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Overcoming Challenges With Courage and Determination

A slow pace of execution and unwarranted delays in infrastructure projects have resulted in sizeable cost over-runs, impairing the financial liquidity of the sector. Nevertheless, at Gammon Infrastructure Projects Limited (GIPL), we continue to strive through these obstacles.

This past year has tested our resilience, but has also proven our potential to overcome these challenges. Persistently focusing on the consolidation and execution of projects has helped us to sustain our position in the market. Meanwhile, to counter this testing times, we continue to improve our operational efficiency and cost control across all functions and activities.

We are strengthening our long-term prospects and persistently building on our fundamentals. Having put in place austerity measures, we are reinventing our business model to support our strength. This includes the proactive divestment of assets, focussing on project execution, and aligning new bids to support our strong domain expertise. Government interventions to stimulate the sector's recovery will lend a hand to our initiatives. Looking ahead, we are confident that our long-term performance will remain strong, and will re-bound to deliver considerable value for our stakeholders.

Corporate Information

Board of Directors

Mr. Sushil Chandra Tripathi
Chairman & Independent Director

Mr. Kishor Kumar Mohanty
Managing Director

Mr. Abhijit Rajan
Non-Executive Director
upto May 7, 2018

Ms. Homai A Daruwalla
Independent Director

Mr. Sanjay Sachdev
Independent Director

Mr. Vardhan Dharkar
Non-Executive Director

Mr. Chayan Bhattacharjee
Non-Executive Director
appointed on June 13, 2018

Auditors

M/s. Nayan Parikh & Co.
Chartered Accountants

Internal Auditor

M/s. Nitin H. Rajda & Co.
Chartered Accountants

Mr. Naresh Sasanwar
Chief Financial Officer
appointed on February 14, 2018

Mr. Kaushal Shah
Company Secretary & Compliance Officer
appointed on February 14, 2018

Mr. Kaushik Chaudhuri
Chief Financial Officer
upto February 14, 2018

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, L. B. S. Marg,
Gandhi Nagar, Vikhroli West,
Mumbai – 400 083
Tel. No.: 022-4918 6000
Fax No.: 022-4918 6060

Board of Directors

Mr. Sushil Chandra Tripathi
Chairman & 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 also the Chairman of the Audit Committee.

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 with 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.

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 USA and a Degree in Law from the University of Bombay. He is a Certified Financial Planner with over three decades of international experience.

Mr. Vardhan Dharkar
Non-Executive Director

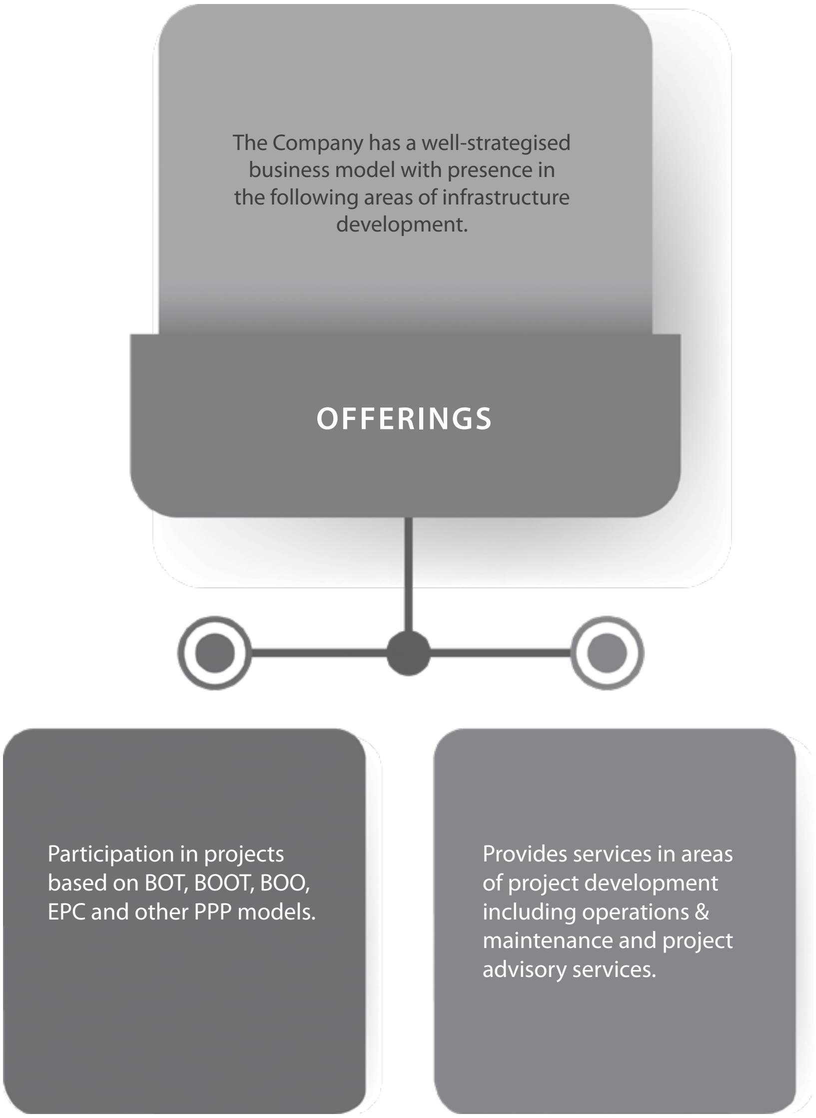
A Science Graduate and a Chartered Accountant with over 28 years of experience in areas of Finance, Accounting, Taxation, Controls, Compliance Risk & General Management.

Mr. Chayan Bhattacharjee
Non-Executive Director

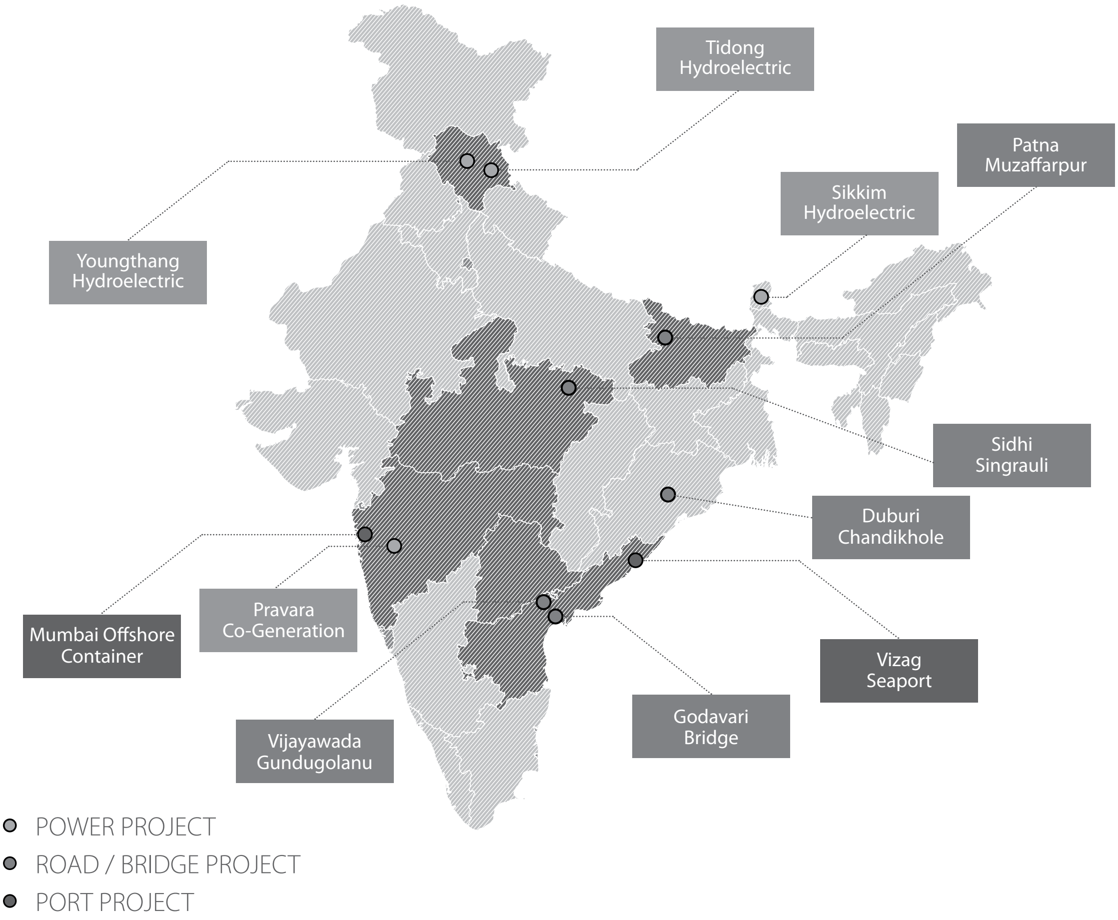
He has done Diploma in Financial Management from Mumbai University and is a Civil Engineer with rich experience in Civil EPC Business in various sectors such as bridges, roads, cooling tower and chimneys, irrigation and pipelines.

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.



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 4 operational assets and 7 projects under different stages of development. The Company's projects are spread across 7 states in India.

Presence across Indian States

07

Years of Experience

17

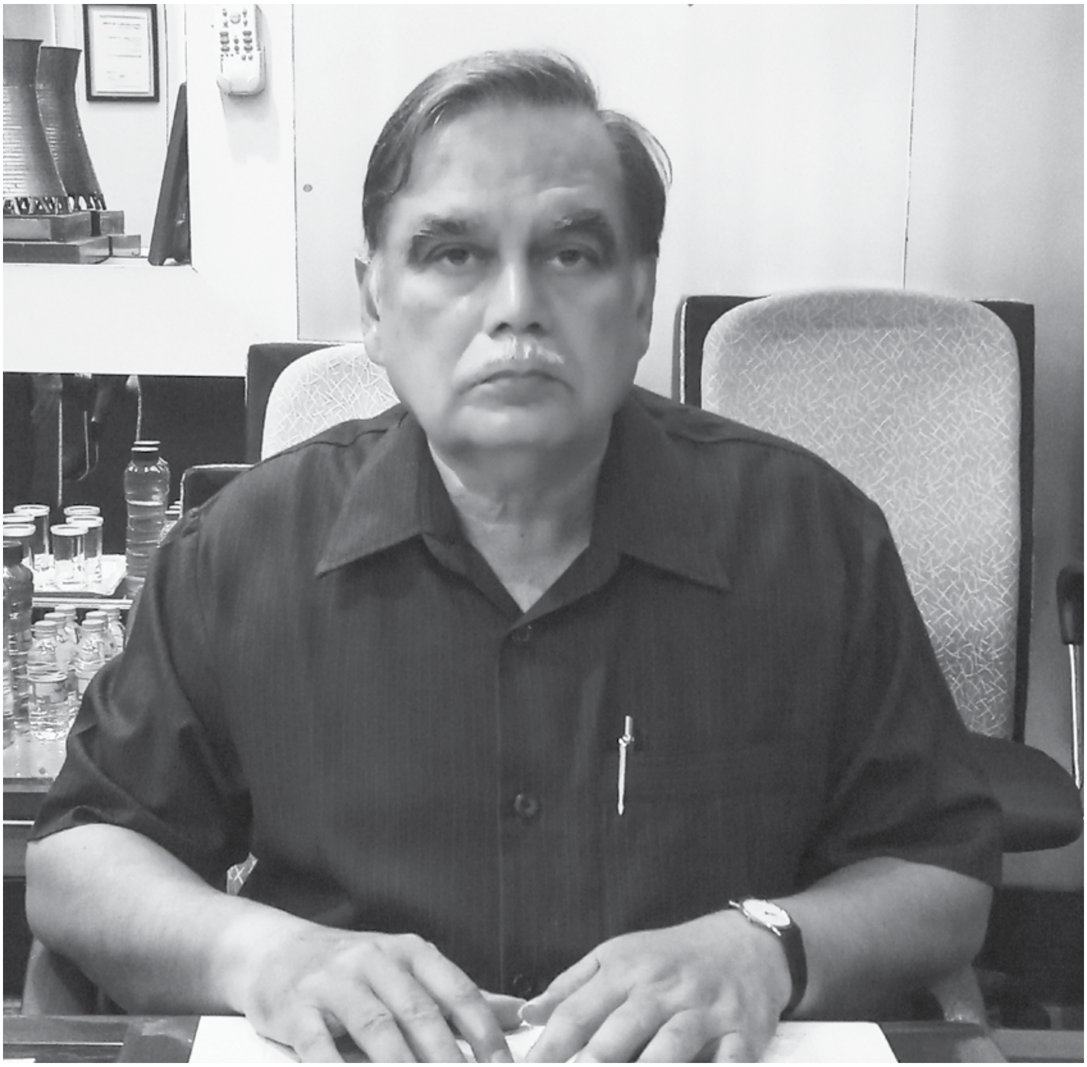
Total Projects

11

Team Size

263

Message from the Chairman



Dear Shareholders,

It gives me great pleasure to connect with you through the Annual Report. FY 2018 was indeed a challenging year, as the industry continued experiencing multiple headwinds, including persistent project delays and higher borrowing costs. These restraints wedged the execution of ongoing projects within the industry significantly, and your Company's experience was no exception.

It is an undeniable fact that India needs substantial amounts of new infrastructure, given its growing ambitions and vast areas of underdeveloped regions. Past records indicate a snail's pace in infrastructure development. There are several initiatives to change this in play, but the main question is to see how well the

> Our journey till date has been very challenging. However, I am confident that our core values will provide us with adequate strength to face them.

execution of our planned projects pans out. Our journey till date has been very challenging. However, I am confident that our core values will provide us with adequate strength to face them. Your company has been passing through a financial turbulence that is part and parcel of the overall sluggishness in the sector, and the mismatch of cashflows has resulted in the erosion of our profitability.

The key challenges surrounding the business continue to persist. The slow pace of execution of existing projects due to several regulatory issues and delay in settlement of contractual issues, continue to persist. This has resulted in the elongated working capital cycles with creating difficulty in debt servicing. Further, the ballooning financial costs have impaired financial liquidity. Given the financial stress in the industry, the infrastructure sector is witnessing limited support from the financial institutions and banks.

Delay in execution of projects and cost overruns on account of delayed decision of resolution, external environment and delay in decision-making process, the issues faced by the road, ports and power projects of the Company remained unresolved. These led to delays in the progress of more than half dozen of our projects for reasons beyond the management control. Disputes involving large amounts of invested capital have a slow-paced redressal. To further aggravate the Company's financial liquidity, arbitration awards issued in favour of the Company are currently in appeal filed by the clients.

The Company has been successful in finding a way forward for its Offshore Container Terminal (OCT) Project (the Port Project) developed by its subsidiary namely; Indira Container Terminal Private Limited (ICTPL) with the assistance of Mumbai Port Trust (MbPT) and the Ministry of Shipping (MoS) and the issues related to the Port Project should be resolved in the near term.

I am pleased to inform that your company has taken some positive initiatives in sourcing prospective and reputed investors and/or strategic partners for 2 (two) of its operational road projects developed by its subsidiaries namely; Patna Highway Projects Limited (PHPL) and Rajahmundry Godavari Bridge Limited (RGBL). The investors/strategic partners have shown interest in infusing fresh capital and refinancing the existing debt of the subsidiaries, which would help these projects in achieving sustainability in the near future.

The Company has successfully completed the arbitration process under the Society for Affordable Redressal of Disputes (SAROD) in one of its road project companies, namely; Patna Buxar Highways Limited (PBHL), which was sold in March 2016.

The positive response received from Bankers for funding road projects, the funds expected from Arbitration proceedings and successful resolution plan in one of the SPVs will help the operational projects for further development in operational sectors.

Fortunately, with time, the Indian infrastructure industry is beginning to witness multiple changes at a breakneck pace. In the last few years, the government has made its intent for infrastructure development clear, and is investing heavily for developing a first world country of the future. With a resolve to accelerate the creation of core infrastructure, the country is striving to remove both construction and operational bottlenecks, with a sound policy framework.

I am hopeful that the government will take all the correct initiatives in the coming fiscal year to rectify the situation and stimulate the recovery process for the sector. However, as many of these steps will take time to yield results, I suspect that we need to brace ourselves for another tough year for the industry.

I would like to thank our dedicated management team and skilled workforce for helping us succeed in sustaining resilience. I also express my sincere gratitude to my colleagues on the Board and to all the shareholders for their patience.

Sincerely,

Sushil Chandra Tripathi

Chairman

Message from the Managing Director

Dear Shareholders,

The Indian macro-economic sector is undergoing changes. On the path of fiscal consolidation, the Indian economy appears like a bright spot with strong fundamentals. Although the government is actively implementing economic reforms, the pace of infrastructure development has remained enigmatic. As the sector is responsible for propelling India's overall economic development, it has been enjoying the Government's much-deserved attention over the past few years. The thrust is supported by a manifold increase in budgetary allocation.

However, on the business front, we continue to live in challenging times. With persistent delays, our projects witnessed not expected level of progress. These setbacks consumed our bandwidth to deal with prevailing sectoral headwinds. The dwindling support from the capital market and the Government in terms of resolution further added to our woes.

In FY2018, we focused on strengthening our capabilities, and pursued an even-handed approach towards financial management. The divestment of six of our assets helped us streamline our balance sheet. Alongside these measures, we aimed to restructure our debt, strengthening our long-term prospects and consolidating the balance sheet.

However, in February 2018, the Reserve Bank of India changed all the past restructuring mechanisms, including Corporate Debt Restructuring and Strategic Debt Restructuring. As all accounts are mandated to be governed by the revised framework, the sudden change made all our prolonged efforts towards restructuring futile.

Amidst these challenges, there was a positive development. We were successful in winning the mandate to rehabilitate and upgrade the road project in Odisha. This project has been awarded by the National Highways Authority of India (NHAI), in consortium with Gammon Engineers and Contractors Private Limited, at a bid price of ₹ 577 crores. The construction period of the project is 910 days, and your Company has 40% share in the consortium.

We have been augmenting our dedicated and focused team to be able to handle future projects effectively and efficiently. Our key values lie in

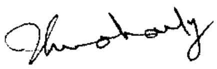
In FY2018, we focused on strengthening our capabilities, and pursued an even-handed approach towards financial management. The divestment of six of our assets helped us streamline our balance sheet.

the resolution of the existing delayed project – operational and unfinished, and earning our legitimate dues fixed at the time of making the contract. In addition to this, our key objective is also to chart a future course of growth with the new and strategic projects.

Looking ahead, our undeterred focus will be on the efficient execution and resolution of our on-going projects to unlock the values. In doing so, we will sharpen our cost and time efficiencies, and prime our ability to capitalise on new meaningful opportunities that align with our strengths. We are hopeful that our standing will gradually improve, and our performance will rebound to produce considerable value for our stakeholders. We intend to unlock our values by way of settling our legitimate claims due to delayed implementation, no fault of ours either by way of legal process or otherwise within a quick timeframe. This will alleviate quite a lot of our financial stress. One such island of success in the recent past has been the case of PBHL (Patna Buxar Highways Limited) which was established as illegal termination by authorities. We want to further crystalise our dues for the execution of our future projects (6 nos.) in the near future.

Lastly, I would want to acknowledge the unwavering trust and support of all our stakeholders. I look forward to your patronage in our journey ahead. I would also like to thank our management team and employees for their invaluable contribution towards the Company.

Sincerely,



K. K. Mohanty
Managing Director

DERIVING STABILITY BY BUILDING ON OUR COMPETENCIES

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.

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).

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.

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.

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.

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.

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

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

COUNTERING CHALLENGES THROUGH PRUDENT BUSINESS STRATEGIES

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.

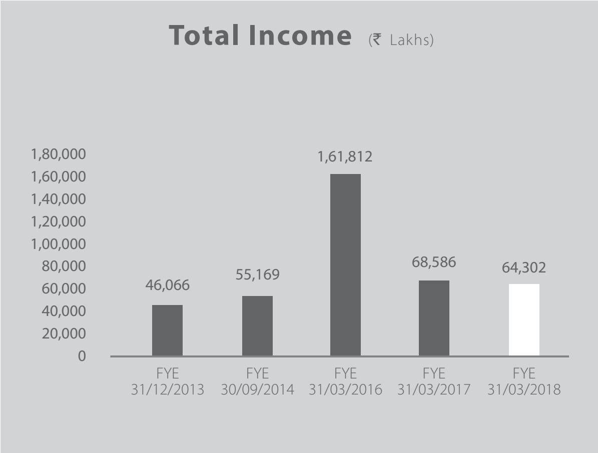
MANAGING LIQUIDITY: GIPL has a strong focus on efficient liquidity management. The Company has successfully refinanced its former high cost debts with lower cost debts. The combination of refinancing existing debts with subsequent repayments of debts, will help the Company improve its liquidity. GIPL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

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.

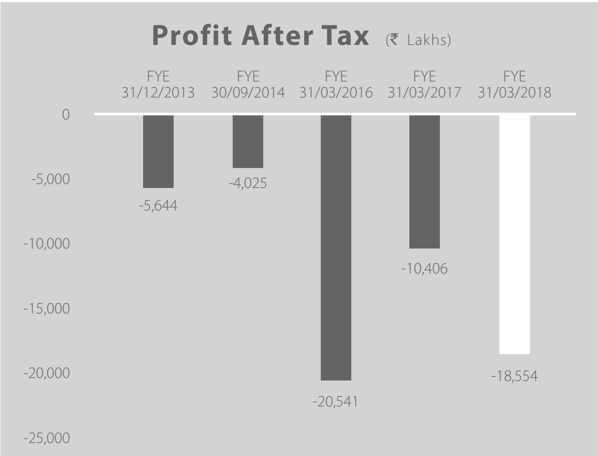
EXPLORING OPPORTUNITIES: The Company has widened its product portfolio by offering fee-based O&M services for external infrastructure projects. Going forward, the Company will explore opportunities to enhance the scope and size of O&M services, especially in roads sector.

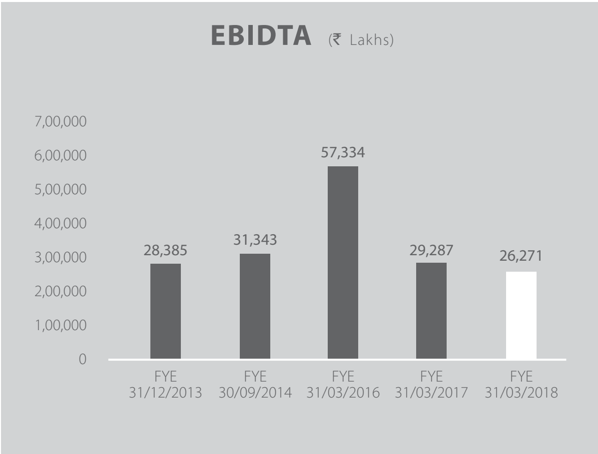
MONETISING ASSETS: In response to the financial stress triggered by the sectoral challenges, the Company has systematically monetised six of its Special Purpose Vehicles through divestments. The sale of strategic stakes has helped GIPL unlock value and streamline its balance sheet.

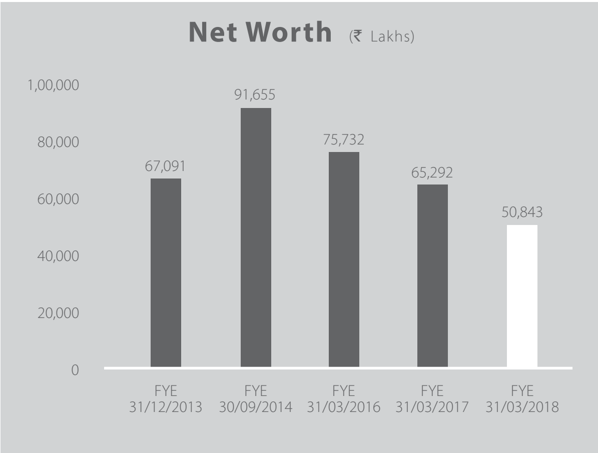
Consolidated Financial Highlights



We continued to face tough times during the year. Our slow pace of execution and unwarranted delays in infrastructure projects resulted in sizeable cost over-runs. We are persistently building on our fundamentals by focusing on consolidation and execution of our ongoing projects and improving our operational efficiency.





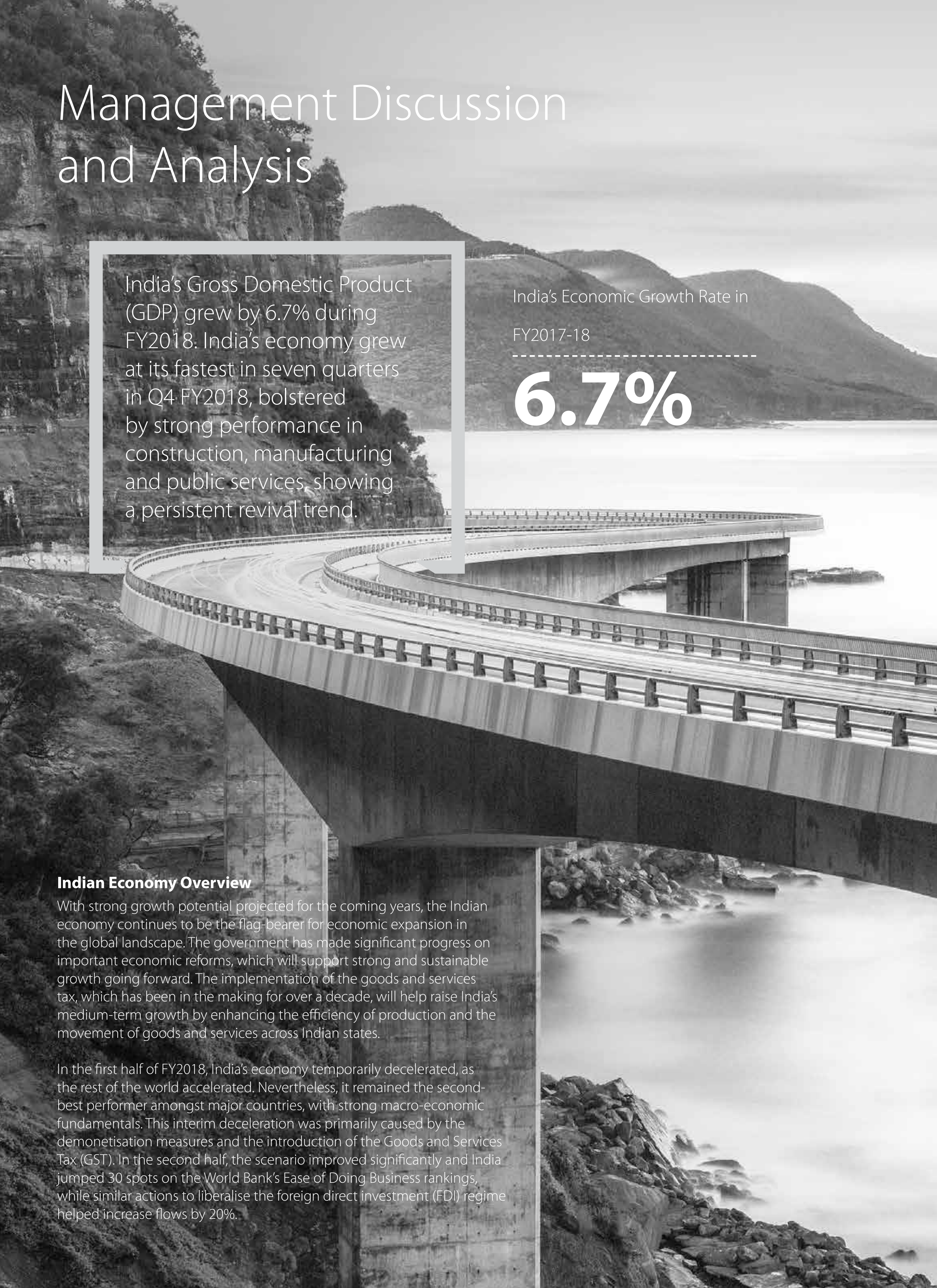


An Overview of our Project Portfolio

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	Padamshree Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana (PDVVPSKL)	Energy & Power Department of Government of Sikkim
Project Length	63.17 Kms	14.715 Kms	103.59 Kms	105.389 Kms	9 MMTPA Capacity	1.2 Million TEUs Capacity	30 MW Capacity	66 MW Capacity
Annual Annuity (₹ in Crores)	₹ 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	*PCOD obtained for 39.10 Kms, 24.07 Kms under construction	Operational	Under Termination / Mutual Exit	Under Construction	Operational	Under Construction (trial run been carried out)	Operational	Under Construction
Revenue Model	Annuity	Toll	Toll	Toll	Revenue Share 17.111%	Revenue Share 35.064%	Sale of power, steam to client; surplus power to MSEDCL	IPP

**PCOD: Provisional Commercial Operations Date*
***Incremental at 5% p.a.*

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



Management Discussion and Analysis

India's Gross Domestic Product (GDP) grew by 6.7% during FY2018. India's economy grew at its fastest in seven quarters in Q4 FY2018, bolstered by strong performance in construction, manufacturing and public services, showing a persistent revival trend.

India's Economic Growth Rate in FY2017-18

6.7%

Indian Economy Overview

With strong growth potential projected for the coming years, the Indian economy continues to be the flag-bearer for economic expansion in the global landscape. The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. The implementation of the goods and services tax, which has been in the making for over a decade, will help raise India's medium-term growth by enhancing the efficiency of production and the movement of goods and services across Indian states.

In the first half of FY2018, India's economy temporarily decelerated, as the rest of the world accelerated. Nevertheless, it remained the second-best performer amongst major countries, with strong macro-economic fundamentals. This interim deceleration was primarily caused by the demonetisation measures and the introduction of the Goods and Services Tax (GST). In the second half, the scenario improved significantly and India jumped 30 spots on the World Bank's Ease of Doing Business rankings, while similar actions to liberalise the foreign direct investment (FDI) regime helped increase flows by 20%.

India's Gross Domestic Product (GDP) grew by 6.7% during FY2018. India's economy grew at its fastest in seven quarters in Q4 FY2018, bolstered by strong performance in construction, manufacturing and public services, showing a persistent revival trend. With this performance, India retained its ranking as the world's fastest-growing major economy, outpacing China by nearly a percentage point.

Inflation, both CPI and WPI remained under control for the entirety of FY2018. The average CPI stood at 3.6% in FY2018 compared to 4.5% in FY2017, while the corresponding figures for WPI are 2.9% and 1.8%, respectively. Assuming a normal monsoon and no major policy reforms, CPI is estimated to remain stable. However, rising crude oil and commodity prices may affect the inflation outlook.

Looking ahead, India's economic growth is expected to gather momentum in FY2019, aided by a conducive domestic and global environment. The factors that are expected to help the economy in achieving stronger growth are the effective implementation of GST; an improved credit off-take; a large resource mobilisation from the primary market, strengthening investment activity; and the acceleration of global trade growth. In addition, the thrust on rural and infrastructure sectors in the Union Budget FY2019 are expected to rejuvenate rural demand. In line with these positive economic development outlook, the IMF has projected India's growth to be 7.4% in FY2019.

Indian Infrastructure Sector

Infrastructure is a key driver for the Indian economy. It is crucial for economic growth and employment generation. Infrastructure spending was 7% of GDP during 2008-12, which fell to 5.8% of GDP during 2013-17 (as estimated by Niti Aayog). Creation of infrastructure is vital for India's economic development as the opportunities for future growth are enormous in the country. India's infrastructure spending is estimated to be ₹ 50 lakh crore in the next four years in order to improve its economic growth; connect and integrate the nation with a network of roads, airports, railways, ports and inland waterways; and to provide good quality services. The Government in its budget for FY2019 has estimated budgetary expenditure on infrastructure of ₹ 5.97 trillion, against the estimated expenditure of ₹ 4.94 trillion in FY2018.

However, the progress of infrastructure development in India has not been smooth in the recent years, with significant shortfalls in planned investments. The decline in infrastructure spending can be attributed to the high cost of capital, high level of stressed assets leading to slowdown in funding from financial institutions, issues in land acquisition and economic slowdown. To turn India's infrastructure dream into reality, several challenges need to be tackled efficiently.

Some of the key issues faced by the sector in the past few years relate to funding, financial situation of developers, and inflation pressures. Private sector developers, in general, have limited equity to invest in projects. The government has been successful in handling some critical aspects such as identifying and formulating long-term and visionary infrastructure development initiatives, addressing languishing projects, and pushing certain policy initiatives in areas of coastal shipping, aviation and inland waterways. However, more effort is required to overcome the challenges of project funding and the financial constraints faced by the developers.

Key issues plaguing the Infrastructure Sector:

a. Planning Oriented Issues:

1. Inability to get land acquisition and environmental clearances
2. Lack of coordination between Government agencies
3. Inappropriate structuring of projects with no demarcation of risks between Government and private sector
4. Absence of proper dispute resolution mechanism between private players and Government agencies
5. Developing a technically sound and well-equipped regulator

b. Finance-related Issues:

1. Time and cost over-runs
2. Burden on developers, due to execution delay
3. Cautious approach by banks in lending to infrastructure
4. Difficulties in fund raising with restricted exposure of banks to infrastructure
5. NPA issues with banks' dues, delayed implementation and non-settlement of legitimate dues in time.
6. Developing finance mechanisms to suit sector's needs

c. Other Issues:

1. Need for improved transparency
2. Reduction in regulatory uncertainties and delays
3. Creating a mechanism for single window clearance for approvals
4. Strict ensuring of enforcement of contracts in a time bound manner
5. Need to relook risk profiles of projects and a better share of private players
6. Providing sufficient safeguards for private players from extraneous circumstances
7. Debt burden of infrastructure developers, as a consequence of execution delays and irrational bidding

Sector Overview

Roads

India has the second largest road network across the world at 5.4 million km. This road network transports more than 60% of all goods in the country and 85% of India's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. The Indian roads carry almost 90% of the country's passenger traffic and around 65% of its freight.

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

	Actual	Revised	Budget	BE 2018-19 / RE 2017-18
	2016-17	2017-18	2018-19	
Revenue	11,039	10,136	11,560	14%
Capital	41,193	50,864	59,440	17%
Total	52,232	61,000	71,000	16%

Notes: BE - Budget Estimate; RE - Revised Estimate

Key Challenges

Road Construction: The achievement of construction targets for National Highways has ranged between 55% to 70% in the last three years. The road construction target for FY2018 was 15,000 km, of which 4,292 km has been constructed till November 30, 2017 (33%). This rate of construction of 20 km/day, is lower than the previous year's 22 km/day.

Project Delays: The Committee on Public Undertakings (2017) had noted that from 1995 till June 2016, out of the total 388 projects completed, only 55 projects were completed on or before time. Delays in the completion of the projects were largely attributed to time taken in land acquisition, and obtaining environment and forest clearances; poor performance of concessionaires due to economic slowdown; and law and order issues. As on July 31, 2017, 30 road projects with a total cost of ₹ 11,216 crore were stayed for three years. Such delays increase project costs, eventually making certain projects unviable.

Infrastructure Lending: The Standing Committee on Transport (2016) had observed that several of the long-term loans disbursed for the road sector are turning into non-performing assets (NPAs). Project bids are often made without proper study, and projects are awarded in a hurry. This results in stalling of projects, and concessionaires leave mid-way.

Banks and other infrastructure lending institutions have also been reluctant to finance the highways sector. This has led to difficulties in debt servicing, putting additional stress on the road infrastructure portfolios. Besides increasing the cost of the project, delays also make it difficult to obtain additional debt.

The Hybrid Annuity Model (HAM)

The new Hybrid Annuity Model (HAM) is a hybrid or combination of EPC (Engineering, Procurement and Construction) and BOT (Build, Operate and Transfer) models. It was introduced in January 2016 as a new mode of delivery of highway projects through Public Private Partnership Route and an innovative approach to infrastructure. It aimed to rejuvenate and revive investments in road infrastructure projects, and arose out of the need to have a better financial mechanism for road development in India. As infrastructure investments are a key to economic growth, the Hybrid Annuity Model is a big help to enable the projects to take off. The model has augured success for the Government by ensuring timely completion, better margins, and increased infrastructure-based PPP projects. Further, reduced financial risk, streamlined process of land acquisition and faster disbursement of funds have been made possible by adopting the HAM model. HAM projects in recent times have been secured with few developers which should be a cause of concern to future sustainability.

Sector Overview

Hydro Power

To meet the country's energy demand at a faster pace, the development of mega hydro power projects is an essential requirement. However, hydropower projects are subjected to various types of risks such as hydrological risk, power evacuation risk, geological surprises, construction risk, connectivity issues due to remote locations, and extreme terrains, among others. Multiple challenges have been crippling the implementation of hydropower projects in India. There is reluctance on the part of distribution utilities to enter into long-term power purchase agreements. Tariffs from hydropower projects are also high due to lack of incentives like tax concessions, financing cost and construction of projects in remote areas with inadequate infrastructure. Non-availability of longer tenure loan necessitates higher provision for depreciation to generate resources required to meet repayment obligations. Also, due to challenging and difficult logistics, the cost of the project rises. Review of financing policies for hydro projects is needed to provide a longer tenure debt. Subsidy on rate of interest on debt during the construction period should be introduced.

