	6,241.00				6,241.00
	(Previous Year)	-	-	-	-	-
Corporate Guarantee Outstanding		**331,320.00**	**-**	**-**	**-**	**331,320.00**
		195,125.69	**-**	**-**	**-**	**195,125.69**
-	Cochin Bridge Infrastructure Co Ltd	1,500.00				1,500.00
	(Previous Year)	756.78				756.78
-	Rajahmundry Godavari Bridge Ltd	71,414.00				71,414.00
	(Previous Year)	64,928.00				64,928.00
-	Patna Highway Projects Ltd	108,600.00				108,600.00
	(Previous Year)	100,270.59				100,270.59
-	Sidhi Singrauli Road Project Ltd	58,406.00				58,406.00
	(Previous Year)	29,170.32				29,170.32
-	Pravara Renewable Energy Ltd	19,167.00				19,167.00
	(Previous Year)	-				-
-	Vizag Seaport Pvt Ltd	35,000.00				35,000.00
	(Previous Year)					-
-	Sikkim Hydro Power Ventures Ltd	37,233.00				37,233.00
	(Previous Year)	-				-
Oustanding balances receivable : (Trade Receivable)		**49.28**	**9,672.49**	**-**	**-**	**9,721.77**
		49.28	**6,510.60**	**-**	**-**	**6,559.88**
-	Gammon India Ltd	49.28	-	-	-	49.28
	(Previous Year)	49.28	-	-	-	49.28
-	Sidhi Singrauli Road Projects Ltd		4,659.84			4,659.84
	(Previous Year)		3,626.68			3,626.68
-	Viyayawada Gundugolanu Road Project Pvt Ltd		1,851.91			1,851.91
	(Previous Year)		30.00			30.00
-	Earthlink Infrastructure Project Pvt Ltd	-	1,114.25	-	-	1,114.25
	(Previous Year)	-	977.68	-	-	977.68

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions		Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
-	Gammon Renewable Energy Infrastructure Ltd	-	219.57	-	-	219.57
	(Previous Year)	-	190.99	-	-	190.99
-	Gammon Road Infrastructure Ltd	-	-	-	-	-
	(Previous Year)	-	90.98	-	-	90.98
-	Pravara Renewable Energy Ltd	-	1,805.92	-	-	1,805.92
	(Previous Year)	-	1,457.18	-	-	1,457.18
-	Tidong Hydro Power Limited		-			-
	(Previous Year)		137.10			137.10
-	Sutluj Renewable Energy Private Limited		21.00			21.00
	(Previous Year)		-			-
Oustanding balances receivable : (Advance recoverable in cash or kind)		**-**	**2,999.76**	**118.09**	**-**	**3,117.85**
		-	**1,551.88**	**256.02**	**-**	**1,807.89**
-	Patna Highway Projects Ltd		411.87			411.87
	(Previous Year)		311.12			311.12
-	Pravara Renewable Energy Ltd		745.59			745.59
	(Previous Year)		662.98			662.98
-	SiddhiSingrauli Road Project Ltd		10.82			10.82
	(Previous Year)		110.26			110.26
-	Cochin Bridge Infrastructure Company Ltd		137.63			137.63
	(Previous Year)		111.83			111.83
-	Gammon Renewable Energy Infrastructure Ltd		0.53			0.53
	(Previous Year)		0.36			0.36
-	Gammon Road Infrastructure Ltd		-			-
	(Previous Year)		0.76			0.76
-	Rajahmundry Godavari Bridge Ltd		332.50			332.50
	(Previous Year)		321.93			321.93
-	Sikkim Hydro Power Ventures Ltd		26.98			26.98
	(Previous Year)		15.56			15.56
-	Vijaywada Gundugulanu Road Project Pvt Ltd		1,309.66			1,309.66
	(Previous Year)		7.89			7.89
-	Gammon Seaport Infrastructure Ltd		0.30			0.30
	(Previous Year)		0.12			0.12
-	Marine Projects Services Ltd		0.27			0.27
	(Previous Year)		0.10			0.10
-	Segue Infrastructure Projects Ltd		-			-
	(Previous Year)		0.07			0.07
-	Tidong Hydro Power Limited		-			-
	(Previous Year)		0.96			0.96
-	Youngthang Power Ventures Ltd		23.58			23.58
	(Previous Year)		7.95			7.95
-	Indira Container Terminal Pvt Ltd			118.09		118.09
	(Previous Year)			255.53		255.53
-	Modern TollRoads Ltd			-		-
	(Previous Year)			0.48		0.48
Oustanding balances receivable : (Interest Accrued receivable)		**-**	**62.26**	**247.88**	**-**	**310.14**
		-	**62.26**	**247.88**	**-**	**310.14**
-	Cochin Bridge Infrastructure Company Limited		17.47			17.47
	(Previous Year)		17.47			17.47