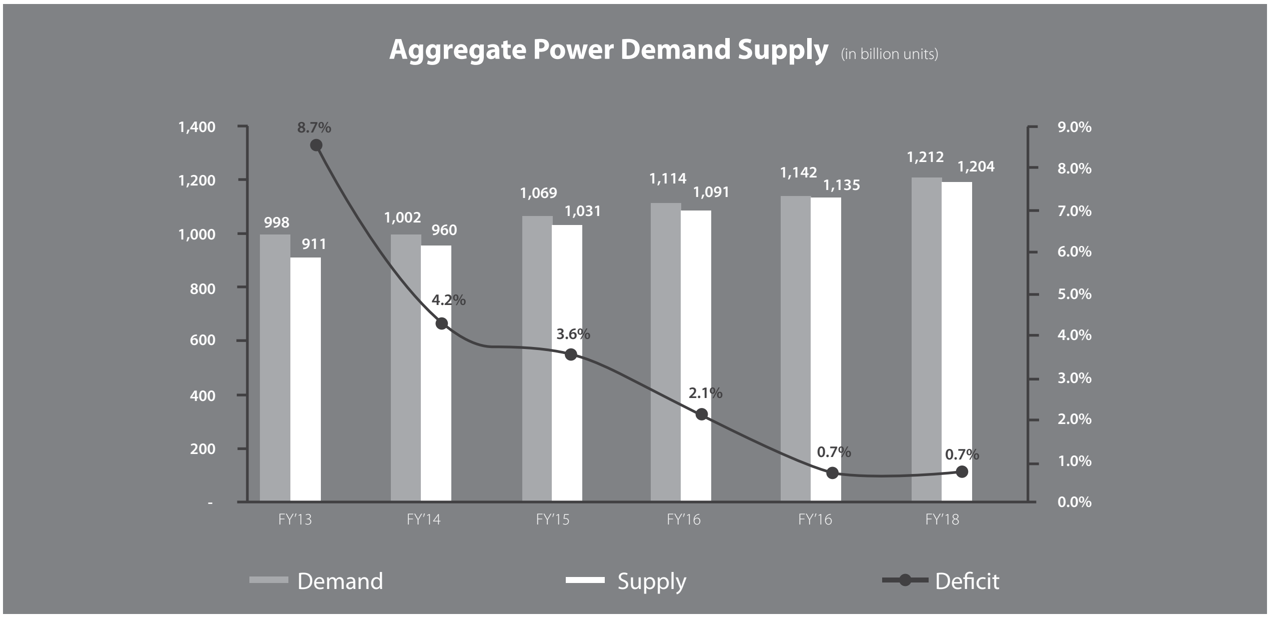
Thermal Power

Thermal power generation accounts for 65% of total electricity generated in India. Coal-based plants account for the bulk of thermal power capacities, followed by gas-based units. India's need for importing huge volumes of coal due to the fact that much of the coal produced is of a relatively inferior grade, posing a dilemma for coal-fired thermal plants to either use sub-quality coal that leads to lower energy generation or import a sizeable tonnage of coal at higher prices to mix and improve the overall output. Thermal plants being the mainstay of power generation in India, there is a need to raise efficiencies and energy output and bring down emissions within acceptable limits. It is imperative to accelerate a modernisation program of thermal power plants in India.

Both hydro and thermal power projects are awaiting policy intervention to bring the sector back from its current challenges and create demand off-stake for power consumption.

Co-Generation Power Project set up by Pravara Renewable Energy

30 MW



Source: CEA, CRISIL Research

Sector Overview

Ports

According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is conducted through maritime transport.

India has 12 major and 200 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country. The Indian ports and shipping industry plays a vital role in sustaining growth in the country's trade and commerce.

India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100 per cent under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

Cargo traffic handled by India's major ports increased 4.97% year-on-year to 616.62 million tonnes (MT) during April 2017-February 2018. Container traffic saw the highest growth during this period at 8.37% year-on-year and reached 8,302 TEUs.

According to studies carried out under the Sagarmala Programme, cargo traffic at Indian ports are expected to grow to 2,500 million metric tonnes per annum (mmtpa) by 2025, compared with the current cargo-handling capacity of Indian ports of 1,500 mmtpa. A roadmap has been prepared to increase the Indian port capacity to 3,000+ mmtpa over the next few years to absorb this growth in projected traffic.

Operational Overview

Operational Projects

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

RGBL is the SPV incorporated for design, construction, finance, operation and maintenance of a 4.15 kms long four-lane major bridge across river Godavari along with 10.34 kms of total approach roads on either side of the bridge, which connects Kovvur and Rajahmundry in the State of Andhra Pradesh on BOT basis (the Project). The concession period for the project is 25 years, including a construction period of three years. RGBL commenced operations from November 1, 2015 which is the Provisional Commercial Operations Date (PCOD).

The responsibilities for tolling (Tolling Services) and maintenance (Maintenance Services) of the Project shall remain with the Company. The Tolling and Maintenance Services have commenced from the PCOD and will continue until the expiry of the Concession period.

Special repairs of the RGBL project corridor have carried out for the convenience of road users. 100% illumination on the RGBL project corridor is completed. On March 27, 2018 the Independent Engineer has made a recommendation to the Andhra Pradesh Road Development Corporation to issue the final completion certificate for the RGBL Project.

Financial Performance of RGBL is as under:

(₹ in Lakhs)

	FYE – March'18	FYE – March'17
Total Revenue	6,179.36	5,413.93
EBIDTA	4,375.46	4,559.48
Profit after Tax	(7,907.63)	(6,470.22)
Equity Share Capital	20,395.89	20,395.89
Reserves and Surplus	(11,201.85)	(3,294.41)

In view of the financial stress induced in RGBL 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 the Reserve Bank of India's (RBI) Scheme for Sustainable Structuring of Stressed Assets (S4A) with the Lenders. Your Company intended to conclude this restructuring scheme within the calendar year and the S4A being implemented, the RGBL project would have become self-sustaining and was expected to be overcome the cashflow constraints, which it is currently exposed to. However, in a recent circular issued by RBI dated 12th February 2018, all restructuring schemes for stressed assets (including S4A) have been discontinued and it has been decided by the RBI to substitute the existing guidelines with a harmonized and simplified generic framework for resolution of stressed assets within a period of 180 days from the reference date. In respect of the loans below Rs 2,000 crores the reference date will be notified within a period of 2 years as per above mentioned RBI circular. The SPV has simultaneously submitted application for Revenue Shortfall Loan (RSL) from Andhra Pradesh Road Development Corporation (APRDC/the Client), which would be used to the repay the debt of Senior Lenders. Since, the Client has not responded to application for RSL, the Company has issued a cure period notice dated 26th February 2018 to the Client in discussions with the Lenders. The SPV is also exploring other debt restructuring options such as One Time Settlement (OTS) and potential Investors for investment in consultation with Senior Lenders. In addition, all revival steps are being initiated to realize our dues and claims from the Client as per the Concession Agreement.

❖ Vizag Seaport Private Limited (VSPL)

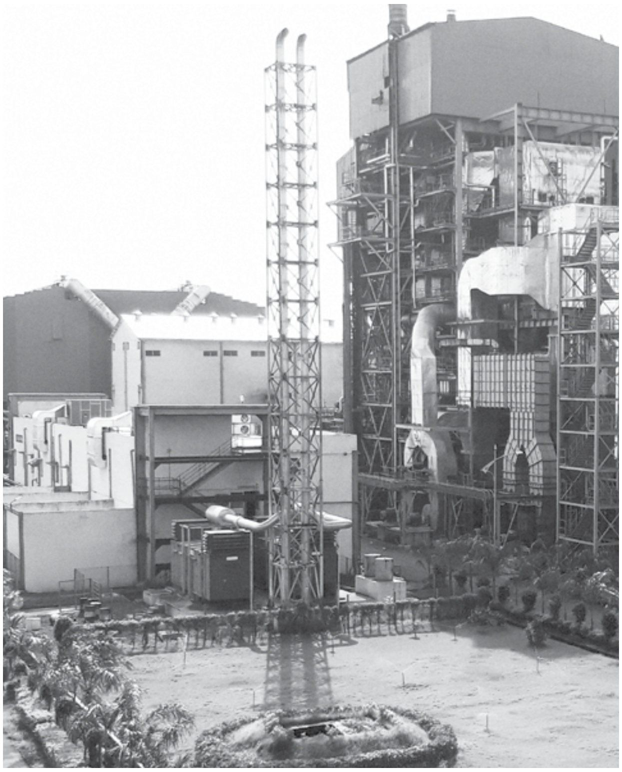
VSPL is the SPV formed by the Company to develop, construct, operate and manage two multi-purpose berths in the northern arm of the inner harbour at Visakhapatnam Port on a Build, Operate and Transfer (BOT) basis. Vizag Seaport Private Limited is the only BOT operator for handling multi bulk cargo in 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 commenced in July 2004 and the Company has handled 71,42,224 tons of cargo during April 2017 to March 2018. VSPL is expected to achieve 8.0 Million Tons 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 capitalized at ₹ 34,869.77 lakhs.

With the completion of dredged depth to -16.10 meters in the Inner Harbour Area, VSPL is now equipped to handle fully laden Panamax Vessels arriving within a draft of 14.5 Meters. This will benefit the Trade by freight savings and also the Company by enhanced productivity.

> We expect an improvement in the capacity utilisation and in the margin after completion of the dredging works by Visakhapatnam Port Trust and marginal turnaround in commodity cycle.

The long-awaited dredging in the inner harbour area and alongside the jetties has also been completed, thereby increasing the volume further. After completion of the dredging in the inner harbour 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 VSPL 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 margin after completion of the dredging works by Visakhapatnam Port Trust and marginal turnaround in commodity cycle.



Debt Equity Ratio as on March 31, 2018 (Standalone)

0.16

Financial Performance of VSPL is as under:

(₹ in Lakhs)

	FYE – March'18	FYE – March'17
Total Revenue	17,636.28	15,211.21
EBIDTA	5,461.36	5,184.34
Profit after Tax	844.21	445.72
Equity Share Capital	8,719.13	8,719.13
Reserves and Surplus	1,300.52	455.41

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

PREL has set up 30 MW co-generation power project on Built, Own, Operate and Transfer (BOOT) basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Karkhana Limited (Karkhana) in Pravara Nagar, Tal. Rahata, Dist. Ahmednagar in Maharashtra for the concession 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 has successfully operated over the two crushing seasons. During the Financial Year, PREL has exported 73.75 million units to Grid and 20.05 million units to Karkhana and generated total revenue of ₹ 56.61 crore from operations.

The total capitalisation of the project is ₹ 27,425.61 lakhs as on March 31, 2018.

PREL 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.

Financial Performance of PREL is as under:

(₹ in Lakhs)

	FYE – March'18	FYE – March'17
Total Revenue	5,838.12	5,969.80
EBIDTA	2,505.41	2,116.91
Profit after Tax	(2,822.00)	(4,525.36)
Equity Share Capital	4,792.00	4,792.00
Reserves and Surplus	(10,228.40)	(7,438.16)

❖ **Patna Highway Projects Limited (PHPL)**

PHPL is the SPV incorporated by the Company 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 Build, Operate and Transfer (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.

PHPL project has received Provisional Commercial Operate Date (PCOD) certificate 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, second annuity payment of ₹ 9,255.59 lakhs was received in October 2017 and 3rd Annuity payment of ₹ 9,055.28 lakhs received in May 2018. The Company is pursuing its delays days claims / dues with National Highways Authority of India (NHAI).

Financial Performance of PHPL is as under:

(₹ in Lakhs)

	FYE – March'18	FYE – March'17
Total Revenue	16,357.21	**15,093.59**
EBIDTA	9,353.71	**11,789.82**
Profit after Tax	(655.50)	**337.50**
Equity Share Capital	5,000.00	**5,000.00**
Reserves and Surplus	17,879.76	**18,535.50**

Projects under Construction

❖ Vijayawada Gundugolanu Road Project Private Limited (VGRPPL)

VGRPPL is the SPV incorporated by the Company 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.

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. The Company and the VGRPPL are currently in discussion with NHAI for a mutually acceptable exit.

The total capitalisation of the project was ₹ 6,494.44 lakhs as on 31st March, 2018.

❖ 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, 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. The total project cost is estimated at ₹ 1,09,416 lakhs. The construction activities on the project started in September 2013. The Project had achieved about 77.47% completion as on 31st March 2018.

The total capitalisation for the Project was done at ₹ 88,946.90 lakhs as on 31st March, 2018. 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. The extension of time has already been granted by MPRDC due to delay on their part. The achievement of PCOD is being attempted by June 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'18	FYE – March'17
Total Revenue	14,293.51	18,052.94
EBIDTA	(4.25)	163.60
Profit after Tax	(27.83)	104.64
Equity Share Capital	17,041.00	17,041.00
Reserves and Surplus	7,426.17	6,826.27

Reduction in Interest Outflow during the Financial Year 31st March 2018 (Standalone)

15%

❖ 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 Commercial Operations Date (COD), which expired in December-2015. SHPVL has requested the Government of Sikkim for extension of time to achieve COD. The financial closure for the Project was achieved in January 2014. The Project cost is estimated to be ₹ 49,600 lakhs.

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 the 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 is completed, 624m Head Race Tunnel (HRT), 267m of Pressure Shaft (PS) is also 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 2018. The Project has received all clearances and approvals including environmental clearances from the Ministry of Environment and Forest (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 (PPA) 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 PPA 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.

We have achieved the financial closure in Sikkim Hydro Power Ventures. Excavation of 65.5m deep Surge Shaft is completed, 624m Head Race Tunnel (HRT), 267m of Pressure Shaft (PS) is also completed and further excavation of HRT, PS and Dam is in progress.

❖ 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 Build, Operate and Transfer (BOT) basis at Mumbai Harbour and the operations of Ballard Pier Station Container Terminal (BPS).

During the Financial Year, ICTPL has been allowed by MbPT to use the terminals for RORO (Roll-On-Roll-Off) as an alternative utilisation mode. During the Financial Year, ICTPL has handled 121 vessels and 227,750 units, and earned revenue of ₹ 98.90 crore. The revenue share payable by ICTPL to MbPT is 55% of gross revenue for the year.

During the Financial Year, progress in construction of the Project by ICTPL was delayed due to non-fulfillment of certain conditions by the MbPT. This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter is under active discussions with the MbPT 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 OCT, the parties have finally agreed in principle to enter into a joint supplementary agreement between the Board of Trustees of MbPT, ICTPL and the Lenders. The draft 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 Refusal (ROFR) 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 during the Financial Year acquired further stake from the JV partner and has obtained control over ICTPL and holds 74% of the total equity shares of ICTPL. During the Financial Year, ICTPL has been allowed by MbPT to use the terminals for RORO as an alternative utilisation mode. The revenue share of this RORO operation with MbPT is currently 55% (45% share is with ICTPL).

The broad terms of the draft supplementary agreement are as under:

1) Fresh bids will be invited for handling clean cargo from the Offshore Terminal.
2) The cost of facilities constructed by ICTPL is stated at ₹ 568 crores.
3) Liability towards the Lenders of ICTPL has been fixed at ₹ 477.11 crores.
4) Bidding parameter will be the Revenue Share with ceiling at 35.064%.
5) ICTPL has the Right of First Refusal (ROFR) to match the highest bid.
6) If ICTPL is not successful in its bid or does not exercise the ROFR, the preferred bidder will have to upfront pay ₹ 568 crores to ICTPL.
7) Out of the proceeds received, the existing Lenders of ICTPL will be paid ₹ 477.11 crores, while ICTPL will retain the balance amount of ₹ 90.89 crore.
8) ICTPL will have the right to arbitrate under the original license agreement to raise claims for losses on MbPT with a ceiling on claims of ₹ 125 crore. Out of the actual proceeds received, 80% will be retained by ICTPL and the balance 20% will be paid to the existing Lenders.

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 ₹ 77,015.01 lakhs as on 31st March 2018.

Your company has acquired 24% of the equity stake held by Noatum Ports Sociedad Limitada Unipersonal SLU, its Joint Venture Partner in ICTPL. With this, your Company now holds 74% of the total equity stake in ICTPL.

Financial Performance of ICTPL is as under:

(₹ in Lakhs)

	FYE – March'18	FYE – March'17
Total Revenue	4,458.78	4,076.00
EBIDTA	3,774.38	3,221.18
Profit after Tax	(8,625.00)	(5,140.19)
Equity Share Capital	10,156.60	10,156.60
Reserves and Surplus	(13,244.46)	(4,619.70)

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 Build, Own, Operate and Transfer (BOOT) basis at an estimated cost of ₹ 2500 crore. 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 from local farmers to the Project on environmental grounds. The Company has sought the State Government of Himachal Pradesh's (GoHP) intervention in the matter to take necessary actions, including seeking of necessary consents from the gram panchayat so as to enable YPVL to take up site investigation work and preparation of DPR. YPVL is in discussions with the GoHP for early resolution of the project issues. In the event there is no resolution of the open issues, your Company may consider taking appropriate steps in the matter.

Your company has invoked arbitration on 19th February 2018 and nominated an arbitrator on 16th March 2018 against the GoHP to protect its interest in YPVL.

❖ Tidong Hydro Power Limited (THPL)

THPL, a Special Purpose Vehicle, has signed an agreement with the Government of Himachal Pradesh (GoHP) 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 the 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 Build, Operate and Transfer (Toll) basis. The 480-metre long bridge along with the 200-metre approach road on both ends connects 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 was done at ₹ 879.45 lakhs.

The original concession period of CBICL 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 passing the 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 CBICL at the Mattancherry Bridge at Kochi.

The GoK showed inclination / willingness to settle the matter through mutual negotiations. Hence, CBICL has put the arbitration proceedings on hold pending settlement discussions with the GoK. Further, CBICL has approached Hon'ble High Court of Kerala for seeking directions to the GoK to conclude its decision on settlement discussions expeditiously. The Hon'ble High Court of Kerala was pleased to direct the GoK to decide the matter within a period of 3 (three) months, which period was further extended till 23rd June 2017.

On the directions of Hon'ble High Court of Kerala, the GoK decided to pay about ₹ 16.23 crores to CBICL, however, the same is yet to be received due to some representation from local resident. Therefore, CBICL has recently moved Interim application before the Hon'ble High Court of Kerala and may proceed to file fresh writ in the matter before the Hon'ble High Court of Kerala for necessary legal relief.

Claims

Under the Concession Agreements for various SPVs with the 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 realize a sizeable amount from such claims over a period of time.

Your Company has retained rights and have secured necessary Power of Attorneys (PoA) for the past dues and claims in the SPVs, which have been divested and transferred to Brookfield. As such, amounts realised from past dues and claims of those SPVs 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 Engineering, Procurement & Construction (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.

(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) 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.

Being an infrastructure developer, cashflow management and treasury management are two areas towards which your Company has the highest level of focus from a seamless business continuity perspective.

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, cashflow 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 cashflow 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 utilization 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.

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.

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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 deem 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 realized 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 Seventeenth Annual Report together with the Audited Accounts of the Company, for the financial year ended March 31, 2018 ("**Financial Year**").

FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Income	17,669.38	21,677.96	64,301.88	68,585.11
Earnings before interest, tax, depreciation and amortization	3,692.53	4,337.54	26,270.71	29,045.59
Financial costs	2,239.88	2,641.72	33,992.90	31,223.60
Depreciation and amortization	60.85	15.72	8,724.22	4,951.03
Tax expenses	247.33	45.94	1,587.39	2,704.58
Minority interest & share of profit of associates/ subsidiaries	0.00	0.00	(3986.28)	(1,748.10)
Net Profit after Tax / (Loss)	1,144.47	1,875.16	-18,553.81	(10,405.95)

DIVIDEND & RESERVES

The Board express its inability to recommend any dividend for the Financial Year in view of the liquidity constraints. No amounts have been transferred to any reserve.

COMPANY'S BUSINESS

Your Company has a basket of three 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**). During the Financial Year, your Company, in consortium with Gammon Engineers and Contractors Private Limited ("**GECPL**"), has made successful bid and received a Letter of Award dated January 31, 2018 from the National Highways Authority of India for a road project in the State of Odisha on Engineering, Procurement and Construction ("**EPC**") mode.

ROAD SECTOR:

The Company has the following projects in the Road Sector:

(1) Rajahmundry Godavari Bridge Limited;
(2) Sidhi Singrauli Road Project Limited; and
(3) Patna Highway Projects Limited.

Engineering, Procurement and Construction (EPC) project:

The Company, in consortium with GECPL as the lead member of the consortium, has made successful bid and received the Letter of Award dated January 31, 2018 from the National Highways Authority of India for "Rehabilitation and Up gradation of existing 2-lane to 4-lane standards from Duburi to Chandikhole Section of NH 200 (New NH 53) from km. 388.376 to km 428.074 in the State of Odisha under NHDP Phase - III on EPC Mode (Pkg- III)".

PORT SECTOR:

The Company has the following projects in the Port Sector:

(1) Vizag Seaport Private Limited; and
(2) Indira Container Terminal Private Limited.

POWER SECTOR:

The Company has the following projects in the Power Sector:

(1) Pravara Renewable Energy Limited;
(2) Sikkim Hydro Power Ventures Limited;
(3) Youngthang Power Ventures Limited; and
(4) Tidong Hydro Power Limited.

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 under-construction projects and operation & maintenance of operational road projects.

THE FUTURE

Your Company through its repository of experience in project development and operations in multiple sectors, 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 strategic partnerships at project level with 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. Limited initiative will also be taken in Engineering, Procurement & Construction work. 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

There has been no change in the share capital of the Company during the Financial Year. The paid up share capital of the Company stood at Rs. 188.36 Crores as at 31st March, 2018 comprising of 941,830,724 equity shares of Rs. 2/- each fully paid up.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control systems with reference to Financial Statements 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 Board of Directors of the Company has appointed M/s. Nitin H Rajda & Co., 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 such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the period;
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 operated effectively during the Financial Year; 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.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Mr. Abhijit Rajan, Director has vacated office as the director of the company with effect from 7th May, 2018. The Board take on record its appreciation for the valuable services provided by Mr. Abhijit Rajan during his tenure as a director of the Company. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vardhan Dharkar is liable to retire by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

Mr. Chayan Bhattacharjee was appointed as an additional non-executive director with effect from June 13, 2018 and holds office as such up to the date of ensuing Annual General Meeting.

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. Kishor Kumar Mohanty was reappointed as the Managing Director of the Company for a period of 2 (two) years effective from April 12, 2017 which was approved by the shareholders at Annual General Meeting held on December 19, 2017.

Mr. Naresh Sasanwar was appointed as the Chief Financial Officer in place of Mr. Kaushik Chaudhuri with effect from February 14, 2018. Mr. Kaushal Shah was appointed as the Company Secretary of the Company with effect from February 14, 2018.

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. Naresh Sasanwar, Chief Financial Officer; and Mr. Kaushal Shah, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

Other Key Personnel:

Mr. Kaushik Chaudhuri – Head Risk & Internal Audit
Mr. Prakash R – President - Roads

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 Financial Year. The details about the same are given in the Corporate Governance Report.

Familiarisation 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 familiarise 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/sec_info_pdf/Familiarisation_Programme_IndependentDirectors.pdf.

BOARD MEETINGS

The Board met seven times during the Financial Year, the details of which are given in the Corporate Governance Report. 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 Financial Year, 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 Financial Year, 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 financial 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/sec_info_pdf/PolicyonRelatedPartyTransactions16032016.pdf

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

During the Financial Year 2017-18, 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.

An application in Form STK-2 has been filed with the Ministry of Corporate Affairs ("**MCA**") by the following step-down subsidiaries of the Company for striking off the name from the register maintained by the Registrar of Companies:

i) Yamuna Minor Minerals Private Limited filed on April 12, 2018; and

ii) Ghaggar Renewable Energy Private Limited filed on April 13, 2018.

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/sec_info_pdf/Policy_determining_MaterialSubsidiary.pdf

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.

BOARD COMMITTEES

The Board has presently the following committees to assist 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) Business Review Committee (previously known as Project Committee) to review business, projects and opportunities that arise from time to time;

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

(vii) 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.

The Board of Directors at their Meeting held on February 14, 2018 dissolved the Projects Review Committee.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company does not have any amount/ shares 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/sec_info_pdf/Whistle_Blower_Policy.pdf

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 towards the Corporate Social Responsibility of the Company during the Financial Year. 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, Practicing Company Secretary (Certificate of Practice Number 4334) is attached and forms integral part of this Report (herein referred to "**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.

SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards.

AUDITORS

At the 16th Annual General Meeting of the Company, the shareholders had appointed M/s. Nayan Parikh & Co., Chartered Accountants (FRN: 107023W) as the Statutory Auditors of the Company to hold office until the conclusion of the 21st Annual General Meeting ("**AGM**"), subject to ratification by shareholders at every subsequent AGM.

Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent AGM. In view of this, the appointment of Auditors is not proposed for ratification at ensuing AGM.

M/s. Nayan Parikh & Co., Chartered Accountants (FRN: 107023W) have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

AUDITORS' REPORT

The Auditors have qualified their report to the members on the following matters:

(a) Attention is invited to note 18 (a) of the Standalone Ind AS Financial Statements relating to the excess managerial remuneration paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. The Company had once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and the year ended March 31, 2018. Similarly for the previous period ended 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 Rs. 108.72 lacs for which the Company has made an application to the MCA for approval of the same. Pending these approvals, no adjustments have been made to the financial results for the remuneration of the said period. This matter was qualified in the auditors' report dated June 18, 2017 by the previous auditors' on the financial statements for the year ended March 31, 2017.

(b) Attention is invited to Note no 29 of the Standalone Ind AS Financial Statements in respect of status 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 NHAI, they agreed to revoke the termination notice vide its letter dated 16th January 2017, subject to completing of financial closure and fulfilling of other commitments specified in the letter within the stipulated timeframe. The Company could not fulfil the said conditions. Ultimately on 8th September 2017, the Company made an application to NHAI for mutual exit from the project. The decision of NHAI in response to the aforesaid letter of mutual exit is pending.

In case the mutual exit proposal is accepted then the exposure of the Company is likely to be capped at Rs.7246.13 lacs as the Bank Guarantee would be released as requested by the Company in its letter dated 8th September 2017. In case the proposal is not accepted then the entire exposure of Rs. 15,666.13 lacs of the Company in the SPV needs to be tested for impairment. Accordingly, the decision of NHAI is more likely to have adverse impact on the Statement of Profit and Loss. No effects have been given in the financial statements of the SPV pending the decision of NHAI. The Auditors of the SPV have, in their audit report on the financial statements of the SPV for the year ended on 31st March 2018, carried a paragraph on Material Uncertainty related to Going Concern. The decision of the NHAI is awaited for determining the possible impairment and giving necessary effects. Pending the decision of NHAI we are unable to quantify the impairment that would be required in the matter and consequent impact on the Standalone Financial Statements.

(c) Attention is invited to Note no. 30 of the Standalone Ind AS Financial Statements, where the Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 3,776.69 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 158.13 lacs.

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

a) We invite attention to Note 32 (a) of the Standalone 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 Rs.2,856.96 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b) We invite attention to Note 32(b) of the Standalone 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 has also invoked arbitration. The Company's exposure towards the said project includes investment and loans and advances of Rs. 7,119.23 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

c) We invite attention to Note 32 (c) of the Standalone Ind AS Financial Statements, in connection with an amount invested (including deposits and advances given) in the subsidiary of Rs. 13,831.00 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, which would be operationally viable under the revised terms. The management has during the year acquired further stake from the JV partner and has obtained control over the SPV and holds 74% of the equity of the SPV Company. The auditors of the SPV have included a separate paragraph on Material Uncertainty related to Going Concern. 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 32 (d) of the Standalone 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. The SPV had earlier submitted a proposal under the Scheme for Sustainable Structuring of Stressed Assets (S4A) to the Lenders, which was cleared by the Lenders for approval of the Overseeing Committee (OC) set up by the Indian Banking Association (IBA), in consultation with the Reserve Bank of India (RBI). The SPV provided its response to the observations of the Lenders and the OC on the S4A proposal and was awaiting the OC/lenders' approval. In the interim, RBI vide its circular dated 12th February 2018, discontinued with immediate effect all restructuring schemes for stressed assets (including S4A). As per this circular, all schemes, including S4A which have been invoked but not implemented, shall be governed by the new circular. Thus the restructuring proposal proposed by the Company is no longer being pursued by the Lenders. Subsequently the Company has issued a cure period notice to Andhra Pradesh Road Development Corporation (APRDC or the Client) on 26th February 2018 under clause 37.2.1 of the Concession Agreement to cure the breaches of APRDC which includes provision of Revenue shortfall loan along with other mentioned breaches. Pending receipt of the response to the notice for cure period, no adjustments have been made in the financial statements. The auditors of the SPV have included a separate paragraph on Material Uncertainty related to Going Concern on the matter. The Company's exposure towards the project/SPV is Rs. 95,578.24 lacs (funded and non-funded).

e) We invite attention to Note 32(e) of the Standalone Ind AS Financial Statements, 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 had also separately applied to the lenders for Scheme for 5:25 Flexible Structuring Scheme for which sanction from two banks among consortium members had been received and sanction from rest bankers were expected in near future. However, in view of the RBI circular dated 12th February 2018, all restructuring schemes for stressed assets (including 5/25 Flexible Structuring Scheme) have been discontinued and the application became infructuous. The management contends that in view of the strong case it has on the claim matter as aforesaid 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 Rs. 1,30,254.07 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

f) We invite attention to Note no 32 (f) of the Standalone Ind AS Financial Statements relating to the Hydropower project in Sikkim. As detailed in the note there are various factors affecting the progress of the project. The management, as detailed in the note, is confident that it will be able to pursue the project viably and does not foresee any need for impairment. Considering the assertion of the management no adjustments have been made towards any possible impairment. The exposure of the Company in the SPV is Rs. 9,622.91 lacs.

g) We invite attention to Note 33 of the Standalone Ind AS Financial Statements, wherein during the year, Western Coalfields Limited (WCF) had encashed Bank Guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016). Subsequent to encashment Company has filed an application for converting earlier injunction application to suit for recovery of damages. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited the same to the statement of profit and loss for the year ended March 31, 2018.

It is clarified that the above matters covered in the Auditors' Report together with relevant notes in the Notes to Accounts 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, Mr. Veeraraghvan. N, Practicing Company Secretary (Certificate of Practice Number: 4334) was appointed to undertake the Secretarial Audit of the Company.

In terms of provisions of section 204 of the Companies Act, 2013, the Secretarial Audit Report has been annexed to this Board Report as Annexure IV.

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. 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 second 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 Board has re-constituted Internal Complaints Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with effect from February 14, 2018. During the Financial Year, no complaint was filed before the said Committee. Internal Complaints Committee comprises of Ms. Hilda Buthello, Ms. Poonam Sabnis, Mr. Sanjay Chaudhary and CA / CS Sunil Dedhia, Practicing Company Secretary as its members with Ms. Hilda Buthello as Chairperson of the 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 for 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 Governments, Semi Government and Local Authorities.

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

Sushil Chandra Tripathi	**Kishor Kumar Mohanty**
Chairman	Managing Director
DIN: 00941922	DIN: 00080498

Place: Mumbai
Date: June 13, 2018

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			**01.04.2017 to 31.03.2018**	**01.04.2016 to 31.03.2017**
1	Options granted / subsisting			2,40,000	3,00,000
2	Pricing Formula / Exercise Price (Rs.)			Rs. 2.00/-	Rs. 2.00/-
3	Options vested			60,000	1,20,000
4	Options exercised			Nil	60,000
5	Total number of Equity Shares arising as a result of exercise of Options			Nil	60,000
6	Options lapsed /cancelled			1,20,000	Nil
7	Variation of terms of Options			None	None
8	Money realised by exercise of Options			Nil	1,20,000
9	Total number of options in force			1,20,000	2,40,000
10	Weighted average exercise price (Rs.)			Rs. 2.00/-	Rs. 2.00/-
11	Weighted average fair value of Options granted during the year (Rs.)	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 (Rs.)	Rs. 6.40/-			
	Exercise Price (Rs.)	Rs. 2.00/-			
	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. Kaushik Chaudhuri – 2,40,000 (3.89% of total options granted) Other Employees No employee has been granted Options exceeding 1% of the issued capital of the Company.			

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

Financial Year	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Diluted earnings per share pursuant to issue of Equity Shares on exercise of option calculated in accordance with Accounting Standard (AS – 20)	0.12	0.20

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

Financial Year	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
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. NPAT of Rs.1144.47 lakhs and EPS of Rs.0.12 would remain unchanged.	NPAT of Rs.1875.16 lakhs and EPS of Rs.0.20 would remain unchanged

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, 2018, which were not at arms' length basis.

2. **Details of contracts or arrangements or transactions at Arms' 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	14,281.75	Contract commencing from 3rd July, 2013 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: Rs.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	Patna Highway Projects Limited (PHPL) (Wholly owned subsidiary of the Company)	Operations and Maintenance Income	1,542.92			Not applicable since the contract was entered into between two public companies at the time of signing of the contract	Nil

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

Place: Mumbai
Date: 13th June 2018

Sushil C. Tripathi
Chairman
DIN: 00941922

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Annexure III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31/03/2018
(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	85.34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Birmitrapur Barkote Highway Private Limited	U45200DL2012PTC234342	Subsidiary	100%	2(87) (ii)
2	Cochin Bridge Infrastructure Company Limited	U45200MH1999PLC122317	Subsidiary	97.66%	2(87) (ii)
3	Chitoor Infra Company Private Limited	U74990MH2010PTC210401	Step down Subsidiary	100%	2(87) (ii)
4	Earthlink Infrastructure Projects Private Limited	U74990MH2010PTC210405	Step down Subsidiary	100%	2(87) (ii)
5	Gammon Logistics Limited	U45309MH2007PLC171578	Subsidiary	100%	2(87) (ii)
6	Gammon Projects Developers Limited	U45200MH2006PLC159107	Subsidiary	100%	2(87) (ii)
7	Gammon Renewable Energy Infrastructure Projects Limited	U74990MH2009PLC194805	Subsidiary	100%	2(87) (ii)
8	Gammon Road Infrastructure Limited	U74990MH2009PLC194822	Subsidiary	100%	2(87) (ii)

Sr. No.	Name of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
9	Gammon Seaport Infrastructure Limited	U74990MH2009PLC194663	Subsidiary	100%	2(87) (ii)
10	Ghaggar Renewable Energy Private Limited	U40108DL2010PTC210979	Step down Subsidiary	100%	2(87) (ii)
11	Haryana Biomass Power Limited	U40102MH2007PLC173416	Subsidiary	100%	2(87) (ii)
12	Indira Container Terminal Private Limited	U63032MH2007PTC174100	Subsidiary	**74%	2(87) (ii)
13	Jaguar Projects Developers Limited	U70102MH2008PLC185427	Subsidiary	100%	2(87) (ii)
14	Lilac Infraprojects Developers Limited	U45203DL2010PLC202526	Subsidiary	100%	2(87) (ii)
15	Marine Project Services Limited	U61100MH2007PLC168759	Subsidiary	100%	2(87) (ii)
16	Patna Highway Projects Limited	U74999DL2009PLC197265	Subsidiary	100%	2(87) (ii)
17	Pravara Renewable Energy Limited	U45202MH2008PLC185428	Subsidiary	100%	2(87) (ii)
18	Ras Cities and Townships Private Limited	U70102TG2005PTC047148	Step down Subsidiary	100%	2(87) (ii)
19	Rajahmundry Godavari Bridge Limited	U45203MH2008PLC185941	Subsidiary	75.28%	2(87) (ii)
20	Segue Infrastructure Projects Private Limited	U74900MH2010PTC210430	Step down Subsidiary	100%	2(87) (ii)
21	Sidhi Singrauli Road Project Limited	U74999DL2012PLC234738	Subsidiary	100%	2(87) (ii)
22	Sikkim Hydro Power Ventures Limited	U40100DL2005PLC257673	Subsidiary	100%	2(87) (ii)
23	Tada Infra Development Company Limited	U45400MH2008PLC186002	Subsidiary	100%	2(87) (ii)
24	Tangri Renewable Energy Private Limited	U40108DL2010PTC210977	Step down Subsidiary	100%	2(87) (ii)
25	Tidong Hydro Power Limited	U40101HP2007PLC030774	Subsidiary	**51%	2(87) (ii)
26	Vijayawada Gundugolanu Road Project Private Limited	U74990DL2012PTC232205	Subsidiary	100%	2(87) (ii)
27	Vizag Seaport Private Limited	U45203AP2001PTC038955	Subsidiary	73.76%	2(87) (ii)
28	Yamuna Minor Minerals Private Limited	U40108DL2010PTC210978	Step down Subsidiary	100%	2(87) (ii)
29	Yamunanagar Panchkula Highway Private Limited	U74999DL2012PTC234340	Subsidiary	100%	2(87) (ii)
30	Youngthang Power Ventures Limited	U40101HP2008PLC030953	Subsidiary	100%	2(87) (ii)
31	Modern Toll Roads Private Limited	U45203MH2007PTC173503	Associate	49%	2(6)
32	ATSL Infrastructure Projects Limited	U45400MH2007PLC169995	Associate	48.90%	2(6)
33	Eversun Sparkle Maritime Services Private Limited	U60210AP2004PTC044374	Associate	30.90%	2(6)
34	SEZ Adityapur Limited	U45200JH2006PLC012633	Associate	38%	2(6)

Gammon India Limited ceased to be a holding company of the Company through subsidiaries, Gammon Power Limited and Gactel Turnkey Projects Limited w. e. f. September 7, 2017
**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	362,999,700	0	362,999,700	38.54	-19.90
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**	**362,999,700**	**0**	**362,999,700**	**38.54**	**-19.90**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0.00	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0.00	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0.00	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0.00	0	0	0.00	0.00
e) Any Other….	0	0	0	0.00	0.00	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**	**362,999,700**	**0**	**362,999,700**	**38.54**	**-19.90**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	125,798,644	0	125,798,644	13.36	96,094,884	0	96,094,884	10.20	-3.16
b) Banks / FI	9,406,307	0	9,406,307	1.00	8,850,130	0	8,850,130	0.94	-0.06
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	52,022,114	0	52,022,114	5.52	13,702,110	0	13,702,110	1.45	-4.07
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):-	**187,227,065**	**0**	**187,227,065**	**19.86**	**118,647,124**	**0**	**118,647,124**	**12.59**	**-7.27**

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.	48,259,299	0	48,259,299	5.12	119,093,124	0	119,093,124	12.65	7.53
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	82,028,925	2,695	82,031,620	8.71	166,550,046	2,695	166,552,741	17.68	8.97
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	45,474,742	0	45,474,742	4.83	127,619,092	0	127,619,092	13.56	8.73
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	1,515	0	1,515	0.00	1,515	0	1,515	0.00	0.00
Foreign Nationals / NRI	4,713,768	0	4,713,768	0.50	12,019,281	0	12,019,281	1.28	0.78
HUF	5,951,531	0	5,951,531	0.63	9,583,794	0	9,583,794	1.02	0.39
Director or Director's Relatives	8,653,997	0	8,653,997	0.92	8,603,997	0	8,603,997	0.91	-0.01
Office Bearers	1,362,054	0	1,362,054	0.14	1,332,841	0	1,332,841	0.14	0.00
Clearing Members	7,755,109	24	7,755,133	0.83	15,377,491	24	15,377,515	1.63	0.80
Sub-total (B)(2):-	**204,200,940**	**2,719**	**204,203,659**	**21.67**	**460,181,181**	**2,719**	**460,183,900**	**48.87**	**27.20**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**391,428,005**	**2,719**	**391,430,724**	**41.56**	**578,828,305**	**2,719**	**578,831,024**	**61.46**	**19.90**
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)	**941,828,005**	**2,719**	**941,830,724**	**100.00**	**941,828,005**	**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	362999700	38.54	38.54	-17.52
2	Gactel Turnkey Projects Limited	22,400,000	2.38	0.00	Nil	Nil	Nil	-2.38
	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 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gammon Power Limited				
	At the beginning of the year	528,000,000	56.06	528,000,000	56.06
	Decrease: Market sale – 08-Aug-2017	80,000,300	8.49	447,999,700	47.57
	Decrease: Market sale – 13-Sep-2017	20,000,000	2.12	427,999,700	45.44
	Decrease: Market sale – 14-Sep-2017	10,000,000	1.06	417,999,700	44.38
	Decrease: Market sale – 18-Oct-2017	17,500,000	1.86	400,499,700	42.52
	Decrease: Market sale – 27-Oct-2017	12,500,000	1.33	387,999,700	41.20
	Decrease: Market sale – 24-Nov-2017	15,000,000	1.59	372,999,700	39.60
	Decrease: Market sale – 18-Jan-2018	10,000,000	1.06	362,999,700	38.54
	At the end of the year	362,999,700	38.54	362,999,700	38.54
2	Gactel Turnkey Projects Limited				
	At the beginning of the year	22,400,000	2.38	22,400,000	2.38
	Decrease: Market sale – 31-Aug-2017	1,80,00,000	1.91	4,400,000	0.47
	Decrease: Market sale – 01-Sep-2017	39,80,879	0.42	419,121	0.04
	Decrease: Market sale – 04-Sep-2017	4,19,121	0.04	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

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

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
	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	Frontier Realty Private Limited				
	At the beginning of the Year	14,381,246	1.53	14,381,246	1.53
	Increase - Market purchase - 27-Oct-2017	17,289,685	1.83	31,670,931	3.36
	Increase - Market purchase - 03-Nov-2017	11,900,000	1.26	43,570,931	4.62
	At the end of the Year	43,570,931	4.62	43,570,931	4.62
3	HDFC Trustee Company Limited - HDFC Infrastructure Fund				
	At the beginning of the Year	30,245,236	3.21	30,245,236	3.21
	Date wise Increase / Decrease in Shareholding during the year	0	0.00	0	0.00
	At the end of the Year	30,245,236	3.21	30,245,236	3.21
4	Mr. Vinod Hashmatrai Punwani				
	At the beginning of the Year	5,838,050	0.62	5,838,050	0.62
	Increase - Market purchase - 04-Apr-2017	467,450	0.05	6,305,500	0.67
	Increase - Market purchase - 28-Apr-2017	194,500	0.02	6,500,000	0.69
	Increase - Market purchase - 12-May-2017	6,605	0.00	6,506,605	0.69
	Increase - Market purchase - 09-June-2017	191,454	0.02	6,698,059	0.71
	Increase - Market purchase - 16-June-2017	1,401,941	0.15	8,100,000	0.86
	Increase - Market purchase - 07-July-2017	25,000	0.00	8,125,000	0.86
	Increase - Market purchase - 04-Aug-2017	150,000	0.02	8,275,000	0.88
	Increase - Market purchase - 25-Aug-2017	505,000	0.05	8,780,000	0.93
	Increase - Market purchase - 22-Sep-2017	2,153,770	0.23	10,933,770	1.16
	Increase - Market purchase - 30-Sep-2017	148,511	0.02	11,082,281	1.18
	Increase - Market purchase - 06-Oct-2017	47,719	0.00	11,130,000	1.18
	Increase - Market purchase - 24-Nov-2017	470,000	0.05	11,600,000	1.23
	Increase - Market purchase - 15-Dec-2017	300,000	0.03	11,900,000	1.26
	Increase - Market purchase - 05-Jan-2018	591,035	0.06	12,491,035	1.32
	Increase - Market purchase - 12-Jan-2018	508,965	0.06	13,000,000	1.38
	Increase - Market purchase - 16-Mar-2018	150,000	0.01	13,150,000	1.39
	Increase - Market purchase - 31-Mar-2018	200,000	0.02	13,350,000	1.41

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
	At the end of the Year	13,350,000	1.41	13,350,000	1.41
5	ICICI Prudential Midcap Fund				
	At the beginning of the Year	25,754,374	2.73	25,754,374	2.73
	Decrease - Market sale - 12-Jan-2018	1,809,641	0.19	23,944,733	2.54
	Decrease - Market sale - 19-Jan-2018	5,108,787	0.54	18,835,946	2.00
	Decrease - Market sale - 09-Feb-2018	5,250,958	0.56	13,584,988	1.44
	Decrease - Market sale - 16-Feb-2018	574,457	0.06	13,010,531	1.38
	At the end of the Year	13,010,531	1.38	13,010,531	1.38
6	Aviator Global Investment Fund				
	At the beginning of the Year	3,000,000	0.32	3,000,000	0.32
	Increase - Market purchase - 24-Nov-2017	1,809,641	0.46	7,407,562	0.78
	Increase - Market purchase - 01-Dec-2017	2,817,732	0.30	10,225,294	1.08
	At the end of the Year	10,225,294	1.08	10,225,294	1.08
7	Shree Suprinit Tradinvest Private Limited				
	At the beginning of the Year	Nil	Nil	Nil	Nil
	Increase - Market purchase - 11-Aug-2017	7,975,000	0.85	7,975,000	0.85
	At the end of the Year	7,975,000	0.85	7,975,000	0.85
8	Kunvarji Finstock Private Limited				
	At the beginning of the Year	10,000	0.00	10,000	0.00
	Increase - Market purchase - 21-Apr-2017	1,000	0.00	11,000	0.00
	Decrease - Market sale - 28-Apr-2017	500	0.00	10,500	0.00
	Increase - Market purchase - 12-May-2017	10,000	0.00	20,500	0.00
	Decrease - Market sale - 26-May-2017	8,500	0.00	12,500	0.00
	Decrease - Market sale - 02-June-2017	2,000	0.00	10,500	0.00
	Increase - Market purchase - 23-June-2017	1,000	0.00	11,500	0.00
	Decrease - Market sale - 07-July-2017	1,000	0.00	10,500	0.00
	Increase - Market purchase - 14-July-2017	500	0.00	11,000	0.00
	Decrease - Market sale - 21-July-2017	500	0.00	10,500	0.00
	Decrease - Market sale - 28-July-2017	3,850	0.00	6,150	0.00
	Decrease - Market sale - 04-Aug-2017	6,150	0.00	0	0.00
	Increase - Market purchase - 11-Aug-2017	25,000	0.00	25,000	0.00
	Increase - Market purchase - 25-Aug-2017	1,000	0.00	26,000	0.00

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 - 01-Sep-2017	500	0.00	25,500	0.00
	Increase - Market purchase - 08-Sep-2017	6,500	0.00	32,000	0.00
	Decrease - Market sale - 15-Sep-2017	32,000	0.00	0	0.00
	Increase - Market purchase - 03-Nov-2017	165,000	0.02	165,000	0.02
	Decrease - Market sale - 10-Nov-2017	165,000	0.02	0	0.00
	Increase - Market purchase - 17-Nov-2017	1,000	0.00	1,000	0.00
	Increase - Market purchase - 24-Nov-2017	2,500	0.00	3,500	0.00
	Decrease - Market sale - 01-Dec-2017	3,500	0.00	0	0.00
	Increase - Market purchase - 08-Dec-2017	25,000	0.00	25,000	0.00
	Decrease - Market sale - 15-Dec-2017	15,000	0.00	10,000	0.00
	Increase - Market purchase - 22-Dec-2017	5,000	0.00	15,000	0.00
	Increase - Market purchase - 29-Dec-2017	5,009	0.00	20,009	0.00
	Increase - Market purchase - 30-Dec-2017	15,000	0.00	35,009	0.00
	Decrease - Market sale - 05-Jan-2018	15,000	0.00	20,009	0.00
	Decrease - Market sale - 12-Jan-2018	19,009	0.00	1,000	0.00
	Increase - Market purchase - 19-Jan-2018	37,500	0.00	38,500	0.00
	Decrease - Market sale - 26-Jan-2018	26,800	0.00	11,700	0.00
	Increase - Market purchase - 02-Feb-2018	3,500	0.00	15,200	0.00
	Increase - Market purchase - 09-Feb-2018	7,419,800	0.79	7,435,000	0.79
	Decrease - Market sale - 16-Feb-2018	109,000	0.01	7,326,000	0.78
	Decrease - Market sale - 23-Feb-2018	353,364	0.04	6,792,436	0.74
	Decrease - Market sale - 02-Mar-2018	15,741	0.00	6,956,695	0.74
	Increase - Market purchase - 09-Mar-2018	5,000	0.00	6,961,695	0.74
	Decrease - Market sale - 16-Mar-2018	5,000	0.00	6,956,695	0.74
	Decrease - Market sale - 31-Mar-2018	250,000	0.03	6,706,695	0.71
	At the end of the Year	6,706,695	0.71	6,706,695	0.71
9	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	0	0.00	0	0.00
	At the end of the Year	6,000,000	0.63	6,000,000	0.63
10	Mr. Manojkumar Prannath Abrol				

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
	At the beginning of the Year	Nil	Nil	Nil	Nil
	Increase - Market purchase - 11-Aug-2017	5,620,000	0.59	5,620,000	0.59
	Decrease – Market sale – 19-Jan-2018	150,000	0.01	5,470,000	0.58
	Increase - Market purchase - 26-Jan-2018	50,000	0.00	5,520,000	0.58
	Increase - Market purchase - 02-Feb-2018	50,000	0.00	5,570,000	0.59
	Increase - Market purchase - 09-Feb-2018	50,000	0.00	5,620,000	0.59
	Increase - Market purchase - 23-Mar-2018	100,000	0.01	5,720,000	0.60
	At the end of the Year	5,720,000	0.60	5,720,000	0.60

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	-	-	-	-
	Shareholding as on 29-Sep-2017	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

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
B)	**KMPs**				
5.	**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
6.	**Ms. Renuka Matkari##**				
	At the beginning of the year	721	0.00	721	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	Shareholding as on 10-Nov-2017	721	0.00	721	0.00

i) *Mr. Abhijit Rajan ceased to be a Director of the Company w. e. f. May 7, 2018.
ii) **Mr. C. C. Dayal resigned as Director of the Company w. e. f. September 29, 2017.
iii) #Mr. Naresh Sasanwar was appointed Chief Financial Officer in place of Mr. Kaushik Chaudhuri w.e.f. February 14, 2018.
iv) ##Ms. Renuka Matkari resigned as the Company Secretary w. e. f. November 10, 2017.
v) Mr. Sushil Chandra Tripathi, Chairman and Independent Director, Mr. Sanjay Sachdev, Independent Director and Mr. Vardhan Dharkar, Non-Executive Director do not hold equity shares of the Company.
vi) Mr. Naresh Sasanwar, Chief Financial Officer and Mr. Kaushal Shah, Company Secretary do not hold equity shares of the Company.

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	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**
Change in Indebtedness during the financial year				
* Addition	0.00	24.00	0.00	24.00
* Reduction	1,222.31	0.00	0.00	1,222.31
Net Change	1,222.31	24.00	0.00	1,246.31
Indebtedness at the end of the financial year				
i) Principal Amount	13,494.24	0.00	0.00	13,494.24
ii) Interest due but not paid	0.00	158.13	0.00	158.13
iii) Interest accrued but not due	4.21	264.09	0.00	268.30
Total (i+ii+iii)	**13,498.45**	**422.22**	**0.00**	**13,920.67**

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
		Kishor Kumar Mohanty (Managing Director)	
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) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) 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		24,000,000

(Amount in ₹)

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total
1	Independent Directors	*Chandrahas C. Dayal	Sushil Chandra Tripathi	Homai A. Daruwalla	**Sanjay Sachdev	
	Fee for attending board/ committee meetings	350,000	400,000	650,000	150,000	1,550,000
	Commission	0	0	0	0	0
	Others	0	0	0	0	0
	Total (1)	350,000	400,000	650,000	150,000	1,550,000

*Resigned as Director with effect from 29th September, 2017.
**Appointed as Director with effect from 9th November, 2017.

2	Other Non- Executive Directors	*Naresh Chandra	**Abhijit Rajan	***Vardhan Dharkar	Total
	Fee for attending board / committee meetings	150,000	300,000	50,000	500,000
	Commission	0	0	0	0
	Others	0	0	0	0
	Total (2)	150,000	300,000	50,000	500,000
	Total (1 + 2)				**2,050,000**
	Total Managerial Remuneration (A+B)		25,642,200 (including sitting fees)		
	Overall Ceiling as per the Act		24,000,000 (excluding sitting fees)		

*Ceased to be Director of the Company due to his demise on July 9, 2017.
**Ceased to be Director of the Company w. e. f. May 7, 2018.
***Appointed as Director with effect from 20th November, 2017.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Kaushik Chaudhuri (CFO) up to 14-02-2018	**Naresh Sasanwar (CFO) appointed w. e. f. 14-02-2018**	**Total**
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,186,788	599,963	6,786,750
	(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	153,969	15,296	169,264
	Total	**6,340,756**	**615,258**	**6,956,128**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Renuka Matkari (CS) resigned w. e. f. 10-11-2017	**Kaushal Shah (CS) appointed w. e. f. 14-02-2018**	**Total**
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	893,453	221,527	1,114,980
	(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	21,675	5,334	27,009
	Total	**915,128**	**226,861**	**1,141,989**

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

Sushil C. Tripathi
Chairman
DIN: 00941922

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Place: Mumbai
Date: June 13, 2018

Annexure IV

Form No. MR – 3
SECRETRIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

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

To
The Members,
Gammon 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 and its officers, 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 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2018 , 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). The 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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (h) SEBI (Share Based Employee Benefits) Regulations, 2014.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015

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

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

(2) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, 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 to Mr. K. K. Mohanty, Managing Director 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 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 financial year ended 31st March 2017, the managerial remuneration paid to Mr. K. K. Mohanty, Managing Director, was in excess of the limits specified in the Act and the Rules thereunder. The Company has submitted an application to the Ministry of Corporate Affairs for approval / waiver of recovery of the excess remuneration paid.**

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. However, during the year under review, Mr. Abhijit Rajan, Director (DIN: 00177173) had incurred disqualification under Section 164 (2) of the Companies Act, 2013 due to default by another company.

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: June 13, 2018

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 2017 to 31st March 2018 are as under:

Sr. No.	Name of the Director	Designation	Remuneration (in ₹)	Ratio (times)
A	Median Employee Remuneration	--	Rs. 876,805/-	1:1.05
B	Directors Remuneration			
1.	Mr. Kishor Kumar Mohanty	Managing Director	Rs. 22,872,200/-	1: 27

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during 1st April 2017 to 31st March 2018 are as under:

Sr. No.	Name of the Director/KMP	Designation	% increase in Remuneration in the Financial Year 1st April 2017 to 31st March 2018
1.	Mr. Kishor Kumar Mohanty	Managing Director	Nil (Previous year – Negative 37%)
2.	Mr. Kaushik Chaudhuri*	CFO	N. A. (Previous year – N. A.)
3	Mr. Naresh Sasanwar**	CFO	N. A.
4.	Ms. Renuka Matkari#	Company Secretary	N. A. (Previous year – 22%)
5.	Mr. Kaushal Shah	Company Secretary	N. A.

*resigned w.e.f. February 14, 2018
**appointed w.e.f. February 14, 2018
*** resigned w.e.f. November 10, 2017
**** appointed w.e.f. February 14, 2018

(iii) The percentage increase in the median remuneration of employees in the financial year: 28% (Previous year 35%)

(iv) There were 41 permanent employees on the rolls of the Company as on 31st March, 2018.

(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	**Mr. Naresh Sasanwar, Chief Financial Officer	##Mr. Kaushal Shah, Company Secretary
Remuneration in FY 2017-18	2,28,72,200	61,86,788	8,93,453	5,99,963	2,21,527
Revenue	1,898,202,000	1,898,202,000	1,898,202,000	1,898,202,000	1,898,202,000
Remuneration as a % of revenue	1.20%	0.33%	0.05%	0.03%	0.01%
Profit before Tax (PBT)	192,110,000	192,110,000	192,110,000	192,110,000	192,110,000
Remuneration (as % of PBT)	11.91%	3.22%	0.47%	0.31%	0.12%

*resigned as Chief Financial Officer w.e.f. February 14, 2018
#resigned as Company Secretary w.e.f. November 10, 2017
**appointed as Chief Financial Officer w. e. f. February 14, 2018
appointed as Company Secretary w. e. f. February 14, 2018

(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 28th March 2018	As at 31st March 2017	Variation
Market Capitalization (₹ in crores)	230.74	383.32	-39.31
Price Earnings Ratio	20.58	20.44	0.69

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	*28th March 2018	March 2008 IPO Price	% Change
Market Price (BSE) in ₹	2.47	167	-98.52
Market Price (NSE) in ₹	2.45	167	-98.53

QIP not considered as public offer.
*March 29, 2018 to March 31, 2018 were trading holidays

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ended 31st March 2018 was 12% whereas the increase in the managerial remuneration for the same financial year was Nil.

(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 2017-18 to Remuneration to	
	1st April 2017 to 31st March 2018	1st April 2016 to 31st March 2017			Revenue	Net Profit
Mr. Kishor Kumar Mohanty, Managing Director	22,872,200/-	22,872,200/-	1:27 (Current)	-8%	1.20%	12.20%
*Mr. Kaushik Chaudhuri, Chief Financial Officer	6,186,788/-	6,195,286/-	1:7.4 (Current)	-3%	0.33%	3.30%
**Mr. Naresh Sasanwar, Chief Financial Officer	599,963/-	---	N. A.	N. A.	---	---
#Ms. Renuka Matkari, Company Secretary	893,453/-	1,550,440/-	1:1.07	-2%	0.08%	0.83%
##Mr. Kaushal Shah, Company Secretary	221,527/-	---	N. A.	N. A.	---	---

*resigned as Chief Financial Officer w.e.f. February 14, 2018
#resigned as Company Secretary w.e.f. November 10, 2017
**appointed as Chief Financial Officer w. e. f. February 14, 2018
appointed as Company Secretary w. e. f. February 14, 2018

(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.

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 2018 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: 13th June, 2018

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders thereby paving the way for its long term success. The long-term interest, particularly in infrastructure business, is closely woven with alignment of the trust of its stakeholders'. Your Company is committed to enhance the stakeholders' interest and maintain a customer centric focus in all its dealings.

The Company's philosophy on Corporate Governance is built on a rich legacy of fair and transparent governance and disclosure practices, many of which were in existence even before they were mandated by legislation.

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavours to improve upon these aspects and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources.

BOARD OF DIRECTORS

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

The Board of Directors comprised of six Directors of which five are non-executive directors and one is an executive director. Out of the five non-executive directors three are 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 2018 **("Financial Year")**, the Board met seven times on 2nd June 2017, 13th June 2017, 18th June 2017, 27th July 2017, 13th November 2017, 20th November 2017 and 14th February 2018.

The composition of the Board of Directors and their attendance at the Board Meetings during the Financial 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 Seven 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*	2	No	NA	NA	NA
#Mr. S. C. Tripathi *Chairman, Independent Director*	4	Yes	7	3	8
Mr. Kishor Kumar Mohanty *Managing Director*	7	Yes	6	0	1
**Mr. Abhijit Rajan *Non-Executive Director*	6	No	3	-	-
***Mr. C.C. Dayal *Independent Director*	4	N.A.	N.A.	N.A.	N.A.
Ms. Homai A Daruwalla, *Independent Director*	7	Yes	9	5	11
****Mr. Sanjay Sachdev, *Independent Director*	2	Yes	Nil	Nil	Nil
***** Mr. Vardhan Dharkar, *Non-Executive Director*	1	Yes	1	Nil	1

#Appointed as Chairman of the Company w.e.f. February 14, 2018

*Ceased to be a Director of the Company due to his demise on July 9, 2017.
**Vacated office of Director of the Company w.e.f. May 7, 2018.
***Resigned as the Director of the Company w.e.f. September 29, 2017.

****Appointed as Additional Director (Independent Director) of the Company w. e. f. November 9, 2017
*****Appointed as Non-Executive Director w. e. f. November 20, 2017 to fill up the casual vacancy created due to demise of Mr. Naresh Chandra
$ excludes private, foreign and unlimited liability companies and companies registered under section 8 of the Companies Act, 2013
$$ indicates membership of Audit-Committee & Stakeholders Relationship Committee across all public limited companies.

Mr. Chayan Bhattacharjee was appointed as Additional Director of the Company w. e. f. June 13, 2018 to hold office as Non-Executive Director of the Company.

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

Separate meeting of Independent Directors

The Independent Directors met on March 13, 2018, 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 the Executive Directors and the 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.

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's 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 the performances of the Directors individually as well as the evaluation of the working of its Board and their Committees.

Performance evaluation of each of the Directors was carried out based on the criteria as laid down by the Nomination & Remuneration Committee. The broad criteria followed for evaluation of performance of the 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, 2018. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

The Audit Committee comprises of three members with majority being Independent Directors. The Chairman of the Audit Committee is 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 five times. The meetings were held on 13th June 2017, 18th June 2017, 27th July 2017, 13th November 2017, and 14th February 2018. Necessary quorum was present at the meetings.

Sr. No.	Name	Designation	No. of Meetings attended
1	*Mr. C.C. Dayal	Ex-Chairman	3
2	**Mr. Naresh Chandra	Member	1
3	#Mr. Sushil C. Tripathi	Chairman	3
4	Ms. Homai A. Daruwalla	Alternate Chairperson	5
5	##Mr. Kishor Kumar Mohanty	Member	2

* Ceased to be Chairman and member of the Audit Committee w.e.f. September 29, 2017 due to his resignation as a Director of the Company.
**Ceased to be the member of the Audit Committee due to his demise on July 9, 2017.
#Appointed as the Chairman of the Audit Committee w.e.f. November 9, 2017.
Appointed as a member of the Audit 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 (NRC) was reconstituted on February 14, 2018. NRC met once during the financial year, on 14th February, 2018.

Sr. No.	Name	Designation	No. of Meetings attended
1	Ms. Homai A Daruwalla	Chairperson	1
2	*Mr. Sanjay Sachdev	Member	1
3	*Mr. Vardhan Dharkar	Member	1

* Appointed as members of the NRC w.e.f. February 14, 2018.
Mr. C. C. Dayal ceased to be Chairman and member of the NRC w.e.f. September 29, 2017 due to his resignation as a Director of the Company.
Mr. Sushil C. Tripathi ceased as a member of the NRC w.e.f. February 14, 2018.

Remuneration Policy:

The remuneration of the Managing Director is recommended by the NRC 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 the NRC 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 financial year 2017-18 and shareholding in the Company as on 31st March 2018.

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 the Non-Executive Directors during the financial year 2017-18 and their shareholding in the Company as on 31st March 2018:

Name of the Non-Executive Directors	Sitting fees (₹)	Total number of shares held
Mr. Naresh Chandra	1,50,000	Nil
Mr. C. C. Dayal	3,50,000	50,000
Mr. Abhijit Rajan	3,00,000	60,00,000
Mr. Sushil Chandra Tripathi	4,00,000	Nil
Ms. Homai A. Daruwalla	6,50,000	541
Mr. Sanjay Sachdev	1,50,000	Nil
Mr. Vardhan Dharkar	50,000	Nil

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

The Stakeholders Relationship Committee was reconstituted on February 14, 2018. No meeting of the SRC was held during the financial year.

Sr. No.	Name	Designation
1	*Ms. Homai A. Daruwalla	Chairperson
2	**Mr. Vardhan Dharkar	Member

Mr. C. C. Dayal ceased to be Chairman and member of the Stakeholders Relationship Committee ("SRC") w.e.f. September 29, 2017 due to his resignation as a Director of the Company.
* Appointed as the Chairperson of SRC w.e.f. February 14, 2018.
** Appointed as a member of SRC w.e.f. February 14, 2018.

During the Financial year, the Company received 10 (Ten) complaints which were resolved on time and no complaint remained pending at the end of the Financial Year. The status of complaints is periodically reported to the Board of Directors.

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

4. COMPENSATION COMMITTEE

Terms of reference

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

Composition and Attendance

The Compensation Committee was reconstituted on February 14, 2018. No meeting of Compensation Committee was held during the financial year.

Sr. No.	Name	Designation
1	*Ms. Homai A. Daruwalla	Chairperson
2	**Mr. Sushil Chandra Tripathi	Member
3	Mr. Kishor Kumar Mohanty	Member

* Appointed as the Chairperson of Compensation Committee w.e.f. February 14, 2018.
** Appointed as a member of Compensation Committee w.e.f. February 14, 2018.

Mr. C. C. Dayal ceased to be Chairman and member of Compensation Committee w.e.f. September 29, 2017 due to his resignation as a Director of the Company

5. RISK MANAGEMENT COMMITTEE

The Board has constituted Risk Management Committee ("RMC") to monitor and review the risk management plan for the Company.

Composition and Attendance

The Risk Management Committee was reconstituted on February 14, 2018. No meeting of this Committee was held during the financial year.

Sr. No.	Name	Designation
1	Mr. Kishor Kumar Mohanty	Chairman
2	*Mr. Abhijit Rajan	Member
3	**Mr. Sanjay Sachdev	Member
4	Ms. Homai A. Daruwalla	Member
5	**Mr. Kaushik Chaudhuri	Member
6	**Mr. Manu Trivedi	Member

Mr. C. C. Dayal ceased to be Chairman and member of RMC w. e. f. 29.09.2017 due to his resignation as a Director of the Company.
* Appointed as the Chairman of RMC w. e. f. February 14, 2018 and ceased to be Chairman and Member of RMC w. e. f. May 7, 2018.
** Appointed as members of RMC w. e. f. February 14, 2018.

6. BUSINESS REVIEW COMMITTEE

The Project Committee was renamed w.e.f. 14th February 2018 as Business Review Committee. It comprises of Mr. Kishor K. Mohanty, Managing Director, Ms. Homai A. Daruwalla, Independent Director, Mr. Sanjay Sachdev, Independent Director and Mr. Manu Trivedi, President. The Committee reviews the implementation and working of projects under development and operation.

Mr. Abhijit Rajan ceased to be Chairman and Member of the Business Review Committee w. e. f. May 7, 2018.

No meeting of this Committee was 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

The CSR Committee was reconstituted on February 14, 2018. No meeting of the CSR Committee was held during the financial year.

Sr. No.	Name	Designation
1	*Mr. Sanjay Sachdev	Chairman
2	Mr. Kishor Kumar Mohanty	Member
3	Ms. Homai A. Daruwalla	Member

Mr. C. C. Dayal ceased to be Chairman and member of CSR Committee w. e. f. 29th September 2017 due to his resignation as a Director of the Company.
* Appointed as the Chairman of CSR Committee w. e. f. 14th February 2018.

GENERAL BODY MEETINGS

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

AGM	Year	Date	Time	Venue	Special Resolution passed
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
16th	1st April 2016 to 31st March 2017.	19th December, 2017	11.00 a.m	Hotel Kohinoor Park, Empress Hall, 1st Floor, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai-400025.	a. Re-appointment of Mr. Kishor Kumar Mohanty as the Managing Director of the Company for a further period of two years w.e.f. 12th April 2017. b. Approval of waiver of recovery of remuneration of Mr. Kishor Kumar Mohanty, Managing Director of the Company for the period from 1st April 2016 to 31st March 2017.

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 Listing 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/-	40,250.00
1st April, 2016 to 31st March, 2017	1,978,661/-	2,275,911.30
Total	**2,013,661/-**	**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 3 (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 financial year, the Company had published the results in Business Standard (Mumbai, Delhi and Kolkata editions) and Free Press Journal (English) and Nav Shakti times (Marathi). The said results are also displayed on the Company's website at www.gammoninfra.com. Press releases made by the Company are informed to the Stock Exchanges and are also uploaded on the website of the Company.

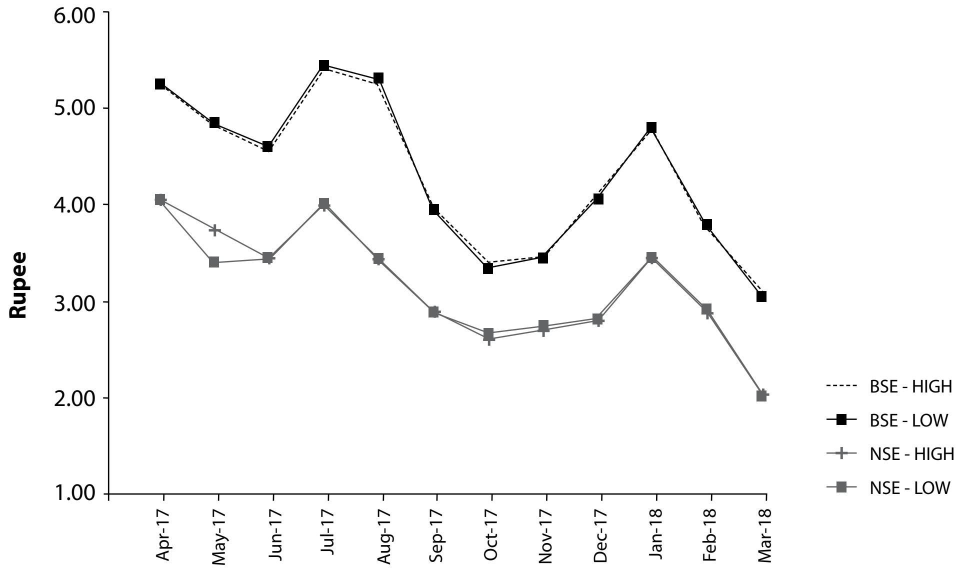
GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Day, Date, Time and Venue	Thursday, September 20, 2018 at 11.00 a.m. Hotel Kohinoor Park, Empress Hall, 1st Floor, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai-400025.
Financial Calendar	
First quarterly results	On or before August 14, 2018
Second quarterly results	On or before November 14, 2018
Third quarterly results	On or before February 14, 2019
Year ending March, 2019	On or before May 30, 2019
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	The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) The Annual listing fees have been paid to both the Stock Exchanges. BSE: 532959 and NSE: GAMMNINFRA
ISIN	INE181G01025

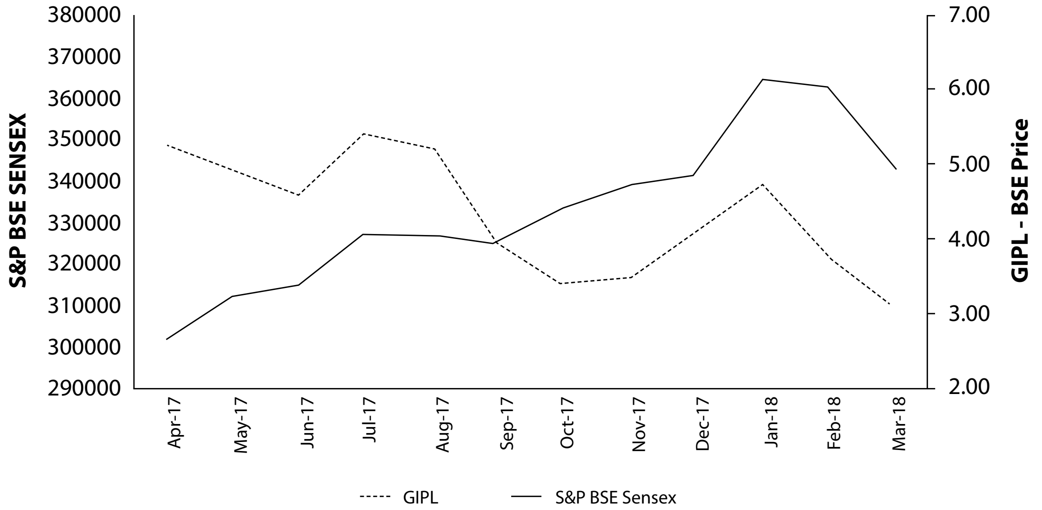
Stock market price data for the period: 01.04.2017 to 31.03.2018

Month	**National Stock Exchange of India Limited**		**BSE Limited**	
	High (₹)	**Low (₹)**	**High(₹)**	**Low(₹)**
April 2017	5.25	4.05	5.24	4.06
May 2016	4.85	3.75	4.85	3.42
June 2017	4.60	3.45	4.59	3.45
July 2017	5.45	4.00	5.41	4.01
August 2017	5.30	3.45	5.24	3.44
September 2017	3.95	2.90	3.95	2.9
October 2017	3.34	2.60	3.40	2.66
November 2017	3.45	2.70	3.47	2.75
December 2017	4.05	2.80	4.10	2.82
January 2018	4.80	3.45	4.77	3.45
February 2018	3.80	2.90	3.79	2.92
March 2018	3.05	2.05	3.08	2.03

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 Agent.

Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	Shareholders		No. of Shares	% of Total
	Number	% to Total		
1- 500	28599	41.9199	5832558	0.6193
501 – 1000	12431	18.2211	10222763	1.0854
1001 – 2000	8823	12.9326	13732856	1.4581
2001 – 3000	4661	6.8320	12125998	1.2875
3001 – 4000	1884	2.7615	6880296	0.7305
4001 – 5000	2777	4.0705	13515118	1.4350
5001 – 10000	4220	6.1856	33634131	3.5711
10001 and above	4828	7.0768	845887004	89.8131
Total	**51067**	**100.00**	**941830724**	**100.00**

Shareholding Pattern as on March 31, 2018

Category	Number of Shares Held	% of capital
A) Promoter's Holding		
1. Indian		
Individual/HUF	Nil	Nil
Central/State Government	Nil	Nil
Bodies Corporate	362999700	38.54
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)	**362999700**	**38.54**
B) Public Holding		
1. Institutions		
Mutual Funds and UTI	96094884	10.20
Banks/ Financial Institutions	8850130	0.94
Insurance Companies (Central / State Government Institutions / Non – Government Institutions)	Nil	Nil
Foreign Portfolio Investor	13702110	1.45
Venture Capital Funds	Nil	Nil
Sub – Total (B)(1)	**118647124**	**12.59**
2. Non Institutions		
Bodies Corporate	119093124	12.65
Individuals		
(i) Individual Shareholders holding nominal share capital up to Rs. 1 Lakh	166552741	17.68
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	127619092	13.56
Any other		
(i) NRIs / OCBs /Foreign Nationals	12019281	1.28
(ii) Directors & Relatives	8603997	0.91
(iii) Clearing Member	15377515	1.63
(iv) Office Bearers	1332841	0.14
(v) Trusts	1515	0.00

Category	Number of Shares Held	% of capital
(vi) Hindu Undivided Family	9583794	1.02
Sub – Total (B) (2)	**460183900**	**48.87**
Sub – Total (B) (1+2)	**578831024**	**61.46**
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, 2018 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, 2018 is 61.46%.

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 01.04.2017	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 31.03.2018	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
Company Secretary and 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, June 13, 2018

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, 2018.

Kishor Kumar Mohanty
Managing Director

Mumbai, June 13, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members
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, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the 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 26(a) of the Consolidated Ind AS Financial Statements relating to the excess managerial remuneration paid of ₹ 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. The Company had once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of

INDEPENDENT AUDITOR'S REPORT

recovery of the excess remuneration paid aggregating to ₹ 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of ₹ 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and the year ended March 31, 2018. Similarly for the previous period ended 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 has made an application to the MCA for approval of the same. Pending these approvals, no adjustments have been made to the financial results for the remuneration of the said period. This matter was qualified in the auditors' report dated June 18, 2017 by the previous auditors' on the financial statements for the year ended March 31, 2017.

b) Attention is invited to Note no 37 of the Consolidated Ind AS Financial Statements in respect of status 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 NHAI, they agreed to revoke the termination notice vide its letter dated 16th January 2017, subject to completing of financial closure and fulfilling of other commitments specified in the letter within the stipulated timeframe. The Company could not fulfil the said conditions. Ultimately on 8th September 2017, the Company made an application to NHAI for mutual exit from the project. The decision of NHAI in response to the aforesaid letter of mutual exit is pending.