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Indira Container Terminal Private Limited			247.88		247.88
(Previous Year)			247.88		247.88
- Patna Highway Projects Limited		19.33			19.33
(Previous Year)		19.33			19.33
- Pravara Renewable Energy Limited		25.47			25.47
(Previous Year)		25.47			25.47
Oustanding Balances Payable :	**-**	**32,012.42**	**-**	**-**	**32,012.42**
	6,213.83	**25,938.88**	**-**	**-**	**32,152.71**
- Gammon India Ltd	-	-			-
(Previous Year)	6,213.83	-			6,213.83
- Ras Cities And Townships Pvt Ltd	-	261.32	-	-	261.32
(Previous Year)	-	228.01	-	-	228.01
- Patna Highway Projects Ltd		1,221.98			1,221.98
(Previous Year)		1,221.98			1,221.98
- Sidhi Singrauli Road Project Ltd	-	19,455.85	-	-	19,455.85
(Previous Year)	-	13,311.33	-	-	13,311.33
- Tada Infra Development Co Ltd	-	4.17	-	-	4.17
(Previous Year)	-	0.96	-	-	0.96
- Vizag Seaport Pvt Ltd	-	10,976.84	-	-	10,976.84
(Previous Year)	-	11,053.52	-	-	11,053.52
- Youngthang Power Ventures Ltd - Rent		92.25			92.25
(Previous Year)		121.59			121.59
- Kosi Bridge Infrastructure Co. Ltd (Other Dues)		-			-
(Previous Year)		1.50			1.50
Oustanding Balances Payable :(Guarantee Obligation)	**-**	**10,561.89**	**-**	**-**	**10,561.89**
	-	**11,586.03**	**-**	**-**	**11,586.03**
- Cochin Bridge Infrastructure Company Limited		2.19			2.19
(Previous Year)		4.94			4.94
- Rajahmundry Godavari Bridge Ltd		2,576.60			2,576.60
(Previous Year)		2,900.89			2,900.89
- Patna Highway Projects Limited		5,408.22			5,408.22
(Previous Year)		5,938.76			5,938.76
- Sidhi Singrauli Road Project Ltd		2,574.88			2,574.88
(Previous Year)		2,741.43			2,741.43
Oustanding Balances Payable :(Interest Accrued payable)	**-**	**303.67**	**41.63**	**-**	**345.30**
	-	**-**	**36.23**	**-**	**36.23**
- Indira Container Terminal Private Limited			41.63		41.63
(Previous Year)			36.23		36.23
- Vizag Seaport Pvt Ltd		303.67			303.67
(Previous Year)		-			-

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.

Part A Subsidiaries

AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Statement Containing salient features of the financial statements of subsidiaries/associate companies /joint ventures as included in the Consolidated Financial Statements

(Amount in Lakhs)