   In case the mutual exit proposal is accepted then the exposure of the Group is likely to be capped at ₹ 6,337.07 lacs as the Bank Guarantee would be released as requested by the Company in its letter dated 8th September 2017. In case the proposal is not accepted then the entire exposure of ₹ 14,757.07 lacs of the Group in the Project needs to be tested for impairment. Accordingly, the decision of NHAI is more likely to have adverse impact on the Statement of Profit and Loss. No effects have been given in the financial statements of the SPV pending the decision of NHAI. The Auditors of the SPV have, in their audit report on the financial statements of the SPV for the year ended on 31st March 2018, carried a paragraph on Material Uncertainty related to Going Concern. The decision of the NHAI is awaited for determining the possible impairment and giving necessary effects. Pending the decision of NHAI we are unable to quantify the impairment that would be required in the matter and consequent impact on the Consolidated Financial Statements.

c) Attention is invited to Note no. 38 of the Consolidated Ind AS Financial Statements, where the Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of ₹ 3,776.69 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is ₹ 158.13 lacs

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 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, 2018, their consolidated loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Material Uncertainty relating to Going Concern

We invite attention to Note 39 of the Consolidated Ind AS Financial Statements, 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 periods. There is therefore a continuing mismatch including defaults in payment of its financial obligations. The management is taking active steps to tide over the present situations for which based on detailed evaluation of the current situation plans are formulated and active discussions are underway with various stakeholders. These conditions, along with

INDEPENDENT AUDITOR'S REPORT

matters arising out of pending conclusions of decisions in some of the SPVs set forth in the Note 7 of the Statement and the fact of some SPV Auditors' report carrying a paragraph on material uncertainty related to going concern as mentioned in Note 6 of the Statement indicate the existence of significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. Our report is not qualified on this matter.

Emphasis of Matter

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

a. We invite attention to Note. 40(a).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 ₹ 1,122.33 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b. We invite attention to Note. 40(b) 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 has also invoked arbitration. The exposure of the Group towards the said project is ₹ 6,787.12 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

c. We invite attention to Note. 40(c) of the Consolidated Ind AS Financial Statements. As mentioned in the said note, in respect of one of the port project, 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, which would be operationally viable under the revised terms. The management has during the year acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the SPV Company. Pending execution of the supplementary agreement and the conclusion of the Re-bid, no adjustments have been made in the financial statements. The auditors' of the SPV have included a separate paragraph on Material Uncertainty related to Going Concern. The exposure of the Group towards the said project is ₹ 69,863.47 lacs (funded and non-funded). Pending the conclusion of the Re-bid and the draft supplementary agreement being finalised, no adjustments have been made in the financial statements.

d. We invite attention Note. 40(d) 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. The SPV had earlier submitted a proposal under the Scheme for Sustainable Structuring of Stressed Assets (S4A) to the Lenders, which was cleared by the Lenders for approval of the Overseeing Committee (OC) set up by the Indian Banking Association (IBA), in consultation with the Reserve Bank of India (RBI). The SPV provided its response to the observations of the Lenders and the OC on the S4A proposal and was awaiting the OC/lenders' approval. In the interim, RBI vide its circular dated 12th February 2018, discontinued with immediate effect all restructuring schemes for stressed assets (including S4A). As per this circular, all schemes, including S4A which have been invoked but not implemented, shall be governed by the new circular. Thus the restructuring proposal proposed by the Company is no longer being pursued by the Lenders. Subsequently the Company has issued a cure period notice to Andhra Pradesh Road Development Corporation (APRDC or the Client) on 26th February 2018 under clause 37.2.1 of the Concession Agreement to cure the breaches of APRDC which includes provision of Revenue shortfall loan along with other mentioned breaches. Pending receipt of the response to the notice for cure period, no adjustments have been made in the financial statements. The auditors of the SPV have included a separate paragraph on Material Uncertainty related to Going Concern on the matter. The Exposure of the Group towards the project is ₹ 1,03,437.56 lacs (funded and non-funded).

e. We invite attention to Note. 40(e) of the Consolidated Ind AS Financial Statements, 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 had also separately applied to the lenders for Scheme for 5:25 Flexible Structuring Scheme for which sanction from two banks among consortium members had been received and sanction from rest bankers were expected in near future. However,

INDEPENDENT AUDITOR'S REPORT

in view of the RBI circular dated 12th February 2018, all restructuring schemes for stressed assets (including 5/25 Flexible Structuring Scheme) have been discontinued and the application became infructuous. The management contends that in view of the strong case it has on the claim matter as aforesaid there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Group towards the SPV is ₹ 1,24,971.20 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

f. We invite attention to Note. 40(f) of the Consolidated Ind AS Financial Statements relating to the Hydropower project in Sikkim. As detailed in the note there are various factors affecting the progress of the project. The management, as detailed in the note, is confident that it will be able to pursue the project viably and does not foresee any need for impairment. Considering the assertion of the management no adjustments have been made towards any possible impairment. The exposure of the Group in the project is ₹ 10,936.37 lacs

g. We invite attention to Note. 41 of the Consolidated Ind AS Financial Statements, wherein during the year, Western Coalfields Limited (WCF) had encashed Bank Guarantee amounting ₹ 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016). Subsequent to encashment Company has filed an application for converting earlier injunction application to suit for recovery of damages. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited the same to the statement of profit and loss for the year ended March 31, 2018.

Other Matters

We did not audit the financial statements and other financial information, in respect of 31 subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 5,88,368.42 lacs as at March 31, 2018, total revenues of ₹ 64,936.45 lacs and net cash flow amounting to ₹ 1,289.17 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 financial statements. The consolidated financial statements also includes the Group's share of net profit after tax of ₹ 0.09 lacs for the year ended March 31, 2018, as considered in the consolidated 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.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that

   (a) We / the other auditors whose reports have relied upon have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

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

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

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

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act except Mr. Abhijit Rajan.

INDEPENDENT AUDITOR'S REPORT

(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 has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company has not entered into any 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.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - June 13, 2018

ANNEXURE - A
TO THE AUDITORS' REPORT

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

We have audited the internal financial controls with reference to 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, 2018 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

ANNEXURE - A
TO THE AUDITORS' REPORT

detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 31 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors' of such company.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - June 13, 2018

CONSOLIDATED BALANCE SHEET
as at March 31, 2018

(₹ in lacs)

Particulars			Note Ref	As at March 31, 2018	As at March 31, 2017
ASSETS					
(1)	Non-Current Assets				
	(a)	Property, Plant and Equipment	3	23,800.18	24,605.50
	(b)	Capital Work in progress	4	8,957.91	8,540.77
	(c)	Goodwill on consolidation	5	4,533.79	3,274.42
	(d)	Other Intangible Assets	6	258,602.43	191,809.17
	(e)	Intangible Assets under development	7	91,974.52	72,341.79
	(f)	Financial Assets	8		
		(i) Investments in Joint Venture/Associate	8.1	0.50	3,677.09
		(ii) Trade Receivables	8.2	106,047.70	100,396.79
		(iii) Loans and Advances	8.4	417.56	294.43
		(iv) Other Financial Assets	8.5	9,554.85	9,473.59
	(g)	Deferred Tax assets (net)	9	3,819.74	2,797.61
	(h)	Other Non Current Assets	10	7,683.48	6,439.87
		Total Non - Current Assets		**515,392.66**	**423,651.03**
(2)	Current Assets				
	(a)	Inventories	11	658.01	1,280.66
	(b)	Financial Assets			
		(i) Investments	8.1	4,515.86	14,738.80
		(ii) Trade Receivables	8.2	27,981.41	35,831.09
		(iii) Cash and cash equivalents	8.3	5,008.87	3,018.87
		(iv) Bank balance	8.3	39.74	12.37
		(v) Loans and Advances	8.4	372.66	5,150.01
		(vi) Other Financial Assets	8.5	2,841.23	2,153.00
	(c)	Other Current Assets	10	8,863.39	5,223.69
		Total Current Assets		**50,281.17**	**67,408.49**
		Total Assets		**565,673.83**	**491,059.52**
EQUITY AND LIABILITIES					
(1)	Equity				
	(a)	Equity Share capital	12	18,917.64	18,917.64
	(b)	Other Equity	13	31,925.45	46,374.68
		Equity attributable to equity holders of the parent		50,843.09	65,292.32
	(c)	Non-Controlling interests	14	1,428.85	4,943.04
		Total Equity		**52,271.94**	**70,235.36**
(2)	Non-Current Liabilities				
	(a)	Financial Liabilities	15		
		(i) Borrowings	15.1	241,960.30	254,988.60
		(ii) Other Financial Liabilities	15.2	74,375.76	74,475.76
	(b)	Provisions	16	3,467.71	2,110.27
	(c)	Deferred Tax Liabilities (Net)	17	6,366.32	5,709.43
	(d)	Other Non-Current Liabilities	18	46,075.93	39,762.30
		Total Non-Current Liabilities		**372,246.02**	**377,046.36**
(3)	Current Liabilities				
	(a)	Financial Liabilities	15		
		(i) Borrowings	19	7,653.16	7,121.40
		(ii) Trade Payables	20	20,422.72	11,181.69
		(iii) Other Financial Liabilities	15.2	108,858.35	21,447.88
	(b)	Provisions	16	382.65	236.00
	(c)	Liabilities for Current Tax (net)	21	1,743.90	1,847.57
	(d)	Other Current Liabilities	18	2,095.13	1,943.26
		Total Current Liabilities		**141,155.91**	**43,777.80**
		TOTAL EQUITY AND LIABILITIES		**565,673.83**	**491,059.52**

As per our report of even date

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

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for year ended March 31, 2018

(₹ in lacs)

	Particulars	Note Ref	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
I	**Revenue from Operations**	22	62,474.27	66,300.11
II	**Other Income:**	23	1,827.61	2,239.38
III	**Total Income (I +II)**		**64,301.88**	**68,539.49**
IV	**Expenses:**			
	Project expenses	24	27,971.19	31,438.27
	Purchase of traded goods	24A	144.20	-
	Changes in inventory	25	2,289.55	2,600.98
	Employee benefit expenses	26	2,206.53	1,932.18
	Depreciation & amortization	27	8,724.22	4,951.03
	Finance Costs	28	33,992.90	30,917.64
	Other expenses	29	5,419.71	3,828.42
	Total Expenditure		**80,748.30**	**75,668.53**
V	**Profit / (Loss) before share of profit / (loss) of an associate / a joint venture and exceptional Items (III-IV)**		(16,446.42)	(7,129.04)
VI	Share of profit / (loss) of an associate and joint venture		-	(2,561.43)
VII	**Profit / (Loss) before exceptional Item and tax (V+VI)**		**(16,446.42)**	**(9,690.47)**
VIII	Exceptional items Income / (Expense)	30	(520.00)	241.00
IX	**Profit /(loss) before tax (VII+VIII)**		(16,966.42)	(9,449.47)
X	**Tax expenses**	31		
	Current Tax		1,315.64	582.45
	Short Provision for Tax		633.84	-
	Deferred Tax Liability / (asset)		(362.09)	2,122.13
	Total tax expenses		**1,587.39**	**2,704.58**
XI	**Profit/(Loss) for the period**		**(18,553.81)**	**(12,154.05)**
XII	**Other Comprehensive Income**			
	Remeasurement of defined benefit plans		(14.51)	6.34
	Tax impact thereon		2.87	(2.81)
	Other comprehensive income /(loss) for the period		**(11.64)**	**3.53**
XIII	**Total Comprehensive income/(loss) for the period (XI+XII)**		**(18,565.45)**	**(12,150.52)**
	Profit/(Loss) attributable to:			
	Owners of the Company		(14,567.53)	(10,405.95)
	Non-Controlling Interest		(3,986.28)	(1,748.10)
	Other Comprehensive Income attributable to:			
	Owners of the Company		(11.98)	3.53
	Non-Controlling Interest		0.34	-
	Earnings per equity share [nominal value of share ₹ 2/-]	32		
	Basic		(1.55)	(1.10)
	Diluted		(1.55)	(1.10)

As per our report of even date

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

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

CONSOLIDATED CASH FLOW STATEMENT

for year ended March 31, 2018

(₹ in lacs)

	Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit / (loss) before tax as per statement of profit and loss	**(16,966.42)**	**(9,449.47)**
	Adjusted for:		
	Share of (Profit) / Loss of Associates and Joint Ventures	-	2,561.43
	Provision for loans and advances	1,000.00	-
	Employee Stock Option Outstanding	0.72	-
	Remeasurement gain/(loss) on defined benefit plans	(11.98)	-
	Depreciation	8,724.22	4,951.03
	Finance Income	(11,924.09)	(12,546.37)
	Interest Income	(683.33)	(898.79)
	Fair value/profit on investment	(239.64)	(175.25)
	Provision for periodic/operation and maintenance exp	890.21	418.82
	Profit on Sale of Assets	(1.18)	(0.45)
	Gain on Mutual Fund investment	(139.81)	(361.39)
	Write back of provision for advances	(43.20)	-
	Sundry Balances Write Back	-	-
	Finance Cost	33,992.91	26,748.62
	Interest on deferred liability payment	-	3,601.76
	Loss on sale of investments	19.35	-
	Operating Profit before Working Capital Changes	**14,617.76**	**14,849.93**
	Adjusted for:		
	Trade and Other Receivables	13,989.14	30,293.83
	Inventories	622.65	(951.54)
	Trade and Other Payables	9,855.21	(2,388.99)
	Cash Generated from operations	**39,084.75**	**41,803.23**
	Tax Paid (Net)	(1,681.32)	(182.77)
	Net Cash flow from Operating Activities	**37,403.43**	**41,620.47**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Tangible and Intangible Assets	(16,271.90)	(28,361.69)
	Proceeds from sale of property, plant and equipment	23.66	-
	Purchase of Current Investment	(6,389.46)	(44,109.10)
	Payment for further Investment in subsidiary	(15.52)	-
	Proceeds from sale of Current Investments	15,389.70	32,238.73
	Sales proceeds from divestment of subsidiary	0.40	
	Advance for purchase of shares	-	(3,750.00)
	Movement in Other Bank Balances	(79.43)	(2,009.39)
	Refund of Intercorporate deposit	-	1,000.00
	Interest Received	905.09	917.13

CONSOLIDATED CASH FLOW STATEMENT
for year ended March 31, 2018

(₹ in lacs)

	Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
	Net Cash Flow (Used in) Investing Activities	**(6,437.46)**	**(44,074.32)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity share capital	-	1.20
	Share Application Money	(1,500.00)	(100.00)
	Proceeds from Long Term Borrowings	4,605.67	24,364.55
	Repayment of Long Term Borrowings	(6,322.12)	(4,503.96)
	Short Term Borrowings net	531.76	(3,681.63)
	Repayment of deferred payment liabilities	0.00	(2,619.44)
	Interest Paid	(27,909.56)	(15,561.03)
	Net Cash Flow from/(Used in) financing activities	**(30,594.26)**	**(2,100.30)**
	Net Increase / (decrease)in Cash and Cash equivalents	**371.71**	**(4,554.16)**
	Opening balance of Cash and Cash equivalents	3,018.87	7,573.03
	Cash balance acquisition during the year (on account of increase in stake in Subsidiary)	1,618.29	-
	Closing balance of Cash and Cash equivalents	**5,008.87**	**3,018.87**
	Components of Cash and Cash Equivalents		
	Cash on hand	29.06	19.27
	Cash with bank	4,979.81	2,999.60
		5,008.87	**3,018.87**

As per our report of even date

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

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All amounts are Rs in lacs unless otherwise stated)

A Equity

Particulars	As at March 31, 2018 Number of Shares	As at March 31, 2018 ₹. in lacs	As at March 31, 2017 Number of Shares	As at March 31, 2017 ₹. in lacs
Equity shares of INR 2 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	941,830,724	18,836.61	941,770,724	18,835.41
Changes in equity share capital during the year	-	-	-	-
- issued during the reporting period	-	-	60,000	1.20
	941,830,724	**18,836.61**	**941,830,724**	**18,836.61**
Add:				
Shares forfeited	162,050	81.03	162,050	81.03
Balance at the end of Reporting period	**941,992,774**	**18,917.64**	**941,992,774**	**18,917.64**

B Other Equity

Particulars	Retained Earnings	General Reserve	Security Premium Reserve	Employee Stock Option Outstanding	Total
Balance as at 31 March 2016	413.62	23.95	56,369.47	8.42	56,815.45
Profit for the year	(10,405.95)				(10,405.95)
Adjustment:					-
Opening reserves effects	(40.74)				(40.74)
Remeasurement gain/(loss) on defined benefit plans	3.53				3.53
Charge for the period				2.39	2.39
Balance as at 31 March 2017	**(10,029.54)**	**23.95**	**56,369.47**	**10.80**	**46,374.68**
Profit for the year	(14,567.53)				(14,567.53)
Adjustment:					
Preaquisition reserve	0.00				0.00
Remeasurement gain/(loss) on defined benefit plans net of tax	(11.98)				(11.98)
Charge for the period				0.72	0.72
On acquisition of subsidiary	129.56				129.56
Balance as at 31 March 2018	**(24,479.49)**	**23.95**	**56,369.47**	**11.52**	**31,925.45**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 Mh 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 2018 were authorised for issue in accordance with resolution of the Board of Directors on June 13, 2018.

B Recent accounting pronouncements

"Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and expects no impact on profit before tax. "

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. This will have no significant effect on the financials statements on adoption of Ind AS 115 .

C 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

II Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2018

(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 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 noncontrolling 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."

(iii) The following entities are considered in the Consolidated Financial Statements listed below:

Sr No	Name of the Entity	Relationship	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2018	As on March 31, 2017
1	Gammon Infrastructure Projects Limited	Holding	100.00%	100.00%
2	Birmitrapur Barkote Highway Private Limited ('BBHPL')	Subsidiary	100.00%	100.00%
3	Cochin Bridge Infrastructure Company Limited ('CBICL')	Subsidiary	97.66%	97.66%
4	Gammon Logistics Limited ('GLL')	Subsidiary	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (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, 2018	As on March 31, 2017
5	Gammon Projects Developers Limited (GPDL')	Subsidiary	100.00%	100.00%
6	Gammon Renewable Energy Infrastructure Projects Limited ('GREIPL')	Subsidiary	100.00%	100.00%
7	Gammon Road Infrastructure Limited ('GRIL')	Subsidiary	100.00%	100.00%
8	Gammon Seaport Infrastructure Limited ('GSIL')	Subsidiary	100.00%	100.00%
9	Haryana Biomass Power Limited ('HBPL')	Subsidiary	100.00%	100.00%
10	Jaguar Projects Developers Limited ('JPDL')	Subsidiary	100.00%	100.00%
11	Lilac Infraprojects Developers Limited ('LIDL')	Subsidiary	100.00%	100.00%
12	Marine Project Services Limited ('MPSL')	Subsidiary	100.00%	100.00%
13	Patna Highway Projects Limited ('PHPL')	Subsidiary	100.00%	100.00%
14	Rajahmundry Godavari Bridge Limited ('RGBL')	Subsidiary	71.43%	71.43%
15	Sidhi Singrauli Road Project Limited ('SSRPL')	Subsidiary	100.00%	100.00%
16	Tada Infrastructure Development Company Limited ('TIDCL')	Subsidiary	100.00%	100.00%
17	Tidong Hydro Power Limited ('THPL')	Subsidiary	51.00%	51.00%
18	Vizag Seaport Private Limited ('VSPL')	Subsidiary	73.76%	73.76%
19	Yamunanagar Panchkula Highway Private Limited ('YPHPL')	Subsidiary	100.00%	100.00%
20	Youngthang Power Ventures Limited ('YPVL')	Subsidiary	100.00%	100.00%
21	Vijayawada Gundugolanu Road Project Private Limited ('VGRPPL')	Subsidiary	100.00%	100.00%
22	Pravara Renewable Energy Limited ('PREL')	Subsidiary	100.00%	100.00%
23	Sikkim Hydro Power Ventures Limited ('SHPVL')	Subsidiary	100.00%	100.00%
24	Indira Container Terminal Private Limited ('ICTPL')	Joint Venture	74.00%	50.00%
25	Ghaggar Renewable Energy Private Limited ('GREPL')	Step-down subsidiary	0.00%	100.00%
26	Satluj Renewable Energy Private Limited	Step-down subsidiary	0.00%	100.00%
27	Ras Cities and Townships Private Limited ('RCTPL')	Step-down subsidiary	100.00%	100.00%
28	Tangri Renewable Energy Private Limited ('TREPL')	Step-down subsidiary	100.00%	100.00%
29	Yamuna Minor Minerals Private Limited ('YMMPL')	Step-down subsidiary	0.00%	100.00%
30	Chitoor Infrastructure Company Private Limited ('CICPL')	Step-down subsidiary	100.00%	100.00%
31	Earthlink Infrastructure Projects Private Limited ('EIPPL')	Step-down subsidiary	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (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, 2018	As on March 31, 2017
32	Segue Infrastructure Projects Private Limited ('SIPPL')	Step-down subsidiary	100.00%	100.00%
33	ATSL Infrastructure Projects Limited ('ATSL')	Associate	49.00%	49.00%
34	Eversun Sparkle Maritimes Services Private Limited ('ESMSPL')	Associate	30.90%	30.90%
35	Modern Tollroads Limited ('MTRL')	Associate	49.00%	49.00%
36	SEZ Adityapur Limited ('SEZAL')	Associate	38.00%	38.00%
37	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	Joint Venture	10.12%	10.12%
38	GIPL - GIL JV	Joint Venture	95.00%	95.00%

(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 March 31, 2018			As at March 31, 2017		
		Equity shares Nos.	Amount paid	Beneficial interest %	Equity shares Nos.	Amount paid	Beneficial interest %
1	CICPL	10,000	100,000	100%	10,000	100,000	100%
2	EIPPL	10,000	100,000	100%	10,000	100,000	100%
3	SIPPL	10,000	100,000	100%	10,000	100,000	100%
4	THPL	25,500	255,000	51%	25,500	255,000	51%

(vi) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

c) Revenue Recognition

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 generated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 Equipment's 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.

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.

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 THE CONSOLIDATED FINANCIAL STATEMENTS

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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. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities and Contingent Assets

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

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

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.

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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 amortisation (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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

3 Property Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Leasehold improvements	Container yard	Total
Cost or valuation											
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	-	-	-	296.97	3.79	11.17	7.70	11.90	-	-	331.53
Sales/Disposals/ Adjustments	-	-	-	-	-	-	-	6.71	-	-	6.71
As at March 31, 2017	**491.24**	**1,891.78**	**4,215.00**	**19,646.42**	**72.81**	**143.73**	**241.38**	**147.72**	**86.83**	**-**	**26,936.90**
Additions	-	-	-	476.82	2.31	13.94	21.78	134.83	-		649.68
On account of increase in stake in subsidiary*	5.80	-	357.45	12.15	25.00	49.74	58.68	29.98	-	135.57	674.37
Sales/Disposals/ Adjustments	-	-	-	-	1.98	3.71	-	41.65	-	-	47.34
As at March 31, 2018	**497.04**	**1,891.78**	**4,572.45**	**20,135.39**	**98.14**	**203.70**	**321.84**	**270.88**	**86.83**	**135.57**	**28,213.61**
Depreciation											
As at March 31, 2016	**-**	**-**	**68.20**	**385.54**	**20.92**	**45.21**	**195.81**	**99.35**	**86.83**	**-**	**901.87**
Charge for the period	-	-	193.70	1,130.48	14.32	22.78	39.61	34.96	-	-	1,435.85
Sales/Disposals/ Adjustments	-	-	-	-	-	-	-	6.33	-	-	6.33
As at March 31, 2017	**-**	**-**	**261.90**	**1,516.02**	**35.24**	**68.00**	**235.42**	**127.99**	**86.83**	**-**	**2,331.40**
Depreciation on account of increase in stake in subsidiary*	-	-	307.70	0.75	20.36	43.01	58.68	23.53	-	135.57	589.60
Charge for the period	-	-	229.41	1,198.12	14.63	24.96	27.74	22.43	-		1,517.29
Sales/Disposals/ Adjustments	-	-	-	-	1.96	3.71	-	19.19	-		24.86
As at March 31, 2018	**-**	**-**	**799.01**	**2,714.89**	**68.27**	**132.26**	**321.84**	**154.76**	**86.83**	**135.57**	**4,413.43**
Net Block Value											
At 31st March 2018	**497.04**	**1,891.78**	**3,773.44**	**17,420.50**	**29.87**	**71.44**	**0.00**	**116.12**	**0.00**		**23,800.18**
At 31st March 2017	**491.24**	**1,891.78**	**3,953.10**	**18,130.40**	**37.56**	**75.73**	**5.96**	**19.73**	**0.00**		**24,605.50**

Note: ICTPL was a joint venture in the previous year and due to increase in stake and control over the company the same is considered as a subsidiary in the current year and assets on acquisition are shown as additions during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

4 Capital Work in progress

	As at	
	March 31, 2018	**March 31, 2017**
Engineering, Procurement and Construction costs	4,277.79	3,824.43
Project expenses	-	49.17
Developer fees	-	17.04
Financial Costs	1,766.78	1,841.28
Depreciation	28.46	25.53
Other Expenses	2,884.88	2,783.32
Total capital work-in-progress	**8,957.91**	**8,540.77**

5 Goodwill on consolidation

	As at	
	March 31, 2018	**March 31, 2017**
Goodwill on consolidation	3,274.42	3,274.42
Add: Goodwill on acquisition *	1,259.37	-
Total	**4,533.79**	**3,274.42**

Note: The write-off of goodwill done before March 31, 2007 has been netted-off in the opening carrying value of goodwill.

* ICTPL was a joint venture in the previous year and is a subsidiary in the current year.

6 Intangible assets

Particulars	**Toll concession rights**	**Computer software**	**Port Rights**	**Total**
Cost or valuation				
As at 31 March 2016	175,365.44	22.50	23,702.02	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	22.50	23,797.18	199,212.72
On account of increase in stake in subsidiary*	-	48.65	76,229.37	76,278.02
Additions	-	-	496.69	496.69
Sales/disposals/adjustments				-
As at March 31, 2018	**175,393.04**	**71.15**	**100,523.24**	**275,987.43**
Amortisation				
As at 31 March 2016	1,997.16	12.04	1,868.40	3,877.60
Charge for the period	2,137.24	8.50	1,401.80	3,547.53
On sale/disposals/adjustments	-	-	21.58	21.58
As at March 31, 2017	4,134.40	20.54	3,248.62	7,403.55
Amortisation on account of increase in stake in subsidiary*	-	48.65	2,722.93	2,771.58
Charge for the period	2,018.70	1.96	5,189.21	7,209.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Toll concession rights	Computer software	Port Rights	Total
On sale/disposals/adjustments				-
As at March 31, 2018	**6,153.10**	**71.15**	**11,160.76**	**17,385.00**
Net Block				
At 31st March 2018	**169,239.94**	**0.01**	**89,362.48**	**258,602.43**
At 31st March 2017	**171,258.64**	**1.97**	**20,548.57**	**191,809.17**

b. Toll concession rights:

i Toll concession rights pertains to the costs for construction of road / bridge projects by RGBL and VGRPPL on a Build, Operate Transfer (Toll) basis. RGBL and VGRPPL have an intangible right to collect user fees from the users of the road / bridge constructed.

ii. The Company had received a notice of termination from the National Highways Authority of India (NHAI) on 26th August 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 (Refer Note 22(d)(iii))

c. Port Rights

Port Rights includes ,Right to Operate Port Operations by VSPL under a service concession arrangement between the SPV and Vishkhapatnam Port Trust.

7 Intangible Assets under development

	As at March 31, 2018	As at March 31, 2017
	Non- Current	
Contract expenditure - Engineering, Procurement & Construction ('EPC')	71,575.10	57,278.15
Developer's fees	3,930.72	3,980.93
Borrowing Cost	14,506.02	9,361.22
Depreciation	13.43	12.95
Other Expenses	1,949.25	1,708.53
Total	**91,974.52**	**72,341.79**

The amount of borrowing costs capitalised during the period is Nil (2017: Nil).

8.1 Financial Assets - Investments

		As at	
		March 31, 2018	March 31, 2017
A	**Non Current Investments**		
	Equity instruments of Joint Venture Companies	307.08	117.58
	Quasi Equity in Associates & Joint Ventures	-	3,753.88
	Equity instruments of Associate Companies	167.73	167.73
	Less: Provision for diminution in value of Investment	(474.82)	(362.60)
	Other Investment	0.50	0.50
	Total	**0.50**	**3,677.09**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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		As at	
B	**Current Investments**	**March 31, 2018**	**March 31, 2017**
	Investment in Mutual fund	4,515.86	14,738.80
		4,515.86	**14,738.80**
	Aggregate value of investments		
	Aggregate book value of unquoted investments	0.50	3,677.09
	Aggregate amount of quoted investments	4,515.86	14,738.80
	Market Value of Quoted Investment	4,515.86	14,738.80

A Details of Non-current Investments

		Extent of Holding	March 31, 2018		March 31, 2017	
	Name of body corporate	**(%)**	**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
	Indira Container Terminal Private Limited*	50.00%	-	-	24,375,840	(189.50)
	SEZ Adityapur Limited	38.00%	19,000.00	1.90	19,000	1.90
				307.08		**117.58**
*	ICTPL was a joint venture in the previous year and is a subsidiary in the current year.					
	Quasi Equity at Cost					
	Unquoted					
	(Fully paid-up unless otherwise stated)					
	Indira Container Terminal Private Limited			-		3,753.88
	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
	Eversun Sparkle Maritimes Services Private Limited	30.90%	2,143,950	164.47	2,143,950	164.47
	Modern Tollroads Limited	49%	24,470	1.66	24,470	1.66
				167.73		**167.73**
	Less: Provision for Impairment of Investment					
	Joint Venture Companies					
	Blue Water Iron Ore Terminal Private Limited			305.18		305.18
	SEZ Adityapur Limited			1.90		1.90
				307.08		**307.08**
	Associates Companies					
	ATSL Infrastructure Projects Limited			1.60		-
	Eversun Sparkle Maritimes Services Private Limited			164.47		55.52
	Modern Tollroads Limited			1.66		-
				167.73		**55.52**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	ATSL Infra		ESMSPL		Modern Tollroads Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Original cost of investment	2.45	2.45	214.40	214.40	2.45	2.45
Goodwill included in original cost	-	-	55.52	55.52	-	-
Add :						
Opening balance of accumulated losses	(0.85)	(0.85)	(49.92)	(49.92)	(0.79)	(0.79)
Add : Profit/(Losses) during the period		-		-		-
Add : Adjustments during the period	-	-	-	-	-	-
Closing balance of accumulated losses	(0.85)	(0.85)	(49.92)	(49.92)	(0.79)	(0.79)
Carrying amount of investment	1.60	1.60	164.47	164.47	1.66	1.66

B Details of Current Investments

	March 31, 2018		March 31, 2017	
Name of the Mutual Fund Scheme	**Units**	**Amount**	**Units**	**Amount**
Quoted				
Investments carried at fair value through Profit and Loss				
Reliance Liquid Fund - Treasury Plan - Growth	-	-	64,932	2,576.08
Canara Robeco savings plus fund - regular Growth	16,610,968	4,515.86	17,675,762	4,506.10
Principal Low Duration Fund - Regular Plan Growth	-	-	296,589	7,656.62
Total		**4,515.86**		**14,738.80**

8.2 Trade Receivables

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
	(Unsecured, at amortised cost)				
i)	Financial Asset as per Service Concession Agreement (refer note b below)	106,047.70	100,396.79	18,920.00	28,380.00
ii)	Considered good	-	-	9,061.41	7,451.09
iii)	Considered doubtful	-	215.72	9.23	-
	Less:- Allowance for credit loss	-	(215.72)	(9.23)	-
	Total	**106,047.70**	**100,396.79**	**27,981.41**	**35,831.09**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

a) 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 .

b) 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. 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 had also applied to the lenders for 5/25 flexible structuring scheme. However, in view of the RBI circular dated February 12, 2018, the application became infructuous. During the year, the management, although having a valid claim for compensation, supported by Independent Engineer's assessment, has decided to account the finance income under the annuity model on the basis of the original plan. The cost overrun attributable to reasons beyond the control of the management and attributable to the granter is accounted as a separate receivable against the claim. No finance income is accounted on such cost overrun in the annuity model on a conservative basis till the final decision of the realisability is settled pursuant to arbitration and other legal proceedings. The exposure of the Group in the SPV is Rs 1,24,971.20 lacs.

8.3 Cash and Bank Balances

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
A	**Cash and cash equivalents**				
i)	Balances with banks	-	-	4,979.81	2,999.60
ii)	Cash on hand	-	-	29.06	19.27
	Total	**-**	**-**	**5,008.87**	**3,018.87**
B	**Other bank balances**				
i)	Balances in escrow account	-	-	29.75	0.20
ii)	Debt service reserve account	-	-	9.99	12.17
iii)	Fixed Deposit with Banks	29.10	-	-	-
iv)	Fixed Deposit as margin for BG issued	1,978.23	1,896.45	-	-
v)	Fixed Deposit under lien	2,509.22	2,540.68	-	-
vi)	Less : Transferred to Other Financial Assets (Refer note 8.5 (vii))	(4,516.56)	(4,437.13)	-	-
	Total	**-**	**-**	**39.74**	**12.37**
	Grand Total	**-**	**-**	**5,048.61**	**3,031.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

8.4 Loans and advances (at amortised cost)

	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current	
Security Deposit				
(Unsecured, Considered good)				
Leave and license	59.70	53.34	-	-
Others	246.04	204.27	114.52	114.26
Total (A)	**305.74**	**257.61**	**114.52**	**114.26**
Other loans and advances				
Related Parties - GIL	-	-	258.14	191.13
Others	95.46	20.46	-	3,844.62
Total (B)	**95.46**	**20.46**	**258.14**	**4,035.75**
Intercorporate Deposits				
Related Parties - GIL	16.36	16.36	-	-
Others				
Unsecured, Considered good	-	-	-	1,000.00
Unsecured, Considered doubtful	38.92	38.92	1,000.00	-
Less: Impairment of ICDs	(38.92)	(38.92)	(1,000.00)	-
Total (C)	**16.36**	**16.36**	**-**	**1,000.00**
Total (A+B+C)	**417.56**	**294.43**	**372.66**	**5,150.01**

a) An amount of Nil (As at March 31, 2017 ₹ 3833.60 lacs) is receivable by some subsidiaries of the Company for cancellation of purchase of land agreements.

8.5 Other Financial Assets

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	**Advance recoverable in cash or in kind**				
	Unsecured, Considered Good				
	Dues from entities having significant influence	-	-	49.28	49.28
	Unsecured, Considered doubtful				
	Dues from Associates	-	-	0.48	0.48
	Dues from Joint Ventures	-	-	24.58	133.92
		-	**-**	**74.34**	**183.69**
ii)	**Others:**				
	Considered good (*)	-	-	2,644.43	1,562.24
	Considered doubtful	14.81	-	545.19	83.16
		14.81	-	3,189.62	1,645.40
iii)	Less: Impairment of doubtful assets ***	(14.81)	-	(570.25)	(99.47)
	(A)	**-**	**-**	**2,693.71**	**1,729.61**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

			As at		As at	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
			Non- Current		Current	
iv)	**Interest accrued receivable**					
	From related parties, considered good		-	-	4.05	252.36
			-	-	-	-
	From Banks, considered good		-	-	59.17	162.19
	From others, considered Good		1.83	-	84.30	8.84
	From others, considered doubtful		-	-	6.92	6.92
	Less: Impairment of doubtful interest		-	-	(6.92)	(6.92)
		(B)	**1.83**	**-**	**147.52**	**423.39**
v)	Advance for purchase of shares(**)		4,906.51	4,906.51	-	-
		(C)	**4,906.51**	**4,906.51**	**-**	**-**
vi)	Share application money paid					
	Related parties		129.95	129.95	-	-
		(D)	**129.95**	**129.95**	**-**	**-**
vii)	Other bank balances					
	Transferred from Cash and Bank Balance		4,516.56	4,437.13	-	-
		(E)	**4,516.56**	**4,437.13**	**-**	**-**
	Total (A+B+C+D+E)		**9,554.85**	**9,473.59**	**2,841.23**	**2,153.00**

(*) Others considered good includes ₹ 1,514.01 lacs Due from Western Coalfields on account of wrongful encashment of bank guarantee against which the company has filed a suit and is legally advised that it has a good case of recovery. Refer detailed note no 41

(*) 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 ₹ 842.61lacs alongwith the unrealised profit of the Group amounting to ₹ 46 lacs 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.

(**) Advance for Purchase of Shares:- The Company had entered into an Agreement for Sale and Subscription of Shares (SSA) with IFCI Limited for 8,64,80,000 equity shares of Rajahmundry Godavari Bridge Limited (RGBL) . However the company could not adhere to the terms of the aforesaid arrangement. The advance for purchase of shares represents advance paid to IFCI for purchase of equity shares of RGBL held by IFCI. The company has an obligation to pay an additional amount of ₹ 3,500 Lacs representing the balance consideration as per terms of one time settlement, after discharge of which, RGBL shares held by IFCI would be transferred to the company. The Company has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement of ₹ 3,776.69 lacs is to be reversed. The management is hopeful of receiving the extension with non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is ₹ 158.13 lacs

(***) During the previous year the company has accounted for insurance claim of ₹ 520 lacs, based on the current developments on the matter the company has on prudence provided the entire amount on account of no confirmation of receipt of aforesaid receipt from the insurance company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (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, 2018	**March 31, 2017**
Unsecured, Considered good (*)		
Dues from entities having significant influence		
Gammon India Ltd	49.28	49.28
	49.28	**49.28**
Unsecured, Considered doubtful		
Dues from Joint Venture entities		
GIPL-GIL JV	24.58	15.83
Indira Container Terminal Pvt Ltd	-	118.09
	24.58	**133.92**
Unsecured, Considered Doubtful		
Dues from Associates		
Modern TollRoads Ltd	0.48	0.48
	0.48	**0.48**
Total	**74.35**	**183.69**

(*) In the previous year Gammon India Limited was an ultimate holding company which is now an entity having significant influence in the current year.

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

		As at	
		March 31, 2018	**March 31, 2017**
	Company Name		
i)	Modern Toll Roads Limited	129.95	129.95
	Total	**129.95**	**129.95**
c)	**Break-up of interest accrued receivable from related parties is as follows:**		
i)	Gammon India Ltd	4.05	252.36
		4.05	**252.36**

d) ICTPL in previous year was a joint venture and current year is a subsidiary hence the previous years figures have been reclassified from joint venture to subsidiary for comparative purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

9 Deferred Tax Assets

			As at	
			March 31, 2018	**March 31, 2017**
a)	**Deferred Tax Liability on account of :**			
	i)	Depreciation due to timing difference	(3,427.67)	(5,751.57)
	ii)	Remeasurement gain/(loss) on defined benefit plans	(0.48)	(15.57)
	iii)	Unrealised Gain on Mutual Fund	(83.74)	-
b)	**Deferred Tax Asset on account of :**			
	iv)	Depreciation due to timing difference	27.47	2,388.65
	v)	Employee benefits	107.04	106.93
	vi)	Unabsorbed depreciation	1,631.66	2,352.20
	vii)	Provision for replacement cost	629.82	510.93
	viii)	Mat Credit Entitlement	4,935.64	3,206.04
		Deferred Tax Asset, net	**3,819.74**	**2,797.61**

10 Other Assets

		As at		As at	
		March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
		Non- Current		**Current**	
i)	Advance to contractor				
	Related Party - GIL	98.54	73.94	-	1,145.89
	Others	596.63	86.29	7,585.68	2,815.12
ii)	Prepaid expenses	49.01	51.09	292.70	300.54
iii)	Statutory and other receivables	266.93	234.01	717.62	421.29
iv)	Advance Income Tax (Net of Provision for Taxation)	3,176.96	3,749.83	-	-
v)	Capital advances	1,358.67	25.46	-	-
vi)	Prepaid Upfront Fees	1,152.13	1,219.22	159.18	127.85
vii)	Other advances	984.61	1,000.03	108.21	413.00
	Total	**7,683.48**	**6,439.87**	**8,863.39**	**5,223.69**

11 Inventories

	As at	
	March 31, 2018	**March 31, 2017**
Stores and Consumables	459.81	412.63
Stock-in-trade	144.20	-
Raw materials	54.00	868.03
	658.01	**1,280.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

12 Equity Share capital

		As at	
		March 31, 2018	March 31, 2017
i)	**Authorised shares :**		
	March 31, 2018: 1,25,00,00,000 Equity shares of ₹ 2/- each March 31, 2017 : 1,25,00,00,000 Equity Shares of ₹ 2/- each	25,000.00	25,000.00
	Total	25,000.00	25,000.00
ii)	**Issued and subscribed shares :**		
	March 31, 2018: 94,26,40,974 Equity shares of ₹ 2/- each March 31, 2017: 94,26,40,974 Equity shares of ₹ 2/- each	18,852.82	18,852.82
	Total	**18,852.82**	**18,852.82**
iii)	**Paid-up shares :**		
	March 31, 2018: 94,18,30,724 Equity shares of ₹ 2/- each March 31, 2017: 94,18,30,724 Equity shares of ₹ 2/- each	18,836.61	18,836.61
	Total	**18,836.61**	**18,836.61**
iv)	**Shares forfeited :**		
	Amount received (including securities premium) in respect of 162,050 equity shares of ₹ 10/-	81.03	81.03
	Total	**81.03**	**81.03**
	Total paid-up share capital (iii + iv)	**18,917.64**	**18,917.64**

		As at		As at	
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
		Number	Amount	Number	Amount
a)	**Reconciliation of the equity shares outstanding at the beginning and at the end of the period**				
	Balance, beginning of the period	941,830,724	18,836.61	941,770,724	18,835.41
	Issued during the period	-	-	60,000	1.20
	Balance, end of the period	**941,830,724**	**18,836.61**	**941,830,724**	**18,836.61**

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) 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

	As at		As at	
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	Amount	Number	Amount
Equity shares of ₹ 2/- each fully paid up				
Gammon Power Limited, Holding Company (upto September 7, 2017)	362,999,700	7,259.99	528,000,000	10,560.00
Gactel Turnkey Projects Limited, Fellow Subsidiary (upto September 7, 2017)	-	-	22,400,000	448.00
	362,999,700	**7,259.99**	**550,400,000**	**11,008.00**

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

	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	%	Number	%
Gammon Power Limited	362,999,700	38.54	528,000,000	56.06
HDFC Trustee Company Limited - HDFC Infrastructure Fund	83,084,353	8.82	78,864,353	8.37
	446,084,053	**47.36**	**606,864,353**	**64.43**

e) 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.

f) During the year Gammon Power Limited sold its shares thereby reducing its shareholding to 38.54% and Gactel Turnkey Projects Limited sold its entire shares. Gammon India limited ceased to be ultimate holding company and Gammon power limited ceased to be holding company w.e.f. September 7, 2017.

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.

60,000 equity shares (March 31, 2017 : 1,20,000 equity shares) have been reserved for issue as Employee Stock Options. For details refer Note 13A .

13 Other Equity

		As at	
		March 31, 2018	March 31, 2017
i)	Retained Earnings	(24,479.49)	(10,029.54)
ii)	General Reserve	23.95	23.95
iii)	Security Premium Reserve	56,369.47	56,369.47
iv)	Employee Stock Option Outstanding	11.52	10.80
		31,925.45	**46,374.68**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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	Year ended Mar'18	Year ended Mar'17
Grant Date	9/23/2013	9/23/2013
Market Price considered (Rupees)	6.80	6.80
Exercise Price of Options granted during the period (Rs)	2.00	2.00
Options outstanding at the beginning of the period	120,000	240,000
Options granted during the period	-	-
Options lapsed /forfeited during the period	60,000	-
Options vested during the period	-	120,000
Options granted and vesting outstanding at the end of the period	**60,000**	**120,000**

Of the aforesaid vested options of 1,20,000 (March 17: 2,40,000 option) , 60,000 options (March 17: 1,20,000 options vested) were lapsed during the year .

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	Year ended Mar'18	Year ended Mar'17
Net loss as reported	(14,567.53)	(10,405.95)
Add: Stock based compensation expense included in the reported income	0.76	2.39
Less: Stock based compensation expenses determined using fair value of options	0.76	2.39
Net profit / (loss) (adjusted)	**(14,567.53)**	**(10,405.95)**
Basic earnings per share as reported	1.55	1.10
Basic earnings per share (adjusted)	1.55	1.10
Diluted earnings per share as reported	1.55	1.10
Diluted earnings per share (adjusted)*	1.55	1.10
Weighted average number of equity shares at the end of the period	941,830,724	941,806,724
Weighted average number of shares considered for diluted earnings per share	941,848,371	941,891,430

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

14 Non-Controlling interests

	As at	
	March 31, 2018	**March 31, 2017**
	Non- Current	
Balance, beginning of the period	4,943.04	6,691.14
Adjustments:		-
Increase on account of increase in stake in subsidiary	471.75	-
Non controlling Interest in profits/(losses) on subsidiaries for the current period	(3,986.28)	(1,748.10)
Non controlling Interest in other comprehensive income on subsidiaries for the current period	0.34	-
Balance, end of the period	**1,428.85**	**4,943.04**

15 Financial Liabilities (at amortised cost)

			As at		As at	
			March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
			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	228,228.37	242,874.41	64,533.03	5,292.87
	ii)	Term loan from Financial Institutions	13,563.83	12,114.19	8.12	8.19
	iii)	Term loan from Others	-	-	-	117.00
	iv)	Vehicle Loan from Bank	68.10	-	-	-
	II	**Term Loans (unsecured)**				
	i)	Loan from related party - GIL	100.00	-	-	-
			241,960.30	254,988.60	64,541.15	5,418.06
		Less: disclosed in Other Current Liabilities	-	-	(64,541.15)	(5,418.06)
			241,960.30	**254,988.60**	**-**	**-**

a) Term Loans

Holding Co.

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.

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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

(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 had been classified as current.The amount has been paid during the year.

PHPL

Term loan from Banks

a) a first mortgage and charge on all the Company's movable properties, immovable properties, tangible assets, intangible assets, all bank accounts (including escrow accounts) and receivables (including annuity) both present and future save and except the Project Assets;

b) The holding company, Gammon Infrastructure Projects Limited has availed an Overdraft facility from Bank of India against which second charge has been created against the project assets of the company. The charge was executed on February 9, 2018 in favour of the bank. However, the creation of charge has not been registered with the Registrar of Companies till date.

c) pledge of 30% of equity shares of the Company presently held by GIPL.

d) non disposal undertaking (NDU) for 70% of the paid up equity capital of the Company.

e) unconditional and irrevocable corporate guarantee of the Promoter 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.

f) The Company had entered into a Master Restructuring Agreement with its lenders based on which the term loan is repayable in 25 semi-annual instalments commencing August 17, 2017. The amount of repayment is determined as a % of revised loan amount ranging from 0.1% to 30.00% of the loan in respect of each instalment. The interest rate applicable to the Company is the highest of the rates individually determined by each member of the lenders consortium. The rate of interest is 8.80 to 9.05 % (previous year 10.50 to 10.75%). During the year, the lenders have reduced the interest rates on the loans and accordingly, there is an interest reversal of ₹ 1931.65 lacs which has been accounted for during the year.

g) **NPA disclosure**

The Project achieved Provisional Commercial Operations Date (PCOD) on September 01, 2016 and thereafter has received 3 (three) annuity payments (semi-annual basis) from the Concessioning Authority (the Client). The 3rd (third) annuity payment for the Project was delayed by over 90 (ninety) days, resulting in the Company not being able to meet its debt servicing obligations of 3 (three) out of its 7 (seven) consortium lenders. Since, the delay was for a period of over 90 (ninety) days, these 3 (three) consortium lenders classified the debt provided to the Company as a Non-Performing Asset (NPA) as per the Reserve Bank of India (RBI) guidelines. Subsequently, on receipt of the 3rd (third) annuity payment, the Lead Bank released the overdue amount of these 3 (three) Lenders. 2 (two) of these 3 (three) lenders reclassified their loan account as 'Standard', while the 3rd (third) lender due to an erroneous transfer of a lower amount towards their debt dues by the Lead Bank, continues to classify their debt as NPA.

h) As at March 31, 2018, out of total consortium lenders, Company was unable to obtain balance confirmations from 3 lenders.

VSPL

Loans from Bank and Financial Institution

Term loan from bank and financial insitution is secured by way of first charge on the movable and immovable properties of the Company, both present and future, subject to the provisions of the License Agreement with the Concessionaire, first charge on the entire cash flows, receivables, book debts and revenues of the Company of whatsoever nature and whenever arising, both present and future subject to the provisions of the License Agreement and first charge on all the Trust and Retention Account, DSR and any other reserves and other bank accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Pledge of 50.2% of paid-up share capital of the Company held by Gammon Infrastructure Projects Limited. 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).

IDFC Bank Loan: Repayment of loan started from 1 July 2012 and is payable in structured quarterly installments up to 1 April 2027. Rate of interest applicable to IDFC is equivalent to 2% p.a over and above the benchmark. Effective interest rate 10.5% p.a. at March 31, 2018 (previous year: EIR 11.90% p.a. as at March 31, 2017)

Housing Development Finance Corporation Limited : Repayment of loan started from 1 October 2015 and is payable in structured quarterly installments up to 1 April 2027. Rate of interest applicable to HDFC is equivalent to 2.25% p.a over and above the benchmark.

Vehicle Loan from Bank

The Vehicle loan is taken for a tenure of eight years , repayable in EMI of Rs 125000/- per month. Vehicle loans is secured against the same vehicle for which loan is taken.

SSRPL

Term loan from Bank and Financial Institution

The above term loan from financial institution is secured by a first mortgage and charge on all the Company's movable properties, immovable properties, tangible assets, intangible assets, and all bank accounts (including escrow accounts)

Term loan from banks carries an interest rate at MCLR 5 years (8.65%)+ 2.95% which is equal to 11.60 %p.a upto COD.

The Company envisages that the Provisional COD Certificate will be received by June 30, 2018. In view of the discussions with MPRDC regarding extension of COD, the Company had submitted a restructuring proposal to the Lenders. As per the restructuring proposal, no further loans were to be availed from the Lenders to meet the increase in project costs. The original repayment schedule of the senior debt has been revised with the repayment instalments to commence from September 2019. The Company has received the revised sanctions for senior debt from the Lenders and the documentation for the same are in the process of being executed.

The Company has accounted for the interest on borrowings as per Common Loan Agreement and Sanctions. This is different from the charges levied by the lenders. The Company has taken up the matter with the lenders and they are hopeful of a favourable resolution. To that extent all balances are not matched and the difference are shown as contingent liabilities. Such excess charges are also not covered for the default statement.

PREL

Term Loan from Bank

The above term loan from bank is secured by a first mortgage and charge on all the Company's immovable properties, movable properties, tangible assets, intangible assets, and all bank accounts (including escrow accounts) except fuel and receivables. Fuel and receivables shall entail second charge.

Term loan from Central Bank of India (outstanding current year: Rs 9,839.26 lacs, previous year: 10,256.56 lacs) carries an interest of MCLR (1 year) plus spread of 295 basis points.

Term loan from Corporation Bank (outstanding current year: Rs 6,574.32 lacs, previous year: 6,972.32 lacs) carries an interest of MCLR (1 year) plus spread of 270 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.

Pravara Renewable Energy Ltd. (PREL) is operating 30 MW Co-Gen Bagasse Based Power Generation Plant within the premises of Padmashree Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana, Pravara Nagar. This power plant is located in the revenue block of Lohgaon village, Rahata Tehsil. This Co-Gen Power plant is setup by PREL on built own operate and transfer basis as per the Project Development Agreement dated 12-Jul-2010 with Padmashree Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana, Pravara Nagar (Karkhana). PREL commissioned the Power Plant and started supply of electric power to the Grid on 06-Nov-2015 using bagasse as a fuel.

The drought situation in the state of Maharashtra in the previous years had resulted in severe shortage of Bagasse resulting in the Plant operating at a sub-optimal capacity even during the crushing season. Usage of alternate fuel to run the plant in off-season was unviable due to High cost / erratic supply of alternate fuel like Coal / Biomass / Cane Trash in the previous years. This resulted in a cashflow mismatch and resultant delay in servicing of Lenders dues.

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Due to overdues in the account, SDR was invoked by the lenders in line with JLF decision with a reference date of 25.10.2017. However, in view of the RBI circular dated 12.02.2018, SDR invocation was cancelled and the account was marked NPA w.e.f 31.12.2017.

The Company is in discussion with the lenders to allow the revenue collections to be utilized by the company in an agreed ratio with the lenders for Purchase of alternate fuel to run the plant during off season. The company is hopeful of a turnaround based on this plan to run the Plant during the off-season resulting in an optimal utilisation of Plant capacity."

RGBL

Term Loan from Bank

The Loan together with all, interest, additional interest, liquidated damages, premium on pre payment, costs, expenses and other monies whatsoever stipulated in the Loan Agreement ("Secured Obligations") shall be secured by: -

a) a first mortgage and charge on all the Company's immovable properties, both present and future;

b) a first charge by way of hypothecation of all the Company's tangible moveable assets, including, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future;

c) a first charge on Company's receivables;

d) a first charge over all bank accounts of the Company including without limitation, the Escrow Account, the Debt Services Reserve Account, the Retention Accounts (or any account in substitution thereof) and such other bank accounts that may be opened in terms hereof and of the Project Documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto save and except the sums lying to the credit of the Distributions Sub-Account and the gains and profits arising out of the Authorised Investments or investments made in any other securities from the Distribution Sub-Account.

e) a first charge on all intangibles of the Company including but not limited to goodwill, rights, undertaking's and uncalled capital, present and future;

f) a first charge by way of assignment or otherwise creation of Security Interest in:

   i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;

   ii) the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals;

   iii) all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;

   iv) all insurance contracts/ insurance proceeds;

g) Pledge of 51% of equity shares of the Company presently held by Gammon Infrastructure Projects Limited.

h) Corporate Guarantee of the Sponsor:

   i) to cover the aggregate principal amounts of the loans in the event of termination of the Concession of the agreement pursuant to occurrence of any Concessionaire Default during the Construction Period, which shall stand discharged upon occurrence of the COD.

   ii) to cover the shortfall in the DSRA as stipulated in Article 2.23 (i).

The above mentioned long term loans carries interest rate of MCLR plus 280 basis points. The rate of interest is calculated based on the highest interest rate charged by any consortium bankers

The Company has entered into a Concession Agreement with Andhra Pradesh Road Development Corporation (APRDC) on 5th November 2008 for building a bridge and maintaining it for a period of 25 years on DBFOT basis on Rajahmundry side in state of Andhra Pradesh. As per the agreement, the total project cost was estimated at ₹ 86,110 lacs. The Company had availed a term loan of ₹ 56,600 lacs crores from the consortium of bankers. The project was due to be completed on 26th May 2012. However, the project got delayed for the reason, which is not attributable to the Company. Due to the delay in project, there was cost overrun thereby increasing the total project cost by ₹ 17215 lacs to ₹ 103325 lacs. In March 2015, the Consortium Bankers have restructured the said loan. As per the terms of the restructuring, the Company has received the additional funding from the consortium bankers to the extent of ₹ 8789 lacs. The Company is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016 which Company has defaulted amounting to ₹ 261 lacs (PY ₹ 130 lacs). The regular Interest on the said loan has been serviced by the Company till December 2016. Thereafter, the term loan account of the Company has been classified as a Non performing Asset. However, the banks have not recalled the loans. Accordingly, the loans have been disclosed as a Non current Liability. The Company has defaulted in repayment of interest on its secured loan amounting to ₹ 11699.7 lacs (PY 6742.83 lacs)as on March 31, 2018.

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

Particulars	March 31, 2018	March 31, 2017
Instalments payable within 1 year	64,541.58	5,418.06
Instalments payable between 2 to 5 years	62,552.77	48,316.58
Instalments payable beyond 5 years	179,407.55	206,672.01
Total	**306,501.45**	**260,406.65**

c) 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	Number of equity shares pledged	
	Equity shares	March, 2018	March, 2017
BBHPL	10.00	2,600	2,600
CBICL	10.00	1,664,019	1,664,019
ICTPL	10.00	16,500,000	16,500,000
PHPL	10.00	5,940,000	5,940,000
RGBL	10.00	140,519,039	140,519,039
SHPVL	10.00	31,995,331	31,995,331
SSRPL	10.00	119,306,600	163,613,200
VSPL	10.00	63,770,015	63,770,015
Total		**379,697,604**	**424,004,204**

The change in the balances between March 31, 2018 & March 31, 2017 represent additional / reduction of pledge during the period ended March 31, 2018.

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

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	365 days & above
PREL	643.93	-	-	-
PHPL	3,114.84	-	-	-
ICTPL	1,625.24	1,929.39	3,859.68	15,804.15
RGBL	-	-	131.00	130.00
CBICL	-	-	-	746.78

As at March 31, 2017	1 - 90 days	91 to 180 days	181 to 365 days	365 days & above
GIPL	117.00	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

e) List of defaults incurred during the year and remedied by the balance sheet date

PREL	120.00	-	-	-
As at March 31, 2018	**1 - 90 days**	**91 to 180 days**	**181 to 365 days**	**365 days & above**
GIPL - Principal	-	-	-	-
PREL - Principal	347.00	258.07	139.00	-
PREL - Interest	495.48	482.67	296.68	
PHPL - Principal	2,790.29	-	-	-
PHPL - Interest	6,581.01	572.25	-	-
VSPL - Principal	1,652.91	-	-	-
VSPL - Interest	1,759.45	-	-	-

15.2 Other Financial Liabilities (at amortised cost)

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Current maturity of long term borrowings				
	to banks, financial institutions and others	-	-	64,541.15	5,418.06
ii)	Interest accrued and due				
	to banks and financial institutions	-	-	37,016.39	9,944.38
	to others	-	-	158.13	95.00
iii)	Interest accrued but not due				
	to related parties	-	-	-	41.63
	to banks and financial institutions	-	-	4.21	247.43
iv)	Dues to ultimate holding Company	-	-	-	1,190.65
v)	Other liabilities towards capital expenditure	-	-	111.11	257.06
vi)	Other dues - related parties	-	-	28.21	27.47
vii)	Advance received for sale of equity shares	-	-	265.20	265.20
viii)	Share application Money received	-	-	-	1,600.00
ix)	Capital Advance	1,500.00	1,500.00	-	-
x)	Deferred Payment liability (Additional Concession fees)	72,875.76	72,875.76	-	-
xi)	Deposit received towards Margin Money from related parties	-	100.00	-	-
xii)	Other Liabilities	-	-	5,733.95	1,361.00
xiii)	Advance received from sub-contractor	-	-	1,000.00	1,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current	
Total	**74,375.76**	**74,475.76**	**108,858.35**	**21,447.88**

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

As at March 31, 2018	1 - 90 days	91 to 180 days	181 to 365 days	365 days & above
PHPL	2,771.68	-	-	-
PREL	672.04	53.60	-	-
SSRPL	441.55	-	-	-
ICTPL	2,184.70	2,180.99	4,207.09	12,381.83
RGBL	-	-	4,956.87	6,742.83
CBICL	79.13	-	-	296.42

As at March 31, 2017	1 - 90 days	91 to 180 days	181 to 365 days	365 days & above
GIPL	95.00	-	-	-
PHPL	2,685.28	-	-	19.33

16 Long Term Provisions

	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current	
i) **Provision for employee benefits :**				
Leave Encashment	155.21	151.97	97.97	66.02
Gratuity	95.42	76.31	30.14	15.32
ii) **Provision for Project Obligations:**				
Provision for periodic maintenance	1,395.62	388.40		-
Provision for Project Obligations	1,821.46	1,493.59	113.73	113.73
Provision for demurrage charges	-	-	140.81	40.93
Total	**3,467.71**	**2,110.27**	**382.65**	**236.00**

a) Provision for Project Obligations :

The above includes:

Provision made by Holding Company for Obligation on Sale of Subsidiaries in previous year ended March 31, 2016

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

Provision for replacement cost represents the contractual obligation of the Company to restore the project facilities and services developed under the Agreement to a specified level of serviceability during and at the end of the licensing period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 2018)	1,607.32	326.02	1.85	-	1,935.19
Previous Year (as at March 2017)	1,475.07	276.85	1.67	(146.27)	1,607.32
Provision for periodic maintenance					
Current Year (as at March 2018)	388.40	1,007.32	-	-	1,395.72
Previous Year (as at March 2017)	101.83	286.57	-	-	388.40

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, 2018	As on March 31, 2017
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	99.35	92.28
	Current Service Cost	18.80	14.54
	Interest Cost	8.01	7.74
	Actuarial (Gain) /Loss	14.87	(14.37)
	Past employees Service	-	-
	Benefits paid	(15.47)	(8.58)
	Defined Benefit obligation at the year end	**125.56**	**91.62**
(b)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	Current Service Cost	18.80	14.54
	Interest Cost	8.01	7.74
	Past employees Service	-	-
	Actuarial (Gain)/Loss	14.87	(14.37)
	Net Cost	**41.68**	**7.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

ii) Actuarial assumptions

Particulars	As on March 31, 2018	As on March 31, 2017
Mortality Table (LIC)	Indian Assured Lives 2006-08	
Discount rate (per annum)	7.50%-8.00%	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	2%-5%	3%-5%
- upto age of 35-44	2%	2%-3%
- upto age 45 & above	1%-2%	1%-2%
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.

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

17 Deferred Tax Liabilities (Net)

	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Non- Current		Current	
Deferred Tax Liability on account of :				
- Depreciation	6,369.13	5,883.34	-	-
Deferred Tax Asset on account of :				
- Tax Disallowances -u/s 43B	(2.81)	(173.91)	-	-
Total	**6,366.32**	**5,709.43**	**-**	**-**

18 Other Liabilities

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Mobilization Advance - MPRDC -NCL	500.00	500.00	-	-
ii)	Duties and Taxes payable	-	-	416.26	536.65
iii)	Government grants / (Deferred revenue)	45,537.43	39,223.80	665.36	390.19
iv)	Unearned revenue	-	-	48.19	16.55
v)	Advance from customers	-	-	456.32	587.97
vi)	Other Payables	38.50	38.50	509.00	411.90
	Total	**46,075.93**	**39,762.30**	**2,095.13**	**1,943.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19 Short Term Borrowings (at amortised cost)

	As at	
	March 31, 2018	**March 31, 2017**
Bank overdraft (repayable on demand)	6,532.68	7,121.40
Loan from financial institutions	1,120.48	-
Total	**7,653.16**	**7,121.40**
The above amount includes		
Secured borrowings	6,532.68	3,502.12
Unsecured borrowings	1,120.48	3,619.29
	7,653.16	**7,121.40**

(I) Pravara Renewable Energy Limited

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

ii) Cash credit from Central 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 MCLR (1 year) plus spread of 320 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) Gammon Infrastructure Projects Limited

i) Bank of India has sanctioned facility of ₹ 8,000 lacs to Gammon Infrastrcuture Projects Limited (GIPL). This involves ₹ 2500 lacs of overdratft facility and ₹ 5,500 lacs of non fund facilities (Bank Guarantee). The BOI sanction dated 31st August 2016 stipulated the requirement of second charge on the project assets of Patna Highway Projects Limited, wholly owned subsidiary of GIPL. The second charge on the PHPL assets for the above mentioned facility was executed on 9th February 2018 in favour of BOI. Loan carries an interest @ 13.30% (PY : 14.75%)

(III) Sikkim Hydro Power Ventures Limited

i) Loan represents interest free working capital loan repayable by March 2019.

(iv) Details of continuing defaults are as under

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	365 days & above
GIPL - Principal	17.26	-	-	-
PREL - Principal	15.41	-	-	-
PREL - Interest	47.57	-	-	-

(v) List of defaults incurred during the year and remedied by the balance sheet date

As at March 31, 2018	1 to 90 days	91 to 180 days	181 to 365 days	365 days & above
GIPL - Principal	1,125.00	-	-	-
PREL - Principal	479.18	-	-	-
PREL - Interest	78.37	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

20 Trade Payables (at amortised cost)

		As at	
		March 31, 2018	**March 31, 2017**
i)	Trade payables - Micro, small and medium enterprises	-	-
ii)	Trade payables - Others	20,422.72	11,181.69
	Total	**20,422.72**	**11,181.69**

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.

21 Liabilities for current tax (net)

	As at	
	March 31, 2018	**March 31, 2017**
Provision for taxation, net of advance tax	1,743.90	1,847.57
Total	**1,743.90**	**1,847.57**

22 Revenue from Operations

		FY ended March 31, 2018	**FY ended March 31, 2017**
i)	Construction contract revenue	17,927.27	26,438.73
ii)	Operating and Maintenance Income	740.25	-
iii)	Toll revenue (refer note)	5,674.39	8,411.24
iv))	Finance Income	11,924.09	12,546.37
v)	Revenue from power projects	5,658.42	5,583.62
vi)	Revenue from port operations	19,374.21	12,976.97
	Total Operating Revenue	**61,298.63**	**65,956.92**
	Other Operating Revenue		
i)	Weighment charges	-	4.48
ii)	Scrap sales	904.53	198.03
iii)	Other miscellaneous income	271.11	140.68
	Total Other Operating Revenue	1,175.64	343.19
	Total	**62,474.27**	**66,300.11**

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

b) 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.

c) 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.

d) 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 maintenance 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.

Indira Container Terminal Private Limited has signed a License Agreement ('LA') with the Board of Trustees of the Port of the Mumbai ('MbPT') on December 3, 2007 for operation and management including necessary developments, modifications and augmentation of facilities, of the Ballard Pier Station Container Terminal ('BPS') and development, construction, operation and management of an Offshore Container Terminal ('OCT') in the Mumbai harbour to be implemented in accordance with the Major Port Trusts Act, 1963 and the Guidelines for Private Sector Participation through Build, Operate & Transfer (BOT) basis.Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principal to enter into a settlement agreement between Board of Trustees of MbPT, Company and the lenders. Highlights of the draft supplementary agreement are provided in the para under Corporate Information.

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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

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 had 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 and also stopped accruing interest liability on the deferred payment liability from that date. Subsequently, as a result of the efforts of the Company and dialogues with top officials of NHAI and MORTH, NHAI had 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 had 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 had expressed their willingness to give their respective sanctions , which were under final stages of approval for financial closure of this Project. The management was hopeful of the financial closure of the project and the project being revived.

The Company however could not achieve financial closure and consequently its agreement with Hinduja Realty Ventures also was terminated.

Due to delay of 2.5 years in fixing the Appointed Date and the Financial Closure, a situation of ""Force Majeure"" has been created which is beyond the control of both the Parties. Accordingly, the company, vide its letter dated September 8, 2017 has made a consent application for ""mutual exit"" from the project."

In case of one of the SPV i.e. PHPL, the SPV has cost overrun on account of issue beyond the scope of the company 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 had also applied to the lenders for 5/25 flexible Structuring Scheme. However, in view of the RBI circular dated February 12, 2018, the application became infructuous. During the year, the management, although having a valid claim for compensation, supported by Independent Engineer's assessment, has decided to account the finance income under the annuity model on the basis of the original plan. The cost overrun attributable to reasons beyond the control of the management and attributable to the granter is accounted as a separate receivable against the claim. No finance income is accounted on such cost overrun in the annuity model on a conservative basis till the final decision of the realisability is settled pursuant to arbitration and other legal proceedings.

ICTPL : During the previous years, the Company had finally decided to capitalize the expenditure as intangible asset being the right to operate the berth facility for a fee. This was done pursuant to the ongoing negotiations and discussions around the fact that the project could not be commissioned as per the original plan. The concession period may get revived after the finalization of the Supplementary Agreement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

the transition date.

vi) The Company has recognised the following Revenue and costs from construction services.

	FY ended March 31, 2018	FY ended March 31, 2017
Construction Revenue (including change of Scope)	18,667.52	26,438.73
Construction Cost	15,969.48	22,168.70
Finance Income	11,924.09	12,546.37
Finance Cost	9,286.52	11,110.16

23 Other Income

		FY ended March 31, 2018	FY ended March 31, 2017
i)	Rent income	164.33	-
ii)	Claim for Stoppage	165.69	-
iii)	Interest Income		
	On Fixed Deposits with Banks	359.40	6.93
	On Income Tax Refund	214.84	251.84
	Others	109.09	640.03
iv)	Net gain on financial asset through FVTPL	239.64	175.25
v)	Profit on Sale of Assets	1.18	0.45
vi)	Profit on sale of mutual fund investments	139.81	361.39
vii)	Write back of provision for advances	43.20	368.90
viii)	Miscellaneous Income	0.24	92.32
ix)	Amortisation of grant	390.19	342.27
	Total	**1,827.61**	**2,239.38**

24 Project expenses

		FY ended March 31, 2018	FY ended March 31, 2017
i)	EPC Cost	1,327.15	3,462.07
ii)	Operation and Maintenance expenses	2,662.63	629.14
iii)	Cargo related expenses	10,539.09	8,640.43
iv)	Sub-contractor expenses	13,442.32	18,706.64
	Total	**27,971.19**	**31,438.27**

24A Purchase of traded goods

		FY ended March 31, 2018	FY ended March 31, 2017
i)	Purchase of coal	144.20	-
	Total	**144.20**	**-**

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

25 Changes in inventory of consumables

	FY ended March 31, 2018	FY ended March 31, 2017
Opening stock of raw materials	863.13	49.41
Add: Purchase	1,619.72	3,414.70
Less : Closing stock of materials	49.10	863.13
Opening stock of traded goods	-	-
Less : Closing stock of traded goods	144.20	-
Total	**2,289.55**	**2,600.98**

26 Employee benefit expenses

		FY ended March 31, 2018	FY ended March 31, 2017
i)	Salaries, wages and bonus	1,986.38	1,777.31
ii)	Contributions to Provident Fund	75.02	59.43
iii)	Gratuity and Leave Encashment expense	83.05	54.60
iv)	Staff Welfare Expenses	57.72	27.01
v)	Employees 'ESOP' compensation cost (net of reversal)	0.72	2.39
vi)	Other expenses	3.63	11.45
	Total	**2,206.53**	**1,932.18**

a) Due to inadequacy of profits, Managerial remuneration amounting to ₹ 497.17 lacs for the period upto March 2017 was paid in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable. The Payment of Excess Management remuneration has been approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meetings held on 30th September, 2016 & 19th December, 2017.

The Company has made representation to the Ministry of Corporate Affairs (MCA) to reconsider its earlier decision wherein the applications made by the Company for approval for waiver of recovery of the said excess remuneration ₹ 388.45 lacs for the period upto March 2016 was rejected. For the balance amount of ₹ 108.72 lacs paid for the previous financial year ended 31st March, 2017 the Company has made an application to the Ministry of Corporate Affairs (MCA) for approval of the same. Pending these approvals, no adjustments have been made to the financial statements for the remuneration.

27 Depreciation & amortization

	FY ended March 31, 2018	FY ended March 31, 2017
Depreciation	1,514.37	1,435.86
Amortisation	7,209.86	3,515.17
Total	**8,724.22**	**4,951.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

28 Finance Costs:

	FY ended March 31, 2018	FY ended March 31, 2017
Interest Paid On :		
Intercorporate Loans:		
from others	2.40	27.80
Interest expenses on Financial liability at amortised cost	33,644.03	26,714.81
Interest on Income Tax	23.11	-
Interest on Margin Money Deposit	-	6.00
Interest on deferred liability payment	-	3,295.78
Other finance costs	323.36	873.23
Total	**33,992.90**	**30,917.64**

29 Other expenses

	FY ended March 31, 2018	FY ended March 31, 2017
Professional, Legal and Consultancy Fees	662.07	506.53
Rent	187.85	216.76
Repair and maintenance	581.34	60.17
Power & Fuel	326.35	432.92
Travelling, Motor Car and conveyance expenses	229.80	197.28
Communication expenses	26.06	22.55
Insurance charges	155.36	128.70
Remuneration to Auditors	65.04	98.29
Bank Charges	4.72	15.48
Directors Fees & Commission	44.50	29.50
Guarantee Bond Commission	340.64	45.54
Provision for replacement cost	326.02	276.85
Provision for loans and advances	1,000.00	-
Loss on sale of investments	19.35	-
Loss on sale of assets	5.23	0.21
Miscellaneous Expenses	1,445.38	1,797.64
	5,419.71	**3,828.42**

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

		FY ended March 31, 2018	FY ended March 31, 2017
a)	**Payment to auditors**		
	Statutory audit and tax audit Fees of the Company	22.00	25.60
	Other services	-	23.63
	Out of pocket expenses	-	0.69
	Total payments to auditors	**22.00**	**49.92**
b)	**Audit of components of the Company**		
	Statutory audit and tax audit fees	-	19.50
	Other services	-	1.40
		-	**20.90**
c)	**Other auditors:**		
	Other components' auditors fees	43.04	27.47
		43.04	**27.47**
	Total (a+b+c)	**65.04**	**98.29**

30 Exceptional items

		FY ended March 31, 2018	FY ended March 31, 2017
i)	Project Claims received	-	241.00
ii)	Impairment of insurance claim	(520.00)	-
	Total	**(520.00)**	**241.00**

31 Tax Expense

a) Income tax expense in the statement of profit and loss consists of:

Particulars	FY ended March 31, 2018	FY ended March 31, 2017
Current Tax	1,315.64	582.45
Short Provision for Tax	633.84	-
MAT Credit Entitlement	(1,729.31)	3,206.04
Deferred Tax Liability / (asset)	1,367.23	(1,083.91)
Income tax recognised in statement of profit or loss	**1,587.39**	**2,704.58**

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	FY ended March 31, 2018	FY ended March 31, 2017
Current Tax		
Accounting profit before income tax and share of profit of an associate and joint venture	(16,966.42)	(6,888.04)
Less: Non Taxable Profit/(loss) (difference between)	(19,799.25)	(10,112.57)
Taxable Profit/(loss)	2,832.84	3,224.53
Accounting profit before income tax		
Enacted tax rates in India (%)	21.34%	34.608%

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	FY ended March 31, 2018	FY ended March 31, 2017
Computed expected tax expenses	604.57	1,115.95
Effect of non- deductible expenses	118.70	99.48
Non Taxable effects	-	(607.34)
Set off of brought forward losses	-	(199.65)
Effect of deductible expenses and set off of losses	-	(0.96)
Effect of Ind-AS impact	572.04	172.49
Others	20.33	2.48
Income tax expenses - Net	**1,315.64**	**582.46**

32 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	FY ended March 31, 2018	FY ended March 31, 2017
Net Profit / (Loss) as per Statement of Profit and Loss	(14,567.53)	(10,405.95)
Outstanding equity shares at period end	941,830,724	941,830,724
Weighted average Number of Shares outstanding during the period – Basic	941,830,724	941,806,724
Weighted average Number of Shares outstanding during the period - Diluted	941,848,371	941,891,430
Earnings per Share - Basic (₹)	(1.55)	(1.10)
Earnings per Share - Diluted (₹) *	(1.55)	(1.10)

* The EPS on dilutive basis is anti-dilutive and therefore it is same as basic EPS.