S No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Tax	Provision for Tax	Profit / (Loss) after Tax	Proposed Dividend & tax thereon	% of shareholding
1	Birmitrapur Barkote Highway Private Limited	INR	N.A.	1.00	-1,089.23	13.15	1,101.38		-	-0.55	-	-0.55	-	100.00%
2	Cochin Bridge Infrastructure Company Limited	INR	N.A.	640.01	874.90	2,679.23	1,164.32		0.99	-272.00	-7.66	-264.34	-	97.66%
3	Chitoor Infra Company Private Limited	INR	N.A.	1.00	-6.01	5.18	10.19		0.25	-1.44	-	-1.44	-	100.00%
4	Earthlink Infrastructure Projects Private Limited	INR	N.A.	1.00	126.26	1,242.65	1,115.39		2.49	-157.00	-	-157.00	-	100.00%
5	Gammon Logistics Limited	INR	N.A.	255.00	-437.86	3.41	186.27		64.55	64.07	12.21	51.86	-	100.00%
6	Gammon Projects Developers Limited	INR	N.A.	25.00	-41.79	28.03	44.82		5.68	-8.28	0.56	-8.84	-	100.00%
7	Gammon Renewable Energy Infrastructure Projects Limited	INR	N.A.	5.00	52.06	507.20	450.14		2.50	-54.76	-	-54.76	-	100.00%
8	Gammon Road Infrastructure Limited	INR	N.A.	5.00	-70.03	70.90	136.43	0.50	-	-35.49	-	-35.49	-	100.00%
9	Gammon Seaport Infrastructure Limited	INR	N.A.	5.00	-2.51	2.87	0.38		-	-0.21	-	-0.21	-	100.00%
10	Ghaggar Renewable Energy Private Limited	INR	N.A.	1.00	-9.23	0.11	8.34		-	-0.21	-	-0.21	-	100.00%
11	Haryana Biomass Power Limited	INR	N.A.	5.00	-134.14	1.42	130.56		-	-0.20	-	-0.20	-	100.00%
12	Jaguar Projects Developers Limited	INR	N.A.	5.00	-1.50	3.85	0.35		-	-0.19	-	-0.19	-	100.00%
13	Lilac Infraprojects Developers Limited	INR	N.A.	5.00	-3.33	1.85	0.18		-	-0.20	-	-0.20	-	100.00%
14	Marine Project Services Limited	INR	N.A.	5.00	13.46	18.81	0.35		-	-0.20	-	-0.20	-	100.00%
15	Patna Highway Projects Limited	INR	N.A.	5,000.00	18,535.50	136,349.39	112,813.88		15,093.59	498.50	161.00	337.50	-	100.00%
16	Pravara Renewable Energy Limited	INR	N.A.	4,792.00	-7,438.17	28,760.66	31,406.83		5,969.80	-1,980.98	2,544.38	-4,525.36	-	100.00%
17	Ras Cities and Townships Private Limited	INR	N.A.	1.00	-57.23	3,096.95	3,153.18		48.40	45.71	15.26	30.45	-	100.00%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

S No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Tax	Provision for Tax	Profit / (Loss) after Tax	Proposed Dividend & tax thereon	% of shareholding
18	Rajahmundry Godavari Bridge Limited	INR	N.A.	20,395.89	-3,294.41	110,075.97	92,974.49		5,413.93	-6,470.22	-	-6,470.22	-	75.28%
19	Satluj Renewable Energy Private Limited	INR	N.A.	1.00	-21.23	25.75	45.98		0.15	-5.65	-	-5.65	-	100.00%
20	Sidhi Singrauli Road Project Limited	INR	N.A.	17,041.00	6,826.27	93,587.81	69,720.55		18,052.94	156.93	52.29	104.64	-	100.00%
21	Sikkim Hydro Power Ventures Limited	INR	N.A.	6,273.59	3,989.43	11,762.96	1,499.93		-	-0.90	-	-0.90	-	100.00%
22	Segue Infrastructure Projects Private Limited	INR	N.A.	1.00	-9.48	1.42	9.90		1.49	1.05	0.32	0.73	-	100.00%
23	Tada Infra Development Company Limited	INR	N.A.	5.00	-18.65	0.14	13.79		-	-0.19	-	-0.19	-	100.00%
24	Tangri Renewable Energy Private Limited	INR	N.A.	1.00	-1.40	0.06	0.46		-	-0.21	-	-0.21	-	100.00%
25	Tidong Hydro Power Limited	INR	N.A.	5.00	18.86	210.09	186.23		0.05	-22.90	-	-22.90	-	51.00%
26	Vijaywada Gundugolanu Road Project Private Limited (VGRPPL)	INR	N.A.	1.00	12,510.44	89,121.09	76,609.65		5,735.38	-1,200.68	-	-1,200.68	-	100.00%
27	Vizag Seaport Private Limited	INR	N.A.	8,719.13	455.50	37,717.60	28,542.98		15,257.50	648.02	202.23	445.79	-	73.76%
28	Yamuna Minor Minerals Private Limited	INR	N.A.	1.00	-9.15	0.97	9.12		0.32	0.11	0.03	0.08	-	100.00%
29	Yamunanagar Panchkula Highway Private Limited	INR	N.A.	1,905.00	-2,798.87	26.19	920.07		-	-1.02	-	-1.02	-	100.00%
30	Youngthang Power Ventures Limited	INR	N.A.	1,445.00	5,413.56	6,910.45	51.89		0.77	-11.43	-	-11.43	-	100.00%
	Total			66,546.62	33,372.02	522,226.17	422,308.03	0.50	65,650.78	-8,810.52	2,980.63	-11,791.15	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