Reconciliation of weighted number of outstanding during the period:

Particulars	FY ended March 31, 2018	FY ended March 31, 2017
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	941,830,724	941,770,724
Add : Issue of Equity Shares	-	60,000
Total number of equity shares outstanding at the end of the period	941,830,724	941,830,724
Weighted average number of equity shares at the end of the period	941,830,724	941,806,724
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	941,830,724	941,806,724
Add : Equity shares arising on grant of stock options under ESOP	17,647	84,706
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	941,848,371	941,891,430

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

33 Details of Joint Ventures

a) Details of Joint Ventures entered into by the Company.

Particulars	% of Interest as at	
	March 31, 2018	March 31, 2017
Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) *	10%	10%
Indira Container Terminal Private Ltd **	0%	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%.

** ICTPL was a joint venture in the previous year and is a subsidiary in the current year.

34 Commitments

Particulars	March 31, 2018	March 31, 2017
Capital Commitments:	117,467.83	288,847.72
Export obligations	2,289.67	2,289.67
Other Commitments:		
- Share of equity commitment in SPV's	45,506.62	58,729.13
- Buyback / purchase of shares of subsidiaries	3,800.00	5,300.00
Total	**169,064.12**	**355,166.52**

35 Contingent Liabilities

a) Guarantees:

i) The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries, amounting to ₹ 331,320.00 lacs (PY :₹ 333,320.00 lacs)

ii) Counter Guarantees given to the bankers for the guarantees given by them on our behalf ₹ 14,803.30 lacs (previous period ₹ 13,735.18 lacs).

b)	Particulars	March 31, 2018	March 31, 2017
i)	Income tax matters (net of taxes paid and refund adjusted)	26,334.09	1,943.59
ii)	Bank Guarantee	268.24	134.74
iii)	Claims against group not acknowledged as debt	33,643.33	2,752.66
iv)	Others	3,906.90	-
		64,152.56	**4,830.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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. Based on the current developments on the matter the company has on prudence provided the entire amount on account of no confirmation of receipt of aforesaid receipt from the insurance company.

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 SPV had entered into a binding agreement with a Strategic investor for a committed equity participation of 49% in the Project. However the SPV could not achieve financial closure and consequently its agreement with the Strategic investor was terminated. The SPV has finally made an application to NHAI for mutual exit from the Project vide letter dated September 08, 2017 with terms including return of bank guarantee and non-levy of any charges or claims by either parties. The decision of NHAI in response to the SPV's aforesaid letter of mutual exit is pending. No effects have been given in the financial statements of the SPV pending the decision of NHAI. The Auditors of the SPV have highlighted the going concern matter in the case of the SPV as in either case the entity would not be continuing the project and would be eventually wound up. In case the mutual exit proposal is accepted then the exposure of the Group is likely to be capped at ₹ 6337.07 lacs as the Bank Guarantee would be released as requested by the Company in its letter dated 8th September 2017. In case the proposal is not accepted then the entire exposure of ₹ 14,757.07 lacs of the Group in the SPV needs to be tested for impairment. Accordingly, the decision of NHAI is more likely to have adverse impact on the Statement of Profit and Loss. No effects have been given in the financial statements of the SPV pending the decision of NHAI.

38 The Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement of ₹ 3,776.69 lacs is to be reversed. The management is hopeful of receiving the extension with non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is ₹ 158.13 lacs

39 Going Concern Assumption

The Company had divested some of its subsidiaries in the previous periods for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch of cash flows including the dues to the subsidiary which are due for repayment pursuant to negotiation by March 31, 2019. Further various projects of the Company as stated in note 40 below are under stress and the outcome of the continuance of these projects would be dependent upon a favourable decision being received by the management on the litigations outstanding. In view of the matters detailed in Note 40 below and as aforesaid, there are material uncertainties which cast a significant doubt on the ability of the Company to continue as a going concern.

The auditors of the following SPVs have carried a separate paragraph on the Material Uncertainty related to Going Concern in its auditors report.

- Indira Container Terminal Private Limited
- Vijayawada Gundugolanu Road Projects Private Limited
- Rajahmundry Godavari Bridge Limited

The management however 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 respect of the following projects / SPV of the Company there are legal issues, arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matters. These issues are commonly encountered in the Infrastructure business and the management is confident of a favorable resolution in due course. The auditors in their review report have made an emphasis of matter on these matters.

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

a) One of the SPVs of the group is engaged in a bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. The Company has also in parallel filed a writ in the matter before the Hon'ble Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court granted extension to settle the matter subsequent to which Company has filled amended plaint. The said SPV pursuant to court proceedings filed a fresh writ for recovery of dues. The bankers of the said SPV have initiated action under SARFAESI Act and have taken symbolic possession of the property of the SPV. They have also initiated proceedings under DRT against which the company is taking necessary legal steps. The SPV has filed for keeping the proceedings on hold sine die till the disposal of the matter before the Hon'ble Kerala High Court. The company has in parallel applied for a One time settlement of dues to its lenders which is under consideration of their respective competent authorities for approval and implementation. Exposure of the Group in the SPV is ₹ 1,122.33 lacs (funded and non-funded).

b) 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 company has invoked arbitration on 19.02.2018 but is yet to receive the nomination of arbitrators from GOHP. The company has received letter from GOHP to discuss the matter mutually towards amicable resolution. The management is hopeful of an early settlement in the matter and is confident of recovering the amount of exposure. The exposure of the Group in the SPV is ₹ 6,787.12 lacs.

c) Container terminal at Mumbai –The project was delayed due to non-fulfilment of certain conditions by the Mumbai Port Trust. This has resulted in the SPV 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 agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MBPT, SPV and the lenders. The draft supplementary agreement is subject to clearance from the Ministry of Shipping, Government of India. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The SPV has a Right Of First refusal (ROFR) to match the winning bid within a pre-defined margin. The draft agreement also provides for waiver of Outstanding Interest. The management has during the current financial year acquired further stake from the JV partner and has obtained control over the JV. It currently holds 74% of the equity of the SPV company. The RORO (Roll On Roll Off) operation which was allowed by MBPT as an alternate use of the two berths is continuing. However the same is inadequate for repayment of principal and interest of the lenders. There exists material uncertainty relating to the rebid fructifying in favour of the SPV. The auditors of the SPV have highlighted the material uncertainty regards going concern issue. In case the management is unable to match the bid and win the contract, the cash flows would be sufficient to pay its debts as well as exposure of the Holding Company. However the company will not continue in the said case and would be eventually wound up. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility, which would be operationally viable under the revised terms. The exposure of the Group in the SPV is ₹ 69,863.47 lacs (funded and non-funded)

d) The actual toll collections of the tolling bridge project at Rajahmundry Godavari Bridge across river Godavari are significantly lower than the forecasted revenue at the time of bid, resulting in inadequate cash flow to meet the debt / Interest servicing obligations of the Lenders. Consequently, the debt facility has been classified as a Non-Performing Asset (NPA) by the Lenders. The Company had earlier submitted a proposal under the Scheme for Sustainable Structuring of Stressed Assets (S4A) to the Lenders, which was cleared by the Lenders for approval of the Overseeing Committee (OC) set up by the Indian Banking Association (IBA), in consultation with the Reserve Bank of India (RBI). The Company provided its response to the observations of the Lenders and the OC on the S4A proposal and was awaiting the OC/lenders' approval. In the interim, RBI vide its circular dated 12th February 2018, discontinued with immediate effect all restructuring schemes for stressed assets (including S4A). As per this circular, all schemes, including S4A which have been invoked but not implemented, shall be governed by the new circular. Thus the restructuring proposal proposed by the Company is no longer being pursued by the Lenders. Subsequently the Company has issued a cure period notice to Andhra Pradesh Road Development Corporation (APRDC or the Client) on 26th February 2018 under clause 37.2.1 of the Concession Agreement to cure the breaches of APRDC which includes provision of Revenue shortfall loan along with other mentioned breaches. In the event that the client is unable to correct the breaches in the project, the management would need to decide on the ability to continue or terminate the agreement. Management discussion is currently underway with APRDC. The Company is hopeful that the breaches would be cured by the Client and the Company would be able to continue to operate the Project. The

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Management estimates the revenue from the project would meet the levels as forecasted post cure of defaults and thus would make the project viable. In addition, the management also estimates reduction of the operating & finance costs. In the event of termination, the Company is confident of recovery of compensation / Payment of outstanding dues to Lenders from the client in terms of the Concession Agreement.

Pending disposal of the matter by APRDC, there exists material uncertainty with respect to the future of the Project and that cast significant doubt on the Company's ability to continue as a going concern. The auditors of the SPV have highlighted the material uncertainty regards going concern in their audit report. However, based on the on-going discussions with the client, the Company is hopeful that breaches would be cured and the Company will continue to operate the Project. The Management is also of the opinion that the Project will be viable post cure of defaults and on optimising the operating and finance costs and improved traffic / revenue due to major infrastructure development proposed by the State Government around the Project route.

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 breaches are not cured by the client as envisaged by the management, the Company would be required to reassess the ability of the SPV to continue as a going concern. The exposure of the Group to the SPV is ₹ 1,03,437.56 lacs.

e) In respect of an Annuity Road project : The project has obtained pre-COD on September 1, 2016. In respect of the project on annuity basis of 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. The Company will have cost overrun on account of issue beyond the scope of the company and attributable to the Grantor. This will not result in any changes in the Annuity 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. However this amount has been treated separately as receivable from the Grantor. The Company had also applied to the lenders for 5/25 flexible Structuring Scheme. However, in view of the RBI circular dated February 12, 2018 the application became infructuous.

During the year, the management, although having a valid claim for compensation, supported by Independent Engineer's assessment, has decided to account the finance income under the annuity model on the basis of the original plan. No finance income is accounted on such cost overrun in the annuity model on a conservative basis till the final decision of the realisability is settled pursuant to arbitration and other legal proceedings. The exposure of the Group in the SPV is ₹ 1,24,971.20 lacs.

f) The Company has incorporated a SPV 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 date of COD. The project cost is estimated to be ₹ 496 Crores. Though the project has received all major clearances and approvals including environmental clearances from MoEF and all major contracts for the project have been awarded, Power purchase agreement is yet to be signed. Over a period of time, the scenario in power sector changed substantially and in absence of financial closure, funding of the Project has been a major issue leading to frequent stoppages of work. The Proposed Hydro power Policy is eagerly awaited which will hopefully bring more opportunity in this sector. The Company is hopeful that power purchase agreement would be signed under the new policy which will also enable the financial closure to be done. Policy initiatives taken by the Government to address key concern facing the power sector will enable the sector to keep pace with the growing demand. The Management is of the view that the present situation in power business is temporary and does not foresee any need for impairment. The exposure of the Group in the project is ₹ 10,936.37 lacs.

41 Other Financial Assets includes ₹ 1,514.01 lacs due from Western Coalfields Limited on account of wrongful encashment of bank guarantee against which the company has filed a suit for Recovery of damages. During the quarter ended September 2017, Western Coalfields Limited (WCL) had encashed Bank Guarantee amounting ₹ 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016) towards the coal linkages to be granted by WCL. Subsequent to the encashment, Company has filed an application for converting earlier injunction application to suit for recovery of damages. The company has sought a legal opinion in this matter and has been advised that it has a good case of recovery. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited the same to the statement of profit and loss for the year ended March 31, 2018.

42 In the opinion of the Board of Directors, all assets other than PPE 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.

43 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.

The future minimum committed lease rentals are given as follows :

Particulars	As on March 31, 2018	As on March 31, 2017
Payable not later than one year	133.20	111.00
Payable between one to five years*	-	133.20
Payable after five years	-	-
Total	**133.20**	**244.20**

*For the third year that is April 2018 to March 2019, Rent will be mutually decided after completion of two years; however it shall not be below 9.25 lacs or shall not exceed 11.10 lacs.

44 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.

45 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

46 Disclosure related to interest in other entities

Details are given in Annexure -2

47 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2018 and March 31, 2017. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2018 and March 31, 2017.

48 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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. 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.

49 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2018 & March 31, 2017 is as follows:

	Particulars	Carrying Value		Fair Value	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
a)	**Financial assets**				
	Amortised Cost				
	Loans	790.22	5,444.44	790.22	5,444.44
	Others	12,396.08	11,626.58	12,396.08	11,626.58
	Trade receivables	134,029.11	136,227.88	134,029.11	136,227.88
	Cash and cash equivalents	5,008.87	3,018.87	5,008.87	3,018.87
	Bank balance other than above	39.74	12.37	39.74	12.37
	Investment in equity	0.50	3,677.09	0.50	3,677.09
	FVTPL				
	Mutual Funds	4,515.86	14,738.80	4,515.86	14,738.80
	Total Financial Assets	**156,780.38**	**174,746.04**	**156,780.38**	**174,746.04**
b)	**Financial liabilities**				
	Amortised Cost				
	Borrowings	249,613.46	262,110.00	249,613.46	262,110.00
	Trade payables	20,422.72	11,181.69	20,422.72	11,181.69
	Others	183,234.10	95,923.64	183,234.10	95,923.64
	Total Financial Liabilities	**453,270.28**	**369,215.33**	**453,270.28**	**369,215.33**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

50 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, 2018 & March 31, 2017.

Particulars	**Fair Value measurement using**			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-18	4,515.86	-	-
Total financial assets		**4,515.86**	**-**	**-**
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-17	14,738.80	-	-
Total financial assets		**14,738.80**	**-**	**-**

51 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:

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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, 2018	+100	(3,141.55)
	-100	3,141.55
March 31, 2017	+100	(2,961.99)
	-100	2,961.99

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 ₹ 1,34,029.11 lacs as at March 31, 2018 and ₹ 1,36,227.88 lacs as at March 31, 2017.

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.

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

The Group has outstanding borrowings of ₹ 249,613.46 lacs as at March 31, 2018 and ₹ 262,110.00 lacs as at March 31, 2017.

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 90,874. 74 lacs as at March 31, 2018. 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, 2018	March 31, 2017
Cash and Cash Equivalent	5,008.87	3,018.87
Bank Balance	39.74	12.37
Investments in mutual Funds	4,515.86	14,738.80
Total	**9,564.47**	**17,770.04**

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	Amount
As at March 31, 2018	
Borrowings	249,613.46
Trade Payables	20,422.72
Other Financial Liabilities	183,234.10
Other Liabilities	48,171.07
Total	**501,441.35**
As at March 31, 2017	
Borrowings	262,110.00
Trade Payables	11,181.69
Other Financial Liabilities	95,923.64
Other Liabilities	41,705.56
Total	**410,920.89**

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

52 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the 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, 2018	March 31, 2017
Borrowings	249,613.46	262,109.99
Less:		
Cash and Cash Equivalent	(5,008.87)	(3,018.87)
Investment in mutual funds	(4,515.86)	(14,738.80)
Net debt	**240,088.73**	**244,352.32**
Total Equity	**52,271.94**	**70,235.36**
Gearing ratio	**21.77%**	**28.74%**

53 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 Annexure 3 attached.

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, 2018.

As per our report of even date

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

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Annexure I (Refer note 45)

Related Party Disclosure

a) Relationships :

Entity where control exists :

1 Gammon Power Limited - Holding Company (Upto Sept 07,2017)
2 Gammon Power Limited - Entities having significant influence (w.e.f Sept 08,2017)

Fellow Subsidiary

1 Ansaldo Caldie Boilers India Private 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 Naresh Chandra- Chairman (Upto 09/07/2017)
3 Chandrahas Charandas Dayal- Independent Director (Upto 29/09/2017)
4 Sushil Chandra Tripathi- Independent Director
5 Sushil Chandra Tripathi- Chairman & Non Executive Director (W.e.f 14/02/2018)
6 Homai A Daruwalla- Independent Director
7 Abhijit Rajan - Non Executive Director
8 Sanjay Sachdev - Independent Director (W.e.f. 09/11/2017)
9 Vardhan Dharkar - Non Executive Director (W.e.f. 20/11/2017)

b) Details of related parties transactions for the period ended on March 31, 2018

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Subsidiary of Ultimate holding company	Key Management Personnel	Total
Operations & Maintenance Expense		-	-	-	-	-	-
		2,590.38	**-**	**-**	**-**	**-**	**2,590.38**
- Gammon India Ltd		-	-	-	-	-	-
(Previous Year)		2,590.38	-	-	-	-	2,590.38
EPC Expenses		-	-	-	-	-	-
		3,870.27	**-**	**-**	**-**	**-**	**3,870.27**
- Gammon India Ltd		-	-	-	-	-	-
(Previous Year)		3,870.27	-	-	-	-	3,870.27
Advance recovered against EPC contracts from		**76.73**	**-**	**-**	**-**	**-**	**76.73**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Subsidiary of Ultimate holding company	Key Management Personnel	Total
		160.59	**-**	**-**	**-**	**-**	**160.59**
- Gammon India Ltd		76.73	-	-	-	-	76.73
(Previous Year)		160.59	-	-	-	-	160.59
Managerial Remuneration		**-**	**-**	**-**	**-**	**264.28**	**-**
		-	**-**	**-**	**-**	**261.43**	**374.76**
- Mr. K. K. Mohanty		-	-	-	-	264.28	-
(Previous Year)		-	-	-	-	261.43	374.76
Director Sitting fees and Commission		**-**	**-**	**-**	**-**	**20.50**	**20.00**
		-	**-**	**-**	**-**	**29.50**	**29.50**
- C.C Dayal		-	-	-	-	3.50	3.50
(Previous Year)		-	-	-	-	6.50	6.50
- Homai A Daruwalla		-	-	-	-	6.50	6.50
(Previous Year)		-	-	-	-	7.50	7.50
- Sushil Chandra Tripathi		-	-	-	-	4.00	4.00
(Previous Year)		-	-	-	-	7.50	7.50
- Naresh Chandra		-	-	-	-	1.50	1.50
(Previous Year)		-	-	-	-	6.00	6.00
- Abhijit Rajan		-	-	-	-	3.00	3.00
(Previous Year)		-	-	-	-	2.00	2.00
- Vardhan Vasant Dharkar		-	-	-	-	0.50	0.50
(Previous Year)		-	-	-	-	-	-
- Sanjay Sachdeva		-	-	-	-	1.50	1.50
(Previous Year)		-	-	-	-	-	-
Oustanding Balances Receivable :	**422.32**	**-**	**129.95**	**24.58**	**-**	**-**	**154.53**
	-	**1,291.06**	**129.95**	**15.83**	**-**	**-**	**1,436.84**
- Gammon India Ltd	422.32		-	-	-	-	-
(Previous Year)	-	1,291.06	-	-	-	-	1,291.06
- Modern Tollroads Limited		-	129.95	-	-	-	129.95
(Previous Year)		-	129.95	-	-	-	129.95
- GIPL-GIL JV		-	-	24.58	-	-	24.58
(Previous Year)		-	-	15.83	-	-	15.83
Oustanding Balances Payable:	**109.36**	**-**	**265.20**	**-**	**-**	**-**	**265.20**
		1,263.77	**265.20**	**1,600.00**	**1,500.00**	**-**	**4,628.97**
- Gammon India Ltd	109.36	-	-	-	-	-	-
(Previous Year)		1,263.77	-	-	-	-	1,263.77
- Modern Tollroads Limited		-	265.20	-	-	-	265.20
(Previous Year)		-	265.20	-	-	-	265.20
- GRL		-	-	-	-	-	-
(Previous Year)		-	-	1,600.00	-	-	1,600.00
- Ansaldo Caldie Boilers India Private Limited		-	-	-	-	-	-
(Previous Year)		-	-	-	1,500.00	-	1,500.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Annexure - II

A) The following table summarises the information relating to major subsidiaries of the group.

Particulars	RGBL		VSPL		ICTPL*
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Non-current assets	106,031.20	108,377.16	21,904.32	23,505.14	71,758.11
Current assets	1,923.69	1,698.86	14,584.47	14,189.89	3,213.32
Non-current liabilities	(84,314.77)	(84,943.49)	(20,740.17)	(23,057.48)	(15.55)
Current liabilities	(14,446.09)	(8,031.05)	(5,728.93)	(5,462.98)	(78,068.12)
Capital Contributions	(5,438.28)	-	-	-	(3,722.47)
Net assets	**3,755.76**	**17,101.48**	**10,019.69**	**9,174.54**	**(6,834.71)**
Net assets attributable to NCI	**592.18**	**2,546.95**	**2,628.75**	**2,407.24**	**(1,777.09)**
Contingent Liabilities	-	-	5,886.92	3,630.74	5,657.88
Revenue	5,788.96	5,069.59	16,250.86	13,736.72	4,451.03
Profit for the year	(7,907.63)	(6,470.22)	844.21	445.72	(8,649.38)
Profit/(Loss) allocated to NCI	**(1,954.77)**	**(1,848.36)**	**221.51**	**116.97**	**(2,248.84)**
Other comprehensive income	0.18	(0.12)	0.90	(2.77)	0.24
OCI allocated to NCI	0.04	-	0.23	-	0.06
Cash flow from operating activities	5,107.08	4,684.39	4,435.38	5,130.87	4,337.54
Cash flow from investing activities	(21.03)	(162.70)	1,017.89	1,138.94	18.87
Cash flow from financing activities	(4,952.61)	(4,065.99)	(5,404.40)	(6,394.81)	(3,562.31)
Net increase/ (decrease) in cash and cash equivalents	133.44	455.71	48.88	125.00	794.11

B) Table below provide summarised financial information for major Joint venture

Particulars	ICTPL * March 31, 2017
Non-current assets	75,372.69
Current assets	
Cash and Cash equivalents	1,618.29
- Other assets	624.81
Current assets	**2,243.10**
Non-current liabilities	
- Financial liabilities (excluding trade payables, other payables and provisions)	
- Other liabilities	(14.43)
Non-current liabilities	**(14.43)**
Current liabilities	
- Financial liabilities (excluding trade payables , other payables and provisions)	(68,454.44)
- Other liabilities	(3,610.03)
Current liabilities	**(72,064.47)**
Net assets	5,536.90
Group share of net assets	3,564.38
Revenue	4,068.64
Interest Income	7.36
Depreciation and amortisation	2,764.84
Finance cost	5,596.52
Profit/ (Loss) for the year before tax	**(5,140.19)**
Income tax expenses	
Profit/ (Loss) for the year	**(5,140.19)**
Other comprehensive income	0.51
Total comprehensive income	**0.51**
Group share of profit/ (Loss)	(2,569.84)
Group share of OCI	-
Group share of total comprehensive income	(2,569.84)

Note - A) The amounts disclosed for each subsidiary are before intra-group eliminations.

B) *ICTPL is taken as subsidiary during the year , in the previous year same was considered as joint venture.

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Annexure III

Disclosure as required under schedule III of the Companies Act, 2013 (Refer note no 53)

Sr. No.	Particulars	As at March 31, 2018				As at March 31, 2017			
		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	154.69%	78,646.89	92.10%	(13,416.10)	119.54%	78,047.36	128.27%	(13,347.95)
	Subsidiaries								
1	BBHPL	0.02%	9.26	0.02%	(3.34)	-1.67%	(1,089.23)	0.01%	(0.55)
2	CBICL	-0.79%	(400.48)	1.04%	(150.88)	-0.39%	(251.59)	2.48%	(258.15)
3	CICPL	0.01%	3.84	0.01%	(1.27)	-0.01%	(4.52)	0.00%	0.05
4	EIPPL	-0.42%	(215.43)	0.00%	(0.15)	-0.09%	(58.23)	0.00%	(0.18)
5	GLL	-0.25%	(129.19)	0.00%	(0.23)	-0.85%	(557.85)	-0.50%	51.86
6	GPDL	0.02%	8.51	0.13%	(18.88)	-0.05%	(33.74)	0.01%	(0.78)
7	GREIL	-0.23%	(116.52)	0.01%	(1.44)	-0.13%	(88.10)	0.00%	(0.19)
8	GRIL	-0.03%	(17.56)	0.00%	(0.13)	-0.41%	(267.68)	0.00%	(0.19)
9	GSIL	0.00%	1.36	0.00%	(0.13)	0.00%	(2.51)	0.00%	(0.21)
10	GREPL	0.00%	(0.43)	0.00%	(0.22)	-0.01%	(9.23)	0.00%	(0.21)
11	HBPL	-0.01%	(6.89)	0.00%	(0.23)	-0.42%	(275.14)	0.00%	(0.20)
12	JPDL	0.01%	3.56	0.00%	(0.21)	0.00%	(1.50)	0.00%	(0.19)
13	LIDL	0.00%	0.00	0.01%	(1.67)	-0.01%	(3.33)	0.00%	(0.20)
14	MPSL	0.02%	11.76	0.01%	(1.70)	0.02%	13.46	0.00%	(0.20)
15	PHPL	7.35%	3,735.83	-14.21%	2,070.17	3.40%	2,217.92	-8.34%	868.08
16	PREL	-30.10%	(15,304.71)	17.74%	(2,583.59)	-14.47%	(9,447.27)	40.85%	(4,250.44)
17	RCTPL	-0.13%	(68.23)	0.08%	(12.25)	-0.16%	(103.14)	0.15%	(15.46)
18	RGBL	-23.71%	(12,055.93)	38.64%	(5,629.22)	-9.55%	(6,237.51)	44.42%	(4,621.97)
19	SREPL	0.05%	25.90	-0.15%	21.23	-0.04%	(24.36)	0.00%	(0.07)
20	SHPVL	-2.17%	(1,103.82)	6.87%	(1,000.59)	-0.09%	(60.78)	0.01%	(0.90)
21	SIPPL	-0.01%	(6.91)	0.01%	(1.17)	-0.02%	(10.97)	0.01%	(0.76)
22	SSRPL	27.00%	13,729.86	-92.70%	13,503.44	21.54%	14,065.25	-132.37%	13,774.74
23	TIDCL	0.00%	(0.07)	0.00%	(0.14)	-0.03%	(18.65)	0.00%	(0.19)
24	TREPL	0.00%	0.13	0.00%	0.40	0.00%	(1.40)	0.00%	(0.21)
25	THPL	0.26%	131.95	0.00%	(0.64)	-0.01%	(5.25)	-0.08%	8.45
26	VGRPPL	-10.72%	(5,451.15)	1.84%	(267.91)	-4.37%	(2,855.40)	-9.46%	984.07
27	VSPL	2.44%	1,240.27	4.48%	(652.66)	0.81%	525.67	9.86%	(1,026.15)
28	YMMPL	0.01%	6.00	0.00%	(0.10)	-0.01%	(9.15)	0.00%	0.08
29	YPHPL	0.05%	23.25	0.00%	(0.10)	-4.29%	(2,798.87)	0.01%	(1.02)
30	YPVL	-0.84%	(425.38)	0.08%	(11.25)	-0.49%	(322.07)	0.11%	(11.43)
	Joint Venture								
1	ICTPL	-22.49%	(11,432.57)	43.98%	(6,406.55)	-7.69%	(5,022.52)	24.64%	(2,564.12)
2	GIPL-GIL JV	0.00%	0.00	0.00%	0.00	-0.03%	(17.34)	-0.08%	8.66
3	BWIOTPL	0.00%	0.00	0.00%	0.00				
	Associates								
1	ESMSPL	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
2	SEZAL	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
		100.00%	**50,843.09**	**100.00%**	**(14,567.53)**	**100.00%**	**65,292.33**	**100.00%**	**(10,405.95)**

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, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of 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

a) Attention is invited to note 18(a) of the Standalone Ind AS Financial Statements relating to the excess managerial remuneration paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. The Company had once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and the year ended March 31, 2018. Similarly for the previous period ended 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 Rs. 108.72 lacs for which the Company has made an application to the MCA for approval of the same. Pending these approvals, no adjustments have been made to the financial results for the remuneration of the said period. This matter was qualified in the auditors' report dated June 18, 2017 by the previous auditors' on the financial statements for the year ended March 31, 2017.

   Attention is invited to Note no 29 of the Standalone Ind AS Financial Statements in respect of status of the Tolling Road

INDEPENDENT AUDITOR'S REPORT

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 NHAI, they agreed to revoke the termination notice vide its letter dated 16th January 2017, subject to completing of financial closure and fulfilling of other commitments specified in the letter within the stipulated timeframe. The Company could not fulfil the said conditions. Ultimately on 8th September 2017, the Company made an application to NHAI for mutual exit from the project. The decision of NHAI in response to the aforesaid letter of mutual exit is pending. In case the mutual exit proposal is accepted then the exposure of the Company is likely to be capped at Rs.7246.13 lacs as the Bank Guarantee would be released as requested by the Company in its letter dated 8th September 2017. In case the proposal is not accepted then the entire exposure of Rs. 15,666.13 lacs of the Company in the SPV needs to be tested for impairment. Accordingly, the decision of NHAI is more likely to have adverse impact on the Statement of Profit and Loss. No effects have been given in the financial statements of the SPV pending the decision of NHAI. The Auditors of the SPV have, in their audit report on the financial statements of the SPV for the year ended on 31st March 2018, carried a paragraph on Material Uncertainty related to Going Concern. The decision of the NHAI is awaited for determining the possible impairment and giving necessary effects. Pending the decision of NHAI we are unable to quantify the impairment that would be required in the matter and consequent impact on the Standalone Financial Statements.

b) Attention is invited to Note no. 30 to the Standalone Ind AS Financial Statements, where the Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 3,776.69 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 158.13 lacs.

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, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Material Uncertainty relating to Going Concern.

We invite attention to Note 31 of the Standalone Ind AS Financial Statements, 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 periods. There is therefore a continuing mismatch including defaults in payment of its financial obligations. The management is taking active steps to tide over the present situations for which based on detailed evaluation of the current situation plans are formulated and active discussions are underway with various stakeholders. These conditions, along with matters arising out of pending conclusions of decisions in respect of some of the SPVS set forth in the Note 32 of the Standalone Ind AS Financial Statements and the fact of the Auditors' Report of some of the SPV carrying a separate paragraph on Material Uncertainty related to Going Concern as mentioned in Note 31 of the Standalone Ind AS Financial Statements, indicate the existence of significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. Our report is not qualified on this matter.

Emphasis of Matter

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

a) We invite attention to Note 32(a) of the Standalone 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 Rs.2,856.96 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b) We invite attention to Note 32(b) of the Standalone 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

INDEPENDENT AUDITOR'S REPORT

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 has also invoked arbitration. The Company's exposure towards the said project includes investment and loans and advances of Rs. 7,119.23 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

c) We invite attention to Note 32(c) of the Standalone Ind AS Financial Statements, in connection with an amount invested (including deposits and advances given) in the subsidiary of Rs. 13,831.00 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, which would be operationally viable under the revised terms. The management has during the year acquired further stake from the JV partner and has obtained control over the SPV and holds 74% of the equity of the SPV Company. The auditors of the SPV have included a separate paragraph on Material Uncertainty related to Going Concern. 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 32(d) of the Standalone 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. The SPV had earlier submitted a proposal under the Scheme for Sustainable Structuring of Stressed Assets (S4A) to the Lenders, which was cleared by the Lenders for approval of the Overseeing Committee (OC) set up by the Indian Banking Association (IBA), in consultation with the Reserve Bank of India (RBI). The SPV provided its response to the observations of the Lenders and the OC on the S4A proposal and was awaiting the OC/lenders' approval. In the interim, RBI vide its circular dated 12th February 2018, discontinued with immediate effect all restructuring schemes for stressed assets (including S4A). As per this circular, all schemes, including S4A which have been invoked but not implemented, shall be governed by the new circular. Thus the restructuring proposal proposed by the Company is no longer being pursued by the Lenders. Subsequently the Company has issued a cure period notice to Andhra Pradesh Road Development Corporation (APRDC or the Client) on 26th February 2018 under clause 37.2.1 of the Concession Agreement to cure the breaches of APRDC which includes provision of Revenue shortfall loan along with other mentioned breaches. Pending receipt of the response to the notice for cure period, no adjustments have been made in the financial statements. The auditors of the SPV have included a separate paragraph on Material Uncertainty related to Going Concern on the matter. The Company's exposure towards the project/SPV is Rs. 95,578.24 lacs (funded and non-funded).

e) We invite attention to Note 32(e) of the Standalone Ind AS Financial Statements, 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 had also separately applied to the lenders for Scheme for 5:25 Flexible Structuring Scheme for which sanction from two banks among consortium members had been received and sanction from rest bankers were expected in near future. However, in view of the RBI circular dated 12th February 2018, all restructuring schemes for stressed assets (including 5/25 Flexible Structuring Scheme) have been discontinued and the application became infructuous. The management contends that in view of the strong case it has on the claim matter as aforesaid 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 Rs. 1,30,254.07 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

f) We invite attention to Note no 32(f) of the Standalone Ind AS Financial Statements, relating to the Hydropower project in Sikkim. As detailed in the note there are various factors affecting the progress of the project. The management, as detailed in the note, is confident that it will be able to pursue the project viably and does not foresee any need for impairment. Considering the assertion of the management no adjustments have been made towards any possible impairment. The exposure of the Company in the SPV is Rs. 9,622.91 lacs.

g) We invite attention to Note 33 of the Standalone Ind AS Financial Statements, wherein during the year, Western Coalfields Limited (WCF) had encashed Bank Guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016). Subsequent to encashment Company has filed an application for converting earlier injunction application to suit for recovery of damages. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited the same to the statement of profit and loss for the year ended March 31, 2018.

INDEPENDENT AUDITOR'S REPORT

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 the Material Uncertainty related to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
   (f) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act except Mr. Abhijit Rajan.
   (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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 financial position in its financial statements– Refer Note 28 to the Standalone Ind AS Financial Statements;
      ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company has not entered into any derivative contracts.
      iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund during the year

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - June 13, 2018

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 Fixed Assets.

(b) Fixed Assets 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, Goods and Service 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, 2018 for a period of more than six months from the date of becoming 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	310.10	A.Y. 2007-08 to A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
	Demand of Penalty u/s 271(1)(c)	1,715.40	A.Y. 2007-08 to A.Y. 2011-12	

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the company has defaulted in repayment of dues to Bank of India aggregating to Rs. 17.46 lacs for Interest., the details of default have been disclosed in the IND AS Standalone Financial Statement vide note 12(e). The company has not borrowed any fund from financial institutions and by way of debenture.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments) during the

ANNEXURE A

year. 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 paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. The Company had once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and the year ended March 31, 2018. Similarly for the previous period ended 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 Rs. 108.72 lacs for which the Company has made an application to the MCA for approval of the same. Pending these approvals, no adjustments have been made to the financial results for the remuneration of the said period. This matter was qualified in the auditors' report dated June 18, 2017 by the previous auditors' on the financial statements for the year ended March 31, 2017.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: June 13, 2018

ANNEXURE B

To the Independent Auditors' Report on the Standalone IND AS Financial Statements of Gammon Infrastructure Projects Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

ANNEXURE B

subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K N Padmanabhan
Partner
Membership No. 36410
Mumbai, Dated: June 13, 2018

BALANCE SHEET
as at March 31, 2018

(₹ in lacs)

Particulars			Note Ref	As at March 31, 2018	As at March 31, 2017
ASSETS					
(1)	Non-current assets				
	(a)	Property, Plant and Equipment	3	461.76	35.25
	(b)	Financial Assets	4		
		(i) Investments in Subsidiaries , Joint Ventures and Associates	4.1	1,17,504.72	1,27,082.41
		(ii) Trade receivables	4.2	5,030.81	4,182.21
		(iii) Loans	4.4	2,621.89	3,169.08
		(iv) Other Financial Assets	4.5	8,073.91	8,023.59
	(c)	Deferred Tax Asset, Net	5	2,473.53	2,020.75
	(d)	Other non current assets	6	1,250.57	1,972.99
				1,37,417.19	**1,46,486.28**
(2)	Current Assets				
	(a)	Inventories		-	-
	(b)	Financial Assets	4		
		(i) Investments in Subsidiaries , Joint Ventures and Associates	4.1	-	-
		(ii) Other Investments	4.1	4,515.86	7,082.18
		(iii) Trade receivables	4.2	105.54	2,329.54
		(iv) Cash and cash equivalents	4.3	706.99	1,669.37
		(v) Bank balances	4.3	39.74	12.37
		(vi) Loans	4.4	75.00	-
		(vii) Others Financial Assets	4.5	3,359.43	3,549.52
	(c)	Other current assets	6	6,744.01	3,451.73
				15,546.57	**18,094.71**
Total Assets				**1,52,963.76**	**1,64,580.99**
EQUITY & LIABILITIES					
Equity					
	(a)	Equity Share capital	7	18,917.64	18,917.64
	(b)	Other Equity	8	74,351.25	73,218.39
				93,268.89	**92,136.03**
Liabilities					
Non-current liabilities					
	(a)	Financial Liabilities	9		
		(i) Borrowings	9.1	-	261.59
		(ii) Other financial liabilities	9.2	100.00	100.00
	(b)	Provisions	10	74.83	57.02
	(c)	Other Non-current liabilities	11	9,118.10	23,025.03
				9,292.93	**23,443.64**
Current liabilities					
	(a)	Financial Liabilities	9		
		(i) Borrowings	12	3,522.31	3,619.29
		(ii) Trade payables	13	6,784.98	4,482.47
		(iii) Other financial liabilities	9.2	13,054.53	12,570.77
	(b)	Provisions	10	191.41	181.12
	(c)	Current tax liability	14	1,593.53	1,795.83
	(d)	Other current liabilities	11	25,255.18	26,351.84
				50,401.94	**49,001.32**
Total Equity and Liabilities				**1,52,963.76**	**1,64,580.99**

As per our report of even date

For Nayan Parikh & Co.
ICAI Firm Regn. No.: 107023W
Chartered Accountants

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

PROFIT & LOSS ACCOUNT
for year ended March 31, 2018

(₹ in lacs)

	Particulars	Note Ref	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
I	Revenue from Operations	15	15,078.88	18,982.02
II	**Other Income**	16	2,590.50	2,695.94
III	Total Income (I +II)		**17,669.38**	**21,677.96**
IV	Expenses:			
	Construction expenses	17	11,983.94	15,630.75
	Employee benefit expenses	18	829.66	718.61
	Finance Costs	19	2,239.88	2,641.72
	Depreciation & amortization	20	60.85	15.72
	Other expenses	21	1,163.25	991.06
	Total Expenses		**16,277.58**	**19,997.86**
V	**Profit before exceptional Item and tax (III-IV)**		**1,391.80**	**1,680.10**
VI	Exceptional items	22	-	241.00
VII	**Profit before tax**		**1,391.80**	**1,921.10**
VIII	**Tax expenses**	**23**	**247.33**	**45.94**
	Current Tax		520.00	585.00
	Taxation for earlier years		176.75	-
	Deferred Tax Liability / (asset)		(449.42)	(539.06)
IX	**Profit for the period from continuing operations**		**1,144.47**	**1,875.16**
	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined benefit plans		(15.68)	8.52
	Tax effect thereon		3.35	(2.82)
X	**Other Comprehensive Income for the period, net of tax**		**(12.33)**	**5.70**
XI	**Total comprehensive income for the period**		**1,132.13**	**1,880.86**
	Earnings per equity share			
	Earnings per equity share [nominal value of share Rs. 2/-]	24		
	Basic		0.12	0.20
	Diluted		0.12	0.20

As per our report of even date

For Nayan Parikh & Co.
ICAI Firm Regn. No.: 107023W
Chartered Accountants

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

CASH FLOW STATEMENT
for year ended March 31, 2018

Particulars	For the Financial Year ended March 31, 2018		For the Financial Year ended March 31, 2017	
Cash flows from operating activities				
Profit /(loss) before tax		1,391.80		1,921.10
Adjustments:				
Depreciation & amortization	60.85		15.72	
Employees Compensation Expenses	0.72		2.39	
Gurantee Commission	(1,097.19)		(1,024.14)	
Interest received on FD & Banks	(131.30)		(461.87)	
Interest Income-Ind-AS impact	(361.88)		(435.69)	
Remeasurement gain on loans given to Group Companies	(130.08)		(29.29)	
Profit on sale of current investment	(139.81)		(361.39)	
Profit on sale of assets	-		(0.45)	
Net gain on financial asset through FVTPL	(239.64)		(175.25)	
Write back of provision for advances	(110.97)		-	
Sundry Balances W/back	(0.27)		-	
Interest expenses on Financial liabilities at amortised cost	1,683.78		1,700.08	
Banks Interest	475.89		818.35	
Remeasurement Loss	35.04		-	
Provision for doubtful advance	-		261.59	
Sundry balances written off	73.00		128.10	
Provision for Diminution in Value of Investments of subsidiaries	527.52		7.55	
Exceptional items		645.66	-	445.70
Operating cash flows before working capital changes and other assets		**2,037.46**		**2,366.80**
(Increase) / decrease in inventories	-		-	
Decrease/ (increase) in trade receivables	1,375.40		(2,799.30)	
Decrease/ (increase) in financial Assets	941.93		(1,366.09)	
Decrease/ (increase) in Other assets	(3,380.43)		(261.43)	
(Decrease) / increase in financial liabilities	2,621.25		(11,002.68)	
(Decrease) / increase in Non- financial liabilities	(14,357.23)		7,389.17	
(Decrease) / increase in provisions	12.43	(12,786.65)	(118.04)	(8,158.37)
Cash generated from operations		**(10,749.18)**		**(5,791.56)**
Income taxes refund / (paid), net		161.48		1,565.09
Net cash generated from in operating activities		**(10,910.66)**		**(7,356.66)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(487.36)		(0.53)	
Proceeds from sale of property, plant and equipment	-		0.45	

CASH FLOW STATEMENT
for year ended March 31, 2018

Particulars	For the Financial Year ended March 31, 2018		For the Financial Year ended March 31, 2017	
Investment in Subsidiaries	1,622.95		-	
Advance for Purchase of Shares	-		(3,750.00)	
Movement in Other Bank Balances	(50.33)		(559.39)	
Purchase of Mutual Funds	(6,404.98)		(36,084.68)	
Proceeds from Sale of Mutual Funds	9,350.74		31,877.34	
Intercorporate loan	(3,865.41)		(14,430.39)	
Refund of Loans	11,743.44		6,668.00	
Interest received	454.58		566.63	
		12,363.64		**(15,712.57)**
Cash flows from financing activities				
Proceeds from issue of share capital & Security premium			1.20	
Net Proceed from Short term borrowings	(96.97)		(4,378.76)	
Proceeds from long-term borrowings	151.63		163.67	
Repayment of long-term borrowings	(261.59)		(1,361.75)	
Interest paid	(2,181.04)		(2,121.31)	
Net cash used in financing activities		**(2,387.97)**		**(7,696.94)**
Net increase / decrease in cash and cash equivalents		**(935.00)**		**(30,766.17)**
Cash and cash equivalents at the beginning of the period		1,681.74		32,447.90
Cash and cash equivalents at the end of the period		746.73		1,681.74
		(935.00)		**(30,766.17)**

As per our report of even date

For Nayan Parikh & Co.
ICAI Firm Regn. No.: 107023W
Chartered Accountants

K N Padmanabhan
Partner
Membership No. : 36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai
Date : June 13, 2018

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Statement of changes in equity

A Equity

Particulars	As at March 31, 2018		As at March 31, 2017	
	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	94,18,30,724	18,836.61	94,17,70,724	18,835.41
Changes in equity share capital during the year - issued during the reporting period	-		60,000	1.20
Balance at the end of Reporting period	**94,18,30,724**	**18,836.61**	**94,18,30,724**	**18,836.61**

B Other Equity

Particulars	Retained Earnings	General Reserve	Security Premium Reserve	Employee Stock Option Outstanding	Total
Balance as at 31 March 2016	**14,933.31**	**23.96**	**56,369.47**	**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 (Net of tax)	5.70				5.70
Balance as at 31 March 2017	**16,814.17**	**23.96**	**56,369.47**	**10.80**	**73,218.39**
Profit for the year	1,144.47				1,144.47
Deferred Employee Stock : Charge for the period				0.72	0.72
Remeasurement gain/(loss) on defined benefit plans (Net of tax)	(12.33)				(12.33)
Balance as at 31 March 2018	**17,946.31**	**23.96**	**56,369.47**	**11.52**	**74,351.25**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (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.

The financial statements were authorised for issue in accordance with the resolution passed at the meeting of the board of directors on June 13, 2018.

B Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and expects no impact on profit before tax.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. This will have no significant effect on the financials statements on adoption of Ind AS 115 .

C Significant Accounting Policies

I Basis of Preparation

These financial statements are Standalone Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

II Use of estimates

The preparation of the financial statememts 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 finacial 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.

a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
Anassetis 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) **Contract revenue (construction contracts)**

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)/GST on the construction work. Sales tax/VAT/GST is not received by the Company on its own account.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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) F**inance 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 income to the Statement of Profit and Loss on a time proportion basis.

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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.

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 of assets

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 and mutual fund 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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 non-current 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

i) 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.

ii) 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.

iii) 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."

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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

i) 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.

ii) 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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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 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.

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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, 2018 | (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 2017-18

Particulars	Property, Plant and Equipment (Leased out asset)	Furniture & Fixtures	Office Equipment's	Computers	Motor Vehicles	Leasehold improvements	Total
Cost or valuation							
As at March 31, 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**	**260.86**
Additions	467.16		0.97	0.63	18.60		487.36
Sales/Disposals/Adjustments							-
As at March 31, 2018	**467.16**	**30.09**	**50.65**	**56.98**	**56.52**	**86.83**	**748.22**
Depreciation							
As at March 31, 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**	**38.96**	**56.10**	**31.27**	**86.83**	**225.61**
Charge for the period	46.26	2.89	7.96	0.31	3.43		60.85
Sales/Disposals/Adjustments							-
As at March 31, 2018	**46.26**	**15.34**	**46.92**	**56.42**	**34.70**	**86.83**	**286.46**
Net Block Value							
As at March 31, 2017	-	17.63	10.72	0.25	6.65	0.00	35.25
As at March 31, 2018	**420.90**	**14.75**	**3.73**	**0.56**	**21.82**	**0.00**	**461.76**

1 Owned Assets given on operating lease have been presented seperately under respective class of assets as " Leased out" pursuant to Ind AS 17 "Leases"

2 Estimated useful life of the following leased asset is different from than the useful life as prescribed in Schedule II of the Companies Act, 2013.

Category of Assets	Subcategory of Assets	Useful Life as per Schedule II (in years)	Useful Life adopted (in years)
Plant and Machinery	Crusher	15	8

3 The Company has carried out the exercise of assessment of any indications of impairment to its property, plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

4 Financial Assets

			As at		As at	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
			Non- Current		Current	
4.1	A	**Investments in Subsidiaries, Joint Ventures and Associates (At Cost)**				
	i)	Equity Instrument of Subsidiaries	80,637.08	78,532.52	-	-
	ii)	Beneficial Interest in Equity Shares of Subsidiaries	2,714.90	2,714.90	-	-
	iii)	Equity instruments of Joint Venture Companies	307.08	307.08	-	-
	iv)	Equity instruments of Associate Companies	219.30	219.30	-	-
	v)	Less: Provision for Impairment	(3,417.45)	(2,887.33)	-	-
	vi)	Quasi Equity	37,043.81	48,195.94	-	-
Total			**1,17,504.72**	**1,27,082.41**	**-**	**-**
	B	**Other Investments (At Fair value through P&L)**				
	i)	Liquid Mutual Funds	-	-	4,515.86	7,082.18
		Total	**-**	**-**	**4,515.86**	**7,082.18**
		Disclosure:				
	i)	**Investment Carried at Cost**	**1,17,504.72**	**1,27,082.41**	**-**	**-**
	ii)	**Investments carried at fair value through Profit and Loss**	**-**	**-**	**4,515.86**	**7,082.18**

I Details of Investments

	Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
		In ₹	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)					
	Birmitrapur Barkote Highway Private Limited	10	10,000	1.00	10,000	1.00
	Cochin Bridge Infrastructure Company Limited	10	62,50,070	671.73	62,50,070	671.73
	Gammon Logistics Limited	10	25,50,000	255.00	25,50,000	255.00
	Gammon Projects Developers Limited	10	2,50,000	366.54	2,50,000	366.54
	Gammon Renewable Energy Infrastructure Limited	10	50,000	199.74	50,000	199.74
	Gammon Road Infrastructure Limited	10	50,000	92.67	50,000	92.67

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Gammon Seaport Infrastructure Limited	10	50,000	5.00	50,000	5.00
Haryana Biomass Power Limited	10	12,83,510	269.35	50,000	146.00
Indira Container Terminal Private Limited*	10	4,87,51,680	3,937.58	2,43,75,840	2,437.58
Jaguar Projects Developers Limited	10	50,000	5.00	50,000	5.00
Lilac Infra Projects Developers Limited	10	50,000	5.00	50,000	5.00
Marine Project Services Limited	10	50,000	5.00	50,000	5.00
Patna Highway Projects Limited	10	5,00,00,000	11,387.62	5,00,00,000	11,387.62
Pravara Renewable Energy Limited	10	4,79,20,000	6,708.35	4,79,20,000	6,677.55
Rajahmundry Godavari Bridge Limited	10	15,35,37,650	19,722.24	15,35,37,650	19,722.24
Satluj Renewable Energy Private Limited	10	-	-	4,000	0.40
Sidhi Singrauli Road Projects Limited	10	17,04,10,000	20,394.87	17,04,10,000	19,944.06
Sikkim Hydro Power Ventures Limited	10	6,27,35,942	6,273.59	6,27,35,942	6,273.59
Tada Infra Development Company Limited	10	50,000	5.00	50,000	5.00
Vijayawada Gundugolanu Road Project Private Limited	10	10,000	1.00	10,000	1.00
Vizag Seaport Private Limited	10	6,43,13,847	6,980.80	6,43,13,847	6,980.80
Yamunanagar Panchkula Highway Private Limited	10	1,90,50,000	1,905.00	1,90,50,000	1,905.00
Youngthang Power Ventures Limited	10	1,44,50,000	1,445.00	1,44,50,000	1,445.00
Total			**80,637.08**		**78,532.52**
Unquoted					
Beneficial Interest in Equity Shares of Subsidiaries					
Chitoor Infra Company Private Limited	10	10,000	1.00	10,000	1.00
Earthlink Infrastructure Projects Private Limited	10	10,000	1.00	10,000	1.00
Indira Container Terminal Private Limited*	10	2,64,07,160	2,640.72	2,64,07,160	2,640.72
Segue Infrastructure Projects Private Limited	10	10,000	1.00	10,000	1.00
Tidong Hydro Power Limited	10	25,500	71.18	25,500	71.18
Total			**2,714.90**		**2,714.90**
Unquoted					
Equity instruments of Joint Venture Companies					
(Fully paid-up unless otherwise stated)					
Blue Water Iron Ore Terminal Private Limited	10	30,51,808	305.18	30,51,808	305.18
SEZ Adityapur Limited	10	19,000	1.90	19,000	1.90
Total			**307.08**		**307.08**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Unquoted					
Equity instruments of Associate Companies					
(Fully paid-up unless otherwise stated)					
ATSL Infrastructure Projects Limited	10	24,450	2.45	24,450	2.45
Eversun Sparkle Maritimes Services Private Limited	10	21,43,950	214.40	21,43,950	214.40
Modern Tollroads Limited	10	24,470	2.45	24,470	2.45
Total			**219.30**		**219.30**
Less: Provision for Impairment of Investment					
ATSL Infrastructure Projects Limited			2.45		2.45
Birmitrapur Barkote Highway Pvt Ltd			1.00		1.00
Blue Water Iron Ore Terminal Private Limited			305.18		305.18
Chitoor Infra Company Private Limited			1.00		1.00
Eversun Sparkle Maritimes Services Private Limited			214.40		214.40
Gammon Logistics Limited			255.00		255.00
Gammon Projects Developers Limited (including Earthlink)			367.54		25.00
Gammon Seaport Infrastructure Limited			-		4.00
Haryana Biomass Power Limited			269.35		146.00
Jaguar Projects Developers Limited			5.00		5.00
Lilac Infra Projects Developers Limited			5.00		5.00
Modern Tollroads Limited			2.45		2.45
Satluj Renewable Energy Private Limited			-		0.40
Segue Infrastructure Projects Pvt Ltd			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
Gammon Road Infrastructure Limited			5.00		5.00
Tidong Hydro Power Ltd			71.18		2.55
Total			**3,417.45**		**2,887.33**
Quasi Equity at Cost					
Interest free Inter- Corporate Deposits in the nature of Quasi Equity :					
Cochin Bridge Infrastructure Company Limited			904.79		904.79
Indira Container Terminal Pvt Limited*			3,722.47		3,753.88
Patna Highway Projects Limited			10,460.50		10,460.50
Rajahmundry Godavari Bridge Limited			2,212.75		2,212.75
Sikkim Hydro Power Ventures Limited			3,208.96		4,050.21

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	In ₹	Nos	Amount	Nos	Amount
Sidhi Singrauli Road Projects Limited			3,527.16		3,527.16
Vijayawada Gundugolanu Road Project Pvt Limited			7,272.60		17,552.07
Youngthang Power Ventures Limited			5,734.58		5,734.58
Total			**37,043.81**		**48,195.94**
Total non-current investments			**1,17,504.72**		**1,27,082.41**

*ICTPL was a joint venture in the previous year and is a subsidiary in the current year, hence the previous years figures have been reclassified from joint venture to subsidiary for comparative purposes.
Refer notes 29 & 32 of notes to financial statements for the project notes of the SPVS.

Movement in investment as at March 31, 2018 on account of IND AS Adjustments

Particulars	Investment as at March 31, 2017	Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at March 31, 2018
Sidhi Singrauli Road Projects Limited	19,944.06	-	450.82	20,394.87
Pravara Renewable Energy Limited	6,677.55	30.80	-	6,708.35
Total	**26,621.61**	**30.80**	**450.82**	**27,103.23**

Movement in investment as at March 31, 2017 on account of IND AS Adjustments

Particulars	Investment as at March 31, 2016	Fair Value of Interest free loans	Fair Value of financial Guarantee	Investment as at March 31, 2017
Pravara Renewable Energy Limited	6,634.64	42.91	-	6,677.55
Total	**6,634.64**	**42.91**	**-**	**6,677.55**

B Current Investments:-

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
Quoted					
Investments carried at fair value through Profit and Loss					
Mutual fund scheme					
Canara Robeco savings plus fund - regular Growth ((NAV Mar'18 - Rs. 27.1378, Mar'17 - Rs. 25.4931)		1,66,10,968	4,515.86	1,76,75,762	4,506.10
Reliance Liquid fund - Treasury plan - Growth (NAV Mar'18 - NIL, Mar'17 - Rs. 3685.49)		-	-	64,932	2,576.08
Total			**4,515.86**		**7,082.18**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
Total current investments			**4,515.86**		**7,082.18**
Total Investments			**1,22,020.58**		**1,34,164.59**
Aggregate amount of quoted investments			**4,515.86**		**7,082.18**
Market Value of quoted investments			4,515.86		7,082.18
Aggregate amount of unquoted investments			1,17,504.72		1,27,082.41

Canara Bank has issued the Bank Guarantee to National Higways Authority of India (NHAI) on behalf of Vijaywada Gundugolanu Road Projects Private Limited (VGRPPL), a wholly owned subsidiary of Gammon Infrastructure Projects Limited. The value of the BG is Rs. 8400.00 lacs. The mutual fund of Rs. 4500.00 lacs held with Canara Robecco is marked as lien against the said BG facility.

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

Name of Party	Nature	Relation	Purpose	Period ended (Amount in ₹) March 31, 2018	March 31, 2017
Indira Container Terminal Pvt Limited	Investment	Subsidiary	Increase in equity interest	1,500.00	-
Haryana Biomass Power Limited	Investment	Subsidiary	Increase in equity interest	123.35	-

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, 2018	March 31, 2017
Pledge of shares of SPV's which are being held as on March 31, 2018			
Sidhi Singrauli Road Project Limited	10/-	11,93,06,600	16,36,13,200
Rajahmundry Godavari Bridge Limited	10/-	14,05,19,039	14,05,19,039
Vizag Seaport Private Limited	10/-	6,37,70,015	6,37,70,015
Sikkim Hydro Power Ventures Limited	10/-	3,19,95,331	3,19,95,331
Indira Container Terminal Private Limited	10/-	1,65,00,000	1,65,00,000
Patna Highway Projects Limited	10/-	59,40,000	59,40,000
Cochin Bridge Infrastructure Company Limited	10/-	16,64,019	16,64,019
Birmitrapur Barkote Highway Private Limited	10/-	2,600	2,600

The change in the balances between March 31, 2018 & March 31, 2017 represent additional / reduction of pledge during the period ended March 31, 2018.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current			Current
4.2	**Trade Receivables**				
	(Unsecured, at amortised cost)				
	i) Considered good	-	-	105.54	2,329.54
	ii) Considered doubtful	-	-	487.67	487.67
	Less:- Allowance for credit loss	-	-	(487.67)	(487.67)
	iii) Other Receivable- Retentions	5,030.81	4,182.21	-	-
	Total	**5,030.81**	**4,182.21**	**105.54**	**2,329.54**

	As at	
Note: Receivables from related parties are as follows:	March 31, 2018	March 31, 2017
Subsidiaries:		
Sidhi Singrauli Road Projects Ltd	5,077.22	4,659.84
Vijayawada Gundugolanu Road Project Pvt Ltd	-	1,851.91
Birmitrapur Barkote Highway Pvt Ltd (fully provided)	487.67	487.67
Less : Allowance for credit loss	(487.67)	(487.67)
Total	**5,077.22**	**6,511.75**

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, 2018 | (All figures are in lacs unless otherwise stated)

			As at		As at	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
			Non- Current		Current	
4.3	Cash and Bank Balances					
	A	**Cash and cash equivalents**				
	i)	Balances with banks	-	-	699.15	1,667.95
	ii)	Cash on hand	-	-	7.84	1.42
		Total	**-**	**-**	**706.99**	**1,669.37**
	B	**Bank balances**				
	i)	Balances in escrow account	-	-	29.75	0.20
	ii)	Debt service reserve account	-	-	9.99	12.17
	iii)	Fixed Deposit as margin for BG issued	1,978.23	1,896.45	-	-
	iv)	Fixed Deposit under lein (refer note 12)	1,059.22	1,090.68	-	-
	v)	Less : Transferred to Other Financial Assets (refer note 4.5(vii)	(3,037.45)	(2,987.13)	-	-
		Total	**-**	**-**	**39.74**	**12.37**
		Grand Total	**-**	**-**	**746.73**	**1,681.74**

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
4.4	**Loans (at amortised cost)**				
	Security Deposit				
	(Unsecured, Considered good)				
	Leave and license	10.00	10.00	-	-
	Others	0.71	0.05	-	-
	(A)	**10.71**	**10.05**	**-**	**-**
	Intercorporate Deposits				
	Related parties				
	Unsecured, Considered good	2,611.18	3,159.03	75.00	-
	Unsecured, Considered doubtful	2,067.86	2,070.96	-	-
	Others				
	Unsecured, Considered good	-	-	-	-
	Unsecured, Considered doubtful	38.92	38.92	-	-
	Less: Impairment of ICDs	(2,106.78)	(2,109.88)	-	-
	(B)	**2,611.18**	**3,159.03**	**75.00**	**-**
	Total (A+B)	**2,621.89**	**3,169.08**	**75.00**	**-**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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

	As at	
Company Name	**March 31, 2018**	**March 31, 2017**
Considered good		
Earthlink Infrastructure Projects Pvt Limited	-	1,113.08
Gammon Renewable Energy Infrastructure Projects Limited	129.20	219.04
Gammon Seaport Infrastructure Limited	75.00	-
Pravara Renewable Energy Limited	2,481.98	1,805.92
Satluj Renewable Energy Private Limited	-	21.00
Total	**2,686.18**	**3,159.03**
Considered doubtful and provided for		
Gammon Logistics Limited	159.46	158.35
Gammon Road Infrastructure Limited	132.19	135.27
Birmitrapur Barkote Highway Pvt Limited	605.18	608.18
Earthlink Infrastructure Projects Pvt Limited	5.07	-
Yamunanagar Panchkula Highway Pvt Limited	915.53	915.53
Chitoor Infra Company Private Limited	8.99	9.88
Ghaggar Renewable Energy Private Limited	-	7.98
Satluj Renewable Energy Private Limited	-	24.90
Segue Infrastructure Projects Pvt Limited	2.50	2.50
Yamunanagar Minor Mineral Pvt Limited	-	7.30
Gammon Projects Developers Limited	81.54	43.84
Tidong Hydro Power Ltd	157.23	157.23
Tada Infra Development Company Limited	0.17	-
Total	**2,067.86**	**2,070.96**

		As at		As at	
		March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
		Non- Current		**Current**	
4.5	**Other Financial Assets**				
	i) Advance recoverable in cash or in kind				
	Unsecured, Considered Good				
	Dues from entities having significant influence	-	-	49.28	49.28
	Dues from Subsidiary companies	-	-	1,686.62	3,117.85
	Unsecured, Considered doubtful				
	Dues from Subsidiary Companies	-	-	45.88	164.50
	Dues from Joint Ventures	-	-	24.58	15.83

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
	Dues from Associates	-	-	0.48	0.48
		-	**-**	**1,806.84**	**3,347.94**
ii)	**Others:**				
	Unsecured, Considered good(*)	-	-	1,566.42	2.00
	Unsecured, Considered doubtful	-	-	21.19	84.41
		-	-	1,587.61	86.41
iii)	Less: Impairment of doubtful advance	-	-	(92.13)	(265.22)
	(A)	**-**	**-**	**3,302.32**	**3,169.13**
iv)	Interest accrued receivable				
	From related parties, considered good	-	-	17.47	310.14
	From Banks, considered good	-	-	39.64	70.25
	From others, considered doubtful	-	-	6.92	6.92
	Less: Impairment of doubtful Interest	-	-	(6.92)	(6.92)
	(B)	**-**	**-**	**57.11**	**380.39**
v)	Advance for purchase of shares(**)	4,906.51	4,906.51	-	-
	(C)	**4,906.51**	**4,906.51**	**-**	**-**
vi)	Share application money paid				
	Related parties	129.95	129.95	-	-
	(D)	**129.95**	**129.95**	**-**	**-**
vii)	Other bank balances				
	Transferred from Cash and Bank Balance	3,037.45	2,987.13	-	-
	(E)	**3,037.45**	**2,987.13**	**-**	**-**
	Total (A+B+C+D+E)	**8,073.91**	**8,023.59**	**3,359.43**	**3,549.52**

(*) Others considered good includes Rs. 1,514.01 lacs Due from Western Coalfields on account of wrongful encashment of bank guarantee against which the company has filed a suit and is legally advised that it has a good case of recovery. Refer detailed note no. 33

(**) Advance for Purchase of Shares:- The Company had entered into an Agreement for Sale and Subscription of Shares (SSA) with IFCI Limited for 8,64,80,000 equity shares of Rajahmundry Godavari Bridge Limited (RGBL) . However the company could not adhere to the terms of the aforesaid arrangement. The advance for purchase of shares represents advance paid to IFCI for purchase of equity shares of RGBL held by IFCI. The company has an obligation to pay an additional amount of Rs 3,500 Lacs representing the balance consideration as per terms of one time settlement, after discharge of which, RGBL shares held by IFCI would be transferred to the company. The Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement of Rs. 3,776.69 lacs is to be reversed. The management is hopeful of receiving the extension with non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results. The Company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 158.13 lacs.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (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, 2018	**March 31, 2017**
Dues from Subsidiary companies : Unsecured, Considered good		
Patna Highway Projects Ltd	-	411.87
Pravara Renewable Energy Ltd	906.33	745.59
Sidhi Singrauli Road Project Ltd	-	10.82
Cochin Bridge Infrastructure Company Ltd	140.65	137.63
Gammon Renewable Energy Infrastructure Projects Ltd	75.74	0.53
Rajahmundry Godavari Bridge Ltd	308.74	332.50
Sikkim Hydro Power Ventures Ltd	133.75	26.98
Vijayawada Gundugulanu Road Project Pvt Ltd	-	1,309.66
Indira Container Terminal Pvt Ltd	53.98	118.09
Ras Cities and Townships Pvt Limited	65.13	-
Gammon Seaport Infrastructure Ltd	0.30	0.30
Marine Projects Services Ltd	2.00	0.27
Youngthang Power Ventures Ltd	-	23.58
	1,686.62	**3,117.85**
Dues from Subsidiary companies : Unsecured, Considered doubtful		
Birmitrapur Barkote Highways Private Ltd	0.02	4.98
Chitoor Infra Company Private Ltd	1.39	0.24
Earthlink Infrastructure Projects Pvt Ltd	-	0.24
Gammon Logistics Ltd	28.14	15.55
Gammon Project Developers Ltd	0.42	0.34
Ghaggar Renewable Energy Pvt Ltd	-	0.29
Haryana Biomass Power Ltd	-	123.35
Jaguar Projects Developers Ltd	0.28	0.28
Lilac Infraprojects Developers Ltd	-	0.10
Ras Cities and Townships Pvt Limited	-	0.26
Tada Infra Development Company Ltd	13.71	13.71
Yamuna Minor Minerals Pvt Ltd	-	0.71
Tangri Renewable Energy Pvt Ltd	-	0.38
Yamunanagar Panchkula Highways Private Ltd	0.89	1.68
Segue Infrastructure Projects Pvt Ltd	1.03	0.24
Tidong Hydro Power Ltd	-	1.16
Satluj Renewable Energy Pvt Ltd	0.02	-
Gammon Road Infrastructure Ltd	-	1.00
	45.88	**164.50**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

	As at	
	March 31, 2018	**March 31, 2017**
Dues from Joint Venture entities :Unsecured, Considered doubtful		
GIPL GIL JV	24.58	15.83
	24.58	**15.83**
Dues from Associates :Unsecured, Considered Doubtful		
Modern TollRoads Ltd	0.48	0.48
	0.48	**0.48**
Dues from entities having significant influence : Unsecured, Considered good (*)		
Gammon India Ltd	49.28	49.28
	49.28	**49.28**
	1,806.85	**3,347.95**

(*) In the previous year Gammon India Limited was an ultimate holding company which is now an entity having significant influence in the current year.

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

		As at	
	Company Name	**March 31, 2018**	**March 31, 2017**
i)	Modern Toll Roads Limited	129.95	129.95
	Total	**129.95**	**129.95**

		As at	
		March 31, 2018	**March 31, 2017**
c)	**Break-up of interest accrued receivable from related parties is as follows:**		
i)	Cochin Bridge Infrastructure Company Limited	17.47	17.47
ii)	Indira Container Terminal Private Limited	-	247.88
iii)	Patna Highway Projects Limited	-	19.33
iv)	Pravara Renewable Energy Limited	-	25.47
		17.47	**310.14**

d) ICTPL in previous year was a joint venture and current year is a subsidiary hence the previous years figures have been reclassified from joint venture to subsidiary for comparative purposes.

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

5 Deferred Tax Assets

		As at	
		March 31, 2018	March 31, 2017
a)	**Deferred Tax Liability on account of :**		
	i) Unrealised Gain on Mutual Fund	83.74	-
	ii) Remeasurement gain/(loss) on defined benefit plans	-	15.57
b)	**Deferred Tax Asset on account of :**		
	i) Depreciation due to timing difference	27.47	36.45
	ii) Employee benefits	49.95	43.37
	iii Remeasurement gain/(loss) on defined benefit plans	3.35	-
	iv) Mat Credit Entitlement	2,476.50	1,956.50
	Deferred Tax Asset, net	**2,473.53**	**2,020.75**

6 Other Assets

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Unbilled Work in progress	-	-	-	-
ii)	Advance to sub-contractor	-	-	6,362.79	3,099.76
iii)	Capital Advance	15.15	-	-	-
iv)	Prepaid expenses	-	-	61.03	54.02
v)	Statutory and other receivables	-	-	320.19	297.95
vi)	Advance Income Tax (Net of Provision for Taxation)	1,235.42	1,972.99	-	-
	Total	**1,250.57**	**1,972.99**	**6,744.01**	**3,451.73**

7 Equity Share capital

		As at	
		March 31, 2018	March 31, 2017
i)	**Authorised shares :**		
	March 31, 2018 : 1,25,00,00,000 Equity Shares of Rs 2/- each March 31, 2017 : 1,25,00,00,000 Equity Shares of Rs 2/- each	25,000.00	25,000.00
	Total	**25,000.00**	**25,000.00**
ii)	**Issued and subscribed shares :**		
	March 31, 2018: 94,26,40,974 Equity shares of Rs 2/- each March 31, 2017 : 94,26,40,974 Equity Shares of Rs 2/- each	18,852.82	18,852.82
	Total	**18,851.62**	**18,852.82**
iii)	**Paid-up shares :**		
	March 31, 2018: 94,18,30,724 Equity shares of Rs 2/- each March 31, 2017 : 94,18,30,724 Equity Shares of Rs 2/- each	18,836.61	18,836.61
	Total	**18,836.61**	**18,836.61**

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

		As at	
		March 31, 2018	March 31, 2017
iv)	**Shares forfeited :**		
	Amount received (including securities premium) in respect of 162,050 equity shares of Rs. 10/-	81.03	81.03
	Total	**81.03**	**81.03**
	Total paid-up share capital (iii + iv)	**18917.64**	**18,917.64**

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

	As at			
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	Amount	Number	Amount
Balance, beginning of the period	94,18,30,724	18,836.61	94,17,70,724	18,835.41
Issued during the period	-	-	60,000	1.20
Balance, end of the period	**94,18,30,724**	**18,836.61**	**94,18,30,724**	**18,836.61**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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) 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, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	Amount	Number	Amount
Equity shares of Rs. 2/- each fully paid up				
Gammon Power Limited, Holding Company (upto September 7, 2017)	36,29,99,700	7,259.99	52,80,00,000	10,560.00
Gactel Turnkey Projects Limited, Fellow Subsidiary (upto September 7, 2017)	-	-	2,24,00,000	448.00
	36,29,99,700	**7,259.99**	**55,04,00,000**	**11,008.00**

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

	As at			
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	%	Number	%
Gammon Power Limited	36,29,99,700	38.54	52,80,00,000	56.06
HDFC Trustee Company Limited - HDFC Infrastructure Fund	8,30,84,353	8.82	7,88,64,353	8.37
	44,60,84,053	**47.36**	**60,68,64,353**	**64.43**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

e) 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.

f) During the year Gammon Power Limited sold its shares thereby reducing its sharholding to 38.54% and Gactel Turnkey Projects Limited sold its entire shares. Gammon India limited ceased to be ultimate holding company and Gammon power limited ceased to be holding company w.e.f. September 7, 2017.

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 Rs. 2 each as fully paid by utilising securities premium account aggregating to Rs. 105.26 lacs/-

h) Shares reserved under options to be given:
60,000 equity shares (March 31, 2017 : 1,20,000 equity shares) have been reserved for issue as Employee Stock Options. For details refer Note 8A .

8 Other Equity

		As at	
		March 31, 2018	March 31, 2017
i)	Retained Earnings	17,946.31	16,814.17
ii)	General Reserve	23.96	23.96
iii)	Security Premium Reserve	56,369.47	56,369.47
iv)	Employee Stock Option Outstanding	11.52	10.80
		74,351.25	**73,218.38**

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 Rs. 2 each of the Company at an exercise price of Rs 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'18**	**Period ended Mar'17**
Grant Date	23-Sep-13	23-Sep-13
Market Price considered (Rupees)	6.80	6.80
Exercise Price of Options granted during the period (Rupees)	2.00	2.00
Options outstanding at the beginning of the period	1,20,000	2,40,000
Options granted during the period	-	-
Options lapsed /forfeited during the period	60,000	-
Options vested during the period	-	1,20,000
Options granted and vested that are outstanding at the end of the period	60,000	1,20,000

Of the aforesaid vested options of 1,20,000 (March 17: 2,40,000 option) , 60,000 options (March 17: 1,20,000 options vested) were lapsed during the year .

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:

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Period ended Mar'18	Period ended Mar'17
Net profit as reported	1,144.47	1,875.16
Add: Stock based compensation expense included in the reported income	0.72	2.39
Less: Stock based compensation expenses determined using fair value of options	0.72	2.39
Net profit / (loss) (adjusted)	**1,144.47**	**1,875.16**
Basic earnings per share as reported	0.12	0.20
Basic earnings per share (adjusted)	0.12	0.20
Diluted earnings per share as reported	0.12	0.20
Diluted earnings per share (adjusted)	0.12	0.20
Weighted average number of equity shares at the end of the period	94,18,30,724	94,18,06,724
Weighted average number of shares considered for diluted earnings per share	94,18,48,371	94,19,76,136

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

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	23-09-2014	23-09-2013	23-09-2013	23-09-2013
Vesting date	01-10-2014	01-10-2015	01-10-2016	01-10-2017
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

9 Financial Liabilities (at amortised cost)

			As at		As at	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
			Non- Current		Current Maturities	
9.1	**Long term Borrowings**					
	i)	**Inter-corporate deposit (ICD) from subsidiaries (unsecured):**				
		Vizag Seaport Pvt Ltd (VSPL)	-	-	10,976.97	10,673.31
		Ras Cities & Township Pvt Ltd (RCTPL)	-	261.59	-	-
	ii)	Term loan from Others	-	-	-	117.00
		Less: disclosed in Other Current Liabilities	-	-	(10,976.97)	(10,790.31)
			-	**261.59**	**-**	**-**
		The break-up of above:				
		Secured	-	-	-	117.00
		Unsecured	-	261.59	10,976.97	10,673.31
			-	**261.59**	**10,976.97**	**10,790.31**

a) Details of ICD from VSPL :
Based on the revised terms with VSPL :- Moratorium in repayment of the principal and interest overdue

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

outstanding of Rs 10,976.97 lacs and Rs 264.09 lacs as on March 31, 2018 is granted for a period of 12 months and 9 months respectively from April 1, 2018 to the Company. Accordingly entire ICD outstanding shall be fully repaid on or before March 31, 2019 and interest shall be paid on or before December 31, 2018. 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 liquidated damages of 1% 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.

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 during the year.

c) List of defaults incurred during the year and remedied by the balance sheet date

As at March 31, 2018	1 to 89 days	90 to 180 days	181 to 365 days	Total
ICD from VSPL	848.09	-	-	848.09
Total	848.09	-	-	848.09

d) The continuing default on interest obligation is tabulated below:

	As at			
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Principal Outstanding	Interest Outstanding	Principal Outstanding	Interest Outstanding
Term loans from IREP Credit Capital Private Limited	-	-	117.00	95.00

e) The ICD from VSPL has since been renegotiated on June 08, 2018 and the entire ICD as at 31st March, 2018 of Rs.10,976.97 lacs is due for repayment on or before March 31, 2019. Accordingly the same is not shown as continuing default as at 31st March, 2018.

f) The default of IREP Credit Capital Private Limited on account of Principal and interest was paid subsequently.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

			As at		As at	
			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
			Non- Current		Current	
9.2	**Other Financial Liabilities (at amortised cost)**					
	i)	Current maturity of long term borrowings	-	-	10,976.97	10,790.31
	ii)	Interest accrued and due to related parties	-	-	-	303.67
	iii)	Interest accrued but not due to related parties (*)	-	-	264.09	41.63
	iv)	Interest accrued and due to others	-	-	158.13	95.00
	v)	Interest accrued but not due to others	-	-	4.21	7.50
	vi)	Other dues - related parties	-	-	353.52	-
	vii)	Advance received for sale of equity shares	-	-	265.20	265.20
	viii)	Deposit received towards Margin Money from related parties	100.00	100.00	-	-
	ix)	Other Liabilities	-	-	32.41	67.46
	x)	Deposit received from contractor	-	-	1,000.00	1,000.00
		Total	**100.00**	**100.00**	**13,054.53**	**12,570.77**

(*) The interest on ICD from VSPL due on March 31, 2018 has since been renegotiated on June 08, 2018 and the entire interest as at March 31, 2018 of Rs.264.09 lacs and also the interest for the period upto December 2018 is due for payment on or before December 31, 2018. Accordingly the same is not shown as continuing default as at 31st March, 2018.