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

Part "B" Details of Associates / Joint Ventures

S No.	Name of the Joint Venture / Associate	Latest Audited Balance Sheet Date	No. of Equity Shares held	Cost of Investments (₹ in lacs)	% of Holding	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in lacs)	Profit/ (Loss) for the year (₹ in lacs)	
							Considered in Consolidated	Not considered in Consolidated
	Joint Ventures:							
1	Blue Water Iron Ore Terminal Private Limited @ (BWIOTPL)	30-Sep-14	30,51,808	305.18	10.12%		-	-
2	GIPL - GIL JV	31-Mar-16	-	-	95.00%	-17.35	8.66	0.46
3	Indira Container Terminal Private Limited *	31-Mar-16	5,07,83,000	5,078.30	50.00%	2,768.45	(2,570)	(2,570)
4	SEZ Adityapur Limited $ (SEZAL)	30-Sep-14	19,000	1.90	38.00%			-
	Associates:							
1	ATSL Infrastructure Projects Limited (ATL) ^	30-Sep-14	24,450	2.45	49.00%	1,65,941	-	-
2	Eversun Sparkle Maritime Services Private Limited	31-Mar-16	21,43,950	214.40	30.90%	1,64,47,432	39,18,970	87,63,782
3	Modern Tollroads Private Limited (MTRL) ^	30-Sep-14	24,470	2.45	49.00%	1,60,029	-	-
	Total			**5,604.67**		**1,67,76,154**	**39,16,409**	**87,61,213**

* Pursuant to supplementary agreement dated December 23, 2011 with Noatum Ports S.L., the joint venture Indira Container Terminal Pvt Ltd, the Company is liable to bear and discharge all financial obligation and contribution in relation to the joint venture.

Description of how there is significant influence:
Through the Company's shareholding and Joint Venture Agreements entered into by the Company"

^ The accounts of ATL and MTRL for the year ended March 31, 2016 have not been received and therefore no effects have been taken in these financial statements in respect of these companies. However, these associates are not carrying out any operations and therefore their impact is not expected to be significant.

$ In the absence of financial statements of SEZAL no effects are taken in these financial statements for the current period. The balances as at September 30, 2014 are incorporated. However, this joint venture is not carrying out any operations and therefore the impact is not expected to be significant.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2017 | (All figures are in lacs unless otherwise stated)

@ In the absence of financial statements of BWIOTPL no effects are taken in these financial statements for the current period. The balances as at September 30, 2014 are incorporated. However, this joint venture is not carrying out any operations and therefore the impact is not expected to be significant. The Company had entered into joint venture to acquire 31% of BWIOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWIOTPL. BWIOTPL has since initiated the process of liquidation and management believes that the Company will not have any obligation to contribute further in the equity capital of BWIOTPL.

For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan	**Kishor Kumar Mohanty**	**Kaushik Chaudhuri**	**Renuka Matkari**
Director	Managing Director	Chief Financial Officer	Company Secretary
DIN: 00177173	DIN: 00080498		Membership no.: ACS 18162

Place: Mumbai
Date: June 18, 2017

NOTES

As challenges remain unabated, we are focused on sustaining resilience and building stability to take back our rightful place in the industry. We are undertaking measured approach to speed the execution of our projects and incessantly consolidate our business. Overall, our endeavour remains towards enhancing confidence of our stakeholders and emerge as an invigorated organisation.

Mr. Abhijit Rajan - Founder

GAMMON INFRASTRUCTURE PROJECTS LIMITED

Head Office :
Gammon House,
Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025. India

dickenson www.dickensonworld.com