Margin money received of 100 lacs (Previous year 100 lacs) was received towards a Performance Bank Guarantee issued by Gammon Infrastructure Projects Limited in favour of MbPT as required in the L.A. The margin money deposit carries an interest of 6% p.a.

10 Long Term Provisions

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Provision for employee benefits:				
	Leave Encashment	54.44	42.51	57.18	57.01
	Gratuity	20.39	14.51	20.50	10.38
ii)	Provision for Project Obligations:	-	-	113.73	113.73
	Total	**74.83**	**57.02**	**191.41**	**181.12**

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)	113.73	-	-	113.73
Provision for Project Obligations (Previous Year)	260.00	-	146.27	113.73

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

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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, 2018	As at March 31, 2017
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	24.89	26.47
	Current Service Cost	7.06	4.86
	Interest Cost	1.87	2.08
	Actuarial (Gain) /Loss	15.68	(8.52)
	Past employees Service		-
	Benefits paid	(8.60)	-
	Defined Benefit obligation at the year end	**40.89**	**24.89**
(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	40.89	24.89
	Liability recognized in Balance Sheet	**40.89**	**24.89**
(d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	Current Service Cost	7.06	4.86
	Interest Cost	1.87	2.08
	Expected Rate of return on Plan Assets	-	-
	Past employees Service	-	-
	Actuarial (Gain)/Loss	15.68	(8.52)
	Net Cost	**24.60**	**(1.58)**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

ii) Actuarial Assumptions

Particulars	As at March 31, 2018	As at March 31, 2017
Mortality Table (LIC)	Indian Assured Lives 2006-08	
Discount rate (per annum)	7.75%	7.50%
Expected rate of return on Plan assets (per annum)	NA	NA
Rate of escalation in salary (per annum)	5.5%	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

Particulars	Discount Rate	Salary Growth Rate
Change in assumption		
March 31, 2018	1%	1%
March 31, 2017	1%	1%
Increase in assumption		
March 31, 2018	2.24	2.27
March 31, 2017	(1.38)	1.65
Decrease in assumption		
March 31, 2018	(1.91)	(1.97)
March 31, 2017	1.62	(1.42)

iv) Experience adjustment

Particulars	As on March 31, 2018	As on March 31, 2017
Experience adjustment on Plan Liability	(15.27)	(8.92)

11 Other Liabilities

		As at		As at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Non- Current		Current	
i)	Mobilisation advance received from related parties	-	13,609.49	1,536.44	3,960.60
ii)	Duties and Taxes payable	-	-	109.47	197.19
iii)	Advance from customers - related parties	-	-	460.60	1,221.98
iv)	Due to EPC Customers -Related Parties	-	-	21,885.37	19,455.85

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

v)	Deferred Income -Guarantee Margin	9,118.10	9,415.54	797.42	1,146.35
vi)	Other Payables	-	-	465.89	369.89
	Total	**9,118.10**	**23,025.03**	**25,255.19**	**26,351.85**

12 Short Term Borrowings (at amortised cost)

	As at	
	March 31, 2018	**March 31, 2017**
Inter-corporate deposit (ICD) from subsidiaries (unsecured):		
Ras Cities & Township Pvt Ltd (RCTPL)	1,005.05	-
Bank loan :		
Bank overdraft (repayable on demand)	2,517.26	3,619.29
Total	**3,522.31**	**3,619.29**
Bank Overdraft :-		
Secured (which is secured against fixed deposit under lien)	687.36	1,090.68
Unsecured (secured against second charge on PHPL assets)	1,829.90	-
Unsecured	-	2,528.61
Interest Rate	MCLR + 5% (presently 13.30%)	MCLR + 5% (presently 14.75%)

a) Bank of India has sanctioned facility of Rs. 8,000 lacs to Gammon Infrastructure Projects Limited (GIPL). This involves Rs. 2500 lacs of overdratft facility and Rs. 5,500 lacs of non fund facilities (Bank Guarantee). The BOI sanction dated 31st August 2016 stipulated the requirement of second charge on the project assets of Patna Highway Projects Limited, wholly owned subsidiary of GIPL. The second charge on the PHPL assets for the above mentioned facility was executed on 9th February 2018 in favour of BOI.

b) Company has taken interest free loan from Ras c Cities and Townships Pvt Ltd (subsidiary) for short term purposes repayable within next one year.

c) List of principal defaults incurred during the year and remedied by the balance sheet date

Month	Principal Over due default	Due Date	Date of Payment	Delay (In days)
Apr-17	125.00	01-Apr-17	29-Jun-17	89
May-17	125.00	01-May-17	29-Jun-17	59
Jun-17	125.00	01-Jun-17	19-Jul-17	48
Jul-17	125.00	01-Jul-17	28-Jul-17	27
Aug-17	125.00	01-Aug-17	31-Aug-17	30
Sep-17	125.00	01-Sep-17	29-Sep-17	28
Oct-17	125.00	01-Oct-17	29-Nov-17	59
Nov-17	125.00	01-Nov-17	02-Dec-17	31
Dec-17	125.00	01-Dec-17	02-Dec-17	1

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

d) List of interest defaults incurred during the year and remedied by the balance sheet date

Month	Interest Over due default	Due Date	Date of Payment	Delay (In days)
Apr-17	48.56	27-Apr-17	22-Jun-17	56.00
May-17	46.08	27-May-17	23-Jun-17	27.00
Jun-17	51.56	27-Jun-17	29-Jun-17	2.00
Jul-17	43.83	27-Jul-17	30-Aug-17	34.00
Aug-17	42.54	27-Aug-17	30-Aug-17	3.00
Sep-17	48.19	27-Sep-17	30-Nov-17	64.00
Oct-17	38.54	27-Oct-17	30-Nov-17	34.00
Nov-17	38.31	27-Nov-17	05-Jan-18	39.00
Dec-17	30.41	27-Dec-17	05-Jan-18	9.00
Jan-18	30.26	27-Jan-18	12-Mar-18	44.00
Feb-18	33.52	27-Feb-18	12-Mar-18	13.00
Mar-18	27.39	27-Mar-18	05-Apr-18	9.00

e) The continuing default is tabulated below:

Particulars	As at	
	March 31, 2018	March 31, 2017
	Over due default	Over due default
Bank of India	17.26	-

13 Trade Payables (at amortised cost)

	As at	
	March 31, 2018	March 31, 2017
i) Trade payables - Micro, small and medium enterprises	-	-
ii) Trade payables - Others (including retention)	6,784.98	4,482.47
Total	**6,784.98**	**4,482.47**

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

14 Current tax liability

	As at	
	March 31, 2018	March 31, 2017
Current tax liability net of taxes paid	1,593.53	1,795.83
Total	**1,593.53**	**1,795.83**

15 Revenue from Operations

		For year ended March 31, 2018	For year ended March 31, 2017
Revenue from construction contracts			
i)	Construction contract revenue	13,535.96	18,982.02
ii)	Operating and Maintenance Income	1,542.92	-
	Total	**15,078.88**	**18,982.02**

a) The disclosures as per provisions of INDAS 11"Construction Contracts"

Method used to determine the contract revenue : stage of completion method

Method used to determine the stage of completion of contract : stage of completion is determined as a proportion of costs incurred upto the reporting date to the total estimated cost to complete

	Particulars	For year ended March 31, 2018	For year ended March 31, 2017
i)	Contract revenue recognised for the period	15,078.88	18,982.02
ii)	Aggregate amount of cost incurred till date	51,807.47	39,938.45
iii)	Aggregate amount of profit recognised till date	14,822.14	10,480.07
iv)	Contract Advances outstanding as at the end of the financial period	1,969.57	17,570.09
v)	Retention amount due from customers as at the end of the financial period	5,030.81	4,182.21
vi)	Gross Amount due from Customers for contract work	46.41	477.63
vii)	Gross Amount due to customers for contract work	21,885.37	19,455.85

16 Other Income

	Particulars	For year ended March 31, 2018	For year ended March 31, 2017
i)	Rent income	164.33	-
ii)	Interest Income on Financial Assets at amortised cost	493.18	897.56
iii)	Remeasurement gain on loans given to Group Companies	130.08	29.29
iv)	Guarantee commission income	1,097.19	1,024.14
v)	Profit on Sale of current Investments	139.81	361.39
vi)	Profit on Sale of assets	-	0.45
vii)	Net gain on financial asset through FVTPL	239.64	175.25
viii)	Write back of provision for advances	110.97	-
ix)	Miscellaneous Income	2.02	22.65

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

x)	Sundry Balances W/back	0.27	-
xi)	Interest on Income Tax	213.01	185.20
	Total	**2,590.50**	**2,695.94**

17 Construction expenses

		For year ended March 31, 2018	For year ended March 31, 2017
i)	Sub-contractor expenses	10,783.94	15,630.75
ii)	Operation and Maintenance expenses	1,200.00	-
	Total	**11,983.94**	**15,630.75**

18 Employee benefit expenses

		For year ended March 31, 2018	For year ended March 31, 2017
i)	Salaries, wages and bonus	778.93	661.98
ii)	Gratuity and Leave Encashment	21.02	23.93
iii)	Contributions to Provident Fund	24.16	23.33
iv)	Staff Welfare Expenses	4.83	7.00
v)	Employees 'ESOP' compensation cost (net of reversal)	0.72	2.39
	Total	**829.66**	**718.61**

a) Due to inadequacy of profits, Managerial remuneration amounting to Rs. 497.17 lacs for the period upto March 2017 was paid in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable. The Payment of Excess Managerial remuneration has been approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meetings held on 30th September, 2016 & 19th December,2017. The Company has made representation to the Ministry of Corporate Affairs (MCA) to reconsider its earlier decision wherein the applications made by the Company for approval for waiver of recovery of the said excess remuneration Rs. 388.45 lacs for the period upto March 2016 was rejected. For the balance amount of Rs. 108.72 lacs paid for the previous financial year ended 31st March, 2017 the Company has made an application to the Ministry of Corporate Affairs (MCA) for approval of the same. Pending these, no adjustments have been made to the financial statements for the remuneration.

19 Finance Costs:

		For year ended March 31, 2018	For year ended March 31, 2017
i)	Interest expenses on Financial liabilities at amortised cost	1,683.78	1,700.08
ii)	Banks Interest	475.89	818.35
iii)	Interest on Margin Money Deposit	6.00	6.00
iv)	Other finance costs	39.17	117.30
v)	Remeasurement Loss	35.04	-
	Total	**2,239.88**	**2,641.72**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

20 Depreciation & amortization

	For year ended March 31, 2018	For year ended March 31, 2017
Depreciation	60.85	15.72
Total	**60.85**	**15.72**

21 Other expenses

	For year ended March 31, 2018	For year ended March 31, 2017
Professional Fees	95.72	182.43
Rent	70.44	75.03
Power & Fuel	20.03	19.48
Travelling Expenses	30.71	29.28
Communication	6.20	8.39
Insurance	2.64	5.79
Remuneration to Auditors	22.00	49.92
Office Maintenance	21.40	28.76
Rates & Taxes	4.04	18.65
Bank Charges	3.97	1.19
Printing & Stationary	1.71	3.97
Postage & Courier	3.02	1.35
Motor Car Expenses	4.37	7.92
Directors Fees & Commission	20.50	29.50
Annual Report Expenses	10.58	13.02
Guarantee Bond Commission	119.19	45.54
Sundry Expenses	126.21	73.58
Provision for Doubtful Debts / Advances	-	261.59
Sundry balances written off	73.00	128.10
Provision for Impairment of Investments in subsidiaries	527.52	7.55
Total	**1,163.25**	**991.06**

a) Payment to auditors

	For year ended March 31, 2018	For year ended March 31, 2017
Audit fee including limited review fee	22.00	28.63
Tax audit fee	-	5.60
Certifications & other services	-	15.01
Reimbursement of expenses	-	0.69
Total payments to auditors	**22.00**	**49.92**

Payment to auditors for the current year includes payments made to the new auditors and doesnot include payment made to previous auditor for limited review and certification.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

22 Exceptional items

		For year ended March 31, 2018	For year ended March 31, 2017
(i)	Project Claims received	-	241.00
	Total	**-**	**241.00**

23 Tax Expense

		For year ended March 31, 2018	For year ended March 31, 2017
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	520.00	585.00
	Taxation for earlier years	176.75	-
	Deferred tax	(449.42)	(539.06)
	Income tax recognised in statement of profit and loss	**247.33**	**45.94**

Deferred tax includes Mat credit entitlement availed of Rs. 520 lacs and previous year of Rs 585 lacs.

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	**For year ended March 31, 2018**	**For year ended March 31, 2017**
A	**Current Tax**		
	Accounting profit before income tax for 12 months	1,391.80	1,921.10
	Enacted tax rates in India (%)	34.608%	34.608%
	Computed expected tax expenses	481.68	664.85
	Effect of non- deductible expenses	237.92	96.23
	Effects of deductible Expenses	34.22	-
	Non Taxable effects	(632.90)	(576.01)
	Set off of brought forward losses	(120.91)	(185.77)
	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	297.03	409.99
	Tax effect on adjustments:		

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

1/5 portion of Opening IND AS Reserve as on April 1, 2016	112.58	114.09
Effect of non deductible expense	113.55	59.36
Others	(3.17)	1.55
Minimum Alternate Tax on Book Profit	**520.00**	**584.99**

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in profit and loss	Recognised in Other Comprehensive Income	Closing
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)	(15.58)
MAT Credit Entitlement	1,371.50	585.00	-	1,956.50
As at March 31, 2017	**1,484.50**	**539.06**	**(2.82)**	**2,020.74**
Property, Plant and Equipment	36.45	(8.98)	-	27.47
Employee benefits	43.37	6.57	-	49.95
Remeasurement gain/(loss) on defined benefit plans	(15.58)	15.58	3.35	3.35
Unrealised gain on MF	-	(83.74)	-	(83.74)
MAT Credit Entitlement	1,956.50	520.00	-	2,476.50
As at March 31, 2018	**2,020.74**	**449.44**	**3.35**	**2,473.53**

24 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	For year ended March 31, 2018	For year ended March 31, 2017
Net Profit / (Loss) as per Statement of Profit and Loss	1,144.47	1,875.16
Outstanding equity shares at period end	94,18,30,724	94,18,30,724
Weighted average Number of Shares outstanding during the period – Basic	94,18,30,724	94,18,06,724
Weighted average Number of Shares outstanding during the period - Diluted	94,18,48,371	94,19,76,136
Earnings per Share - Basic (₹)	0.12	0.20
Earnings per Share - Diluted (₹) *	0.12	0.20

* The EPS (in previous period) on dilutive basis is anti-dilutive and therefore it is same as basic EPS.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Reconciliation of weighted number of outstanding during the period:

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Nominal Value of Equity Shares (Rs per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	94,18,30,724	94,17,70,724
Add : Issue of Equity Shares	-	60,000
Total number of equity shares outstanding at the end of the period	94,18,30,724	94,18,30,724
Weighted average number of equity shares at the end of the period	94,18,30,724	94,18,06,724
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	94,18,30,724	94,18,91,430
Add : Equity shares arising on grant of stock options under ESOP	17,647	84,706
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	94,18,48,371	94,19,76,136

25 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, 2018	Maximum Amount Outstanding during the period	Balance as on March 31, 2017	Maximum Amount Outstanding during the period
Subsidiaries :				
Birmitrapur Barkote Highway Pvt Ltd	605.18	608.18	608.18	608.18
Cochin Bridge Infrastructure Co Limited	922.25	922.25	922.25	922.25
Chitoor Infrastructure Company Pvt Ltd	8.99	9.88	9.88	9.88
Earthlink Infrastructure Projects Pvt Ltd	5.07	1,076.58	1,276.58	1,284.58
Gammon Logistics Limited	159.46	159.46	158.35	158.35
Gammon Project Developers Limited	81.54	81.54	43.84	55.84
Gammon Renewable Energy Infrastructure Limited	129.20	251.20	251.20	251.20
Ghaggar Renewable Energy Private Limited	-	8.09	7.98	8.98
Gammon Road Infrastructure Limited	151.75	155.14	155.14	230.14
Gammon Seaport Infrastructure Limited	75.00	75.00	-	-
Indira Container Terminal Private Limited	3,722.47	3,753.88	4,001.76	4,001.76
Patna Highway Projects Limited	10,460.50	10,462.50	10,479.83	10,479.83
Pravara Renewable Energy Limited	2,481.98	2,481.98	2,096.57	2,122.57
Rajahmundry Godavari Bridge Limited	2,212.75	2,212.75	2,212.75	2,212.75
Ras Cities and Townships Limited	65.13	65.13		
Satluj Renewable Energy Private Limited	-	45.90	45.90	45.90
Segue Infrastructure Project Pvt Ltd	2.50	2.50	2.50	2.50

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Particulars	Balance as on March 31, 2018	Maximum Amount Outstanding during the period	Balance as on March 31, 2017	Maximum Amount Outstanding during the period
Sidhi Singrauli Road Projects Ltd	3,527.16	3,527.16	3,527.16	3,527.16
Sikkim Hydro Power Ventures Limited	3,208.96	4,142.21	4,050.21	4,423.10
Tidong Hydro Power Limited	177.32	180.32	180.32	180.32
Tada Infra development Co Ltd	0.17	0.17	-	-
Tangri Renewable energy Pvt Ltd	-	0.23	-	-
Vijayawada Gundugolanu Road Project Pvt Ltd	7,272.60	17,617.09	17,552.07	21,671.92
Yamunanagar Minor Mineral Pvt Ltd	-	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	5,734.58	5,734.58	5,805.58

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, 2018	As on March 31, 2017
		(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	88,250	3,750
	Tangri Renewable Energy Pvt Ltd	3,750	3,750
	Yamuna Minor Minerals Pvt Ltd	86,250	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

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26 Details of Joint Ventures

a) Details of Joint Ventures entered into by the Company.

	% of Interest as at	
	March 31, 2018	**March 31, 2017**
Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) *	10.12%	10.12%
Indira Container Terminal Private Ltd	74.00%	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.

27 Commitments

Particulars	March 31, 2018	March 31, 2017
Capital Commitments:		-
Other Commitments:		
- Share of equity commitment in SPV's	45,506.62	58,729.13
- Buyback / purchase of shares of subsidiaries	3,800.00	5,300.00
Total	**49,306.62**	**64,029.13**

28 Contingent Liabilities

1 **Guarantees:**

i) The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries, amounting to Rs.331,320.00 lacs (previous period Rs. 333,320.00 lacs)

ii) Counter Guarantees given to the bankers for the guarantees given by them on our behalf Rs.14,803.30 lacs (previous period Rs.13,735.18 lacs).

2 **Other Contingent liability :**

	Particulars	March 31, 2018	March 31, 2017
i)	Claims against the company not acknowledged as debts	26,119.62	-
ii)	Disputed Tax demand against which the Company has preferred appeals	3,949.37	2,463.25
iii)	Tax paid and refunds adjusted against the same	1,923.87	1,663.68
iv)	TDS demands under rectification	40.98	40.57
v)	Tax demand of SPVs sold for which the Company is liable under the SHA against which the SPV has preferred appeal on the advice of the Company	19,202.40	-

3 The Company have 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.

29 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 SPV had entered into a binding agreement with a Strategic investor for a committed equity participation of 49% in the Project. However the SPV could not achieve financial closure and consequently its agreement

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for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

with the Strategic investor was terminated. The SPV has finally made an application to NHAI for mutual exit from the Project vide letter dated September 08, 2017 with terms including return of bank guarantee and non-levy of any charges or claims by either parties. The decision of NHAI in response to the SPV's aforesaid letter of mutual exit is pending. No effects have been given in the financial statements of the SPV pending the decision of NHAI. The Auditors of the SPV have highlighted the going concern matter in the case of the SPV as in either case the entity would not be continuing the project and would be eventually wound up. In case the mutual exit proposal is accepted then the exposure of the Company is likely to be capped at Rs.7,246.13 lacs as the Bank Guarantee would be released as requested by the Company in its letter dated 8th September 2017. In case the proposal is not accepted then the entire exposure of Rs. 15,666.13 lacs of the Company in the SPV needs to be tested for impairment. Accordingly, the decision of NHAI is more likely to have adverse impact on the Statement of Profit and Loss. No effects have been given in the financial statements of the SPV pending the decision of NHAI.

30 The Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement of Rs. 3,776.69 lacs is to be reversed. The management is hopeful of receiving the extension with non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results. The Company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 158.13 lacs

31 **Material Uncertainty related to Going Concern**

The Company had divested some of its subsidiaries in the previous periods for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch of cash flows including the dues to the subsidiary which are due for repayment pursuant to negotiation by March 31, 2019. Further various projects of the Company as stated in note 32 below are under stress and the outcome of the continuance of these projects would be dependent upon a favourable decision being received by the management on the litigations outstanding. In view of the matters detailed in note 8 and as aforesaid, there are material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern. The auditors of the following SPVs have carried a separate paragraph on the Material Uncertainty related to Going Concern in its auditors report

- Indira Container Terminal Private Limited
- Vijayawada Gundugolanu Road Projects Private Limited
- Rajahmundry Godavari Bridge Limited

The management however is confident that the going concern assumption and the carrying values of the assets and liabilities in these Standalone Financial Results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

32 In respect of the following projects / SPV of the Company there are legal issues, arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matters. These issues are commonly encountered in the Infrastructure business and the management is confident of a favorable resolution in due course.

a) Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. The Company has also in parallel filed a writ in the matter before the Hon'ble Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court granted extension to settle the matter subsequent to which Company has filled amended plaint. The said SPV pursuant to court proceedings filed a fresh writ for recovery of dues. The bankers of the said SPV have initiated action under SARFAESI Act and have taken symbolic possession of the property of the SPV. They have also initiated proceedings under DRT against which the Company is taking necessary legal steps. The SPV has filed for keeping the proceedings on hold sine die till the disposal of the matter before the Hon'ble Kerala High Court. The Company has in parallel applied for a One time settlement of dues to its lenders which is under consideration of their respective competent authorities for approval and implementation. Exposure of the Company in the SPV is Rs. 2,856.96 lacs (funded and non-funded).

b) 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 Company has invoked arbitration on 19.02.2018 but is yet to receive the nomination of arbitrators from

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GOHP. The Company has received letter from GOHP to discuss the matter mutually towards amicable resolution. The management is hopeful of an early settlement in the matter and is confident of recovering the amount of exposure. The exposure of the Company in the SPV is Rs. 7,119.23 lacs.

c) Container terminal at Mumbai –The project was delayed due to non-fulfilment of certain conditions by the Mumbai Port Trust. This has resulted in the SPV 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 agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MBPT, SPV and the lenders. The draft supplementary agreement is subject to clearance from the Ministry of Shipping, Government of India. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The SPV has a Right Of First Refusal (ROFR) to match the winning bid within a pre-defined margin. The draft agreement also provides for waiver of Outstanding Interest. The management has during the current financial year acquired further stake from the JV partner and has obtained control over the JV. It currently holds 74% of the equity of the SPV Company. The RORO (Roll On Roll Off) operation which was allowed by MBPT as an alternate use of the two berths is continuing. However the same is inadequate for repayment of principal and interest of the lenders. There exists material uncertainty relating to the rebid fructifying in favour of the SPV. The auditors of the SPV have highlighted the material uncertainty regards going concern issue. In case the management is unable to match the bid and win the contract, the cash flows would be sufficient to pay its debts as well as exposure of the Holding Company. However the Company will not continue in the said case and would be eventually wound up. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility, which would be operationally viable under the revised terms. The exposure of the Company in the SPV is Rs. 13,831.00 lacs (funded and non-funded).

d) The actual toll collections of the tolling bridge project at Rajahmundry Godavari Bridge across river Godavari are significantly lower than the forecasted revenue at the time of bid, resulting in inadequate cash flow to meet the debt / Interest servicing obligations of the Lenders. Consequently, the debt facility has been classified as a Non-Performing Asset (NPA) by the Lenders. The Company had earlier submitted a proposal under the Scheme for Sustainable Structuring of Stressed Assets (S4A) to the Lenders, which was cleared by the Lenders for approval of the Overseeing Committee (OC) set up by the Indian Banking Association (IBA), in consultation with the Reserve Bank of India (RBI). The Company provided its response to the observations of the Lenders and the OC on the S4A proposal and was awaiting the OC/lenders' approval. In the interim, RBI vide its circular dated 12th February 2018, discontinued with immediate effect all restructuring schemes for stressed assets (including S4A). As per this circular, all schemes, including S4A which have been invoked but not implemented, shall be governed by the new circular. Thus the restructuring proposal by the Company is no longer being pursued by the Lenders.

Subsequently the Company has issued a cure period notice to Andhra Pradesh Road Development Corporation (APRDC or the Client) on 26th February 2018 under clause 37.2.1 of the Concession Agreement to cure the breaches of APRDC which includes provision of Revenue shortfall loan along with other mentioned breaches. In the event that the client is unable to correct the breaches in the project, the management would need to decide on the ability to continue or terminate the agreement. Management discussion is currently underway with APRDC. The Company is hopeful that the breaches would be cured by the Client and the Company would be able to continue to operate the Project. The Management estimates the revenue from the project would meet the levels as forecasted post cure of defaults and thus would make the project viable. In addition, the management also estimates reduction of the operating & finance costs. In the event of termination, the Company is confident of recovery of compensation / Payment of outstanding dues to Lenders from the client in terms of the Concession Agreement. Pending disposal of the matter by APRDC, there exists material uncertainty with respect to the future of the Project and that cast significant doubt on the Company's ability to continue as a going concern. The auditors of the SPV have highlighted the material uncertainty regards to going concern issue in their audit report.

However, based on the on-going discussions with the client, the Company is hopeful that breaches would be cured and the Company will continue to operate the Project. The Management is also of the opinion that the Project will be viable post cure of defaults and on optimising the operating and finance costs and improved traffic / revenue due to major infrastructure development proposed by the State Government around the Project route. 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 breaches are not cured by the client as envisaged by the management, the Company would be required to reassess the ability of the SPV to continue as a going concern. The exposure of the Company to the SPV is Rs. 95,578.24 lacs (funded and non-funded).

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e) In respect of an Annuity Road project : The project has obtained pre-COD on September 1, 2016. In respect of the project on annuity basis of 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. The Company will have cost overrun on account of issue beyond the scope of the Company and attributable to the Grantor. This will not result in any changes in the Annuity 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. However this amount has been treated separately as receivable from the Grantor. The Company had also applied to the lenders for 5/25 flexible Structuring Scheme. However, in view of the RBI vide its circular dated 12th February 2018, the application became infructuous.

   During the year, the management, although having a valid claim for compensation, supported by Independent Engineer's assessment, has decided to account the finance income under the annuity model on the basis of the original plan. No finance income is accounted on such cost overrun in the annuity model on a conservative basis till the final decision of the realisability is settled pursuant to arbitration and other legal proceedings. The exposure of the Company to the SPV is Rs 1,30,254.07 lacs (funded and non funded).

f) The Company has incorporated a SPV 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 date of COD. The project cost is estimated to be Rs 496 Crores. Though the project has received all major clearances and approvals including environmental clearances from MoEF and all major contracts for the project have been awarded, Power purchase agreement is yet to be signed. Over a period of time, the scenario in power sector changed substantially and in absence of financial closure, funding of the Project has been a major issue leading to frequent stoppages of work. The Proposed Hydro power Policy is eagerly awaited which will hopefully bring more opportunity in this sector. The Company is hopeful that power purchase agreement would be signed under the new policy which will also enable the financial closure to be done. Policy initiatives taken by the Government to address key concern facing the power sector will enable the sector to keep pace with the growing demand. The Management is of the view that the present situation in power business is temporary and does not foresee any need for impairment. The exposure of the Company in the SPV is Rs. 9,622.91 lacs.

33 Other Financial Assets includes Rs 1,514.01 lacs due from Western Coalfields Limited on account of wrongful encashment of bank guarantee against which the Company has filed a suit for Recovery of damages. During the year ended September 2017, Western Coalfields Limited (WCL) had encashed Bank Guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016) towards the coal linkages to be granted by WCL. Subsequent to the encashment, Company has filed an application for converting earlier injunction application to suit for recovery of damages. The Company has sought a legal opinion in this matter and has been advised that it has a good case of recovery. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited the same to the statement of profit and loss for the year ended March 31, 2018.

34 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

a) The Company has taken office premises on leave and license basis which are cancellable contracts.
b) The company has leased out crusher upto March 31, 2018 and is renewable by mutual consent.

35 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.

Revenue contributed by two customers in the operating segments exceeds ten percent each of the Company's total revenue aggregating to Rs 15,078.88 lacs

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36 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

37 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2018 and March 31, 2017 . The Company has no foreign currency exposure towards liability outstanding as at March 31, 2018 and March 31, 2017.

38 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

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. 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.

39 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2018 & March 31, 2017 is as follows:

		Carrying Value		Fair Value	
		March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
a)	**Financial Assets**				
	Amortised Cost				
	Loans	2,696.89	3,169.08	2,696.89	3,169.08
	Others	11,433.34	11,573.11	11,433.34	11,573.11
	Trade receivables	5,136.34	6,511.75	5,136.34	6,511.75
	Cash and cash equivalents	746.73	1,681.74	746.73	1,681.74
	FVTPL				
	Mutual Funds	4,515.86	7,082.18	4,515.86	7,082.18
	Total Financial Assets	**24,529.17**	**30,017.86**	**24,529.17**	**30,017.86**

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b)	**Financial Liabilities**				
	Amortised Cost				
	Borrowings	3,522.31	3,880.87	3,522.31	3,880.87
	Trade payables	6,784.98	4,482.47	6,784.98	4,482.47
	Others	13,154.53	12,670.77	13,154.53	12,670.77
	Total Financial Liabilities	**23,461.82**	**21,034.11**	**23,461.82**	**21,034.11**

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.

40 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, 2018 and March 31, 2017

		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-18	4,515.86	-	-
Total financial assets		**4,515.86**	**-**	**-**
'Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-17	7,082.18	-	-
Total financial assets		**7,082.18**	**-**	**-**

41 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.

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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:

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, 2018	Plus 100 basis points	(144.99)
	Minus 100 basis points	144.99
March 31, 2017	Plus 100 basis points	(146.71)
	Minus 100 basis points	146.71

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

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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 Rs. 5,136.34 lacs as at March 31, 2018 and Rs 6,511.75 lacs as at March 31, 2017 , 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 Rs 14,499.29 lacs as at March 31, 2018 and Rs 14,671.18 lacs as at March 31, 2017.

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 Rs 33,898.04 lacs as at March 31, 2018 and by Rs. 30,906.57 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 by the SPV 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, 2018	March 31, 2017
Cash and Cash Equivalent	706.99	1,669.37
Bank Balance	39.74	12.37
Interest bearing deposits with Corporates	2,611.18	3,159.03
Total	**3,357.92**	**4,840.77**

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
As at March 31, 2018				
Borrowings	3,522.31	-	-	-
Trade Payables	6,784.98	-	-	-
Other Financial Liabilities	13,054.53	100.00	-	-
Other Liabilities	25,255.18	2,466.00	3,624.64	3,027.47
Total	**48,617.00**	**2,566.00**	**3,624.64**	**3,027.47**

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As at March 31, 2017				
Borrowings	3,619.29	261.59	-	-
Trade Payables	4,482.47	-	-	-
Other Financial Liabilities	12,570.77	100.00	-	-
Other Liabilities	26,351.84	16,372.93	3,624.64	3,027.47
Total	**47,024.37**	**16,734.52**	**3,624.64**	**3,027.47**

(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.

42 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.

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Particulars	March 31, 2018	March 31, 2017
Gross Debt	14,499.29	14,671.18
Less:		
Cash and Cash Equivalent	706.99	1,669.37
Marketable Securities -Liquid Mutual Funds	4,515.86	7,082.18
Net debt (A)	**9,276.44**	**5,919.63**
Total Equity (B)	**93,268.89**	**92,136.03**
Gearing ratio (A/B)	**0.10**	**0.06**

43 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

As per our report of even date

For Nayan Parikh & Co.
ICAI Firm Regn. No.: 107023W
Chartered Accountants

K N Padmanabhan
Partner
Membership No. :36410

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Homai Daruwalla
Director
DIN: 00365880

Naresh Sasanwar
Chief Financial Officer

Kaushal Shah
Company Secretary
Membership No. : ACS 18501

Place : Mumbai

Date : June 13, 2018

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

43 Related Party Disclosure

a) Relationships :

Entity where control exists :

1 Gammon Power Limited - Holding Company (Upto Sept 07,2017)
2 Gammon Power Limited - Entities having significant influence (w.e.f Sept 08,2017)

Subsidiaries:

1 Birmitrapur Barkote Highway Pvt Ltd
2 Chitoor Infrastructure Company Private Limited
3 Cochin Bridge Infrastructure Company Limited
4 Earthlink Infrastructure Projects Pvt Ltd
5 Gammon Logistics Limited
6 Gammon Projects Developers Limited
7 Gammon Renewable Energy Infrastructure Limited
8 Gammon Road Infrastructure Limited
9 Gammon Seaport Infrastructure Limited
10 Ghaggar Renewable Energy Private Limited
11 Haryana Biomass Power Limited
12 Indira Container Terminal Private Limited (W.e.f. 07/04/2017)
13 Jaguar Projects Developers Limited
14 Lilac Infraprojects Developers Limited
15 Marine Projects Services Limited
16 Marine Projects Services Limited
17 Patna Highway Projects Limited
18 Pravara Renewable Energy Limited
19 Ras Cities and Townships Private Limited
20 Rajahmundry Godavari Bridge Limited
21 Satluj Renewable Energy Private Limited (Upto 18/07/2017)
22 Segue Infrastructure Projects Pvt Ltd
23 Sidhi Singrauli Road Project Ltd
24 Sikkim Hydro Power Ventures Limited
25 Tada Infra Development Company Limited
26 Tangri Renewable Energy Private Limited
27 Tidong Hydro Power Limited
28 Vijaywada Gundugolanu Road Project Pvt Ltd
29 Vizag Seaport Private Limited
30 Yamuna Minor Minerals Private Limited
31 Yamunanagar Panchkula Highway Pvt Ltd
32 Youngthang Power Ventures Limited

Joint Ventures:

1 Blue Water Iron Ore Terminal Private Limited
2 Indira Container Terminal Private Limited (Upto 06/04/2017)
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 Naresh Chandra- Chairman (Upto 09/07/2017)
3 Chandrahas Charandas Dayal- Independent Director (Upto 29/09/2017)
4 Sushil Chandra Tripathi- Independent Director
5 Sushil Chandra Tripathi- Chairman & Non Executive Director (W.e.f 14/02/2018)
6 Homai A Daruwalla- Independent Director
7 Abhijit Rajan - Non Executive Director
8 Sanjay Sachdev - Independent Director (W.e.f. 09/11/2017)
9 Vardhan Dharkar - Non Executive Director (W.e.f. 20/11/2017)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

b) Details of related parties transactions for the year ended on March 31, 2018

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Operations & Maintenance Income	-	-	**1,542.92**	-	-	**1,542.92**
	-	-	-	-	-	-
Patna Highway Projects Limited	-	-	1,542.92	-	-	1,542.92
(Previous Year)	-	-	-	-	-	-
Interest Income	-	-	**361.88**	-	-	**361.88**
	-	-	**(435.70)**	-	-	**(435.70)**
Earthlink Infrastructure Project Pvt Ltd	-	-	43.44	-	-	43.44
(Previous Year)	-	-	(143.22)	-	-	(143.22)
Gammon Renewable Energy Infrastructure Projects Ltd	-	-	28.21	-	-	28.21
(Previous Year)	-	-	(28.05)	-	-	(28.05)
Gammon Road Infrastructure Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(18.64)	-	-	(18.64)
Pravara Renewable Energy Ltd	-	-	290.23	-	-	290.23
(Previous Year)	-	-	(225.66)	-	-	(225.66)
Tidong Hydro Power Ltd		-	-	-	-	-
(Previous Year)	-	-	(20.13)	-	-	(20.13)
Remeasurment gain on Fair Value	-	-	**130.08**	-	-	**130.08**
	-	-	**(29.29)**	-	-	**(29.29)**
Earthlink Infrastructure Project Pvt Ltd	-	-	120.06	-	-	120.06
(Previous Year)	-	-	(1.18)	-	-	(1.18)
Gammon Renewable Energy Infrastructure Projects Ltd	-	-	3.95	-	-	3.95
(Previous Year)	-	-	-	-	-	-
Gammon Road Infrastructure Ltd	-	-	0.31	-	-	0.31
(Previous Year)	-	-	(16.66)	-	-	(16.66)
Pravara Renewable Energy Ltd	-	-	**5.76**	-	-	**5.76**
(Previous Year)	-	-	(11.45)	-	-	(11.45)
Dividend Income	-	-	**2.01**	-	-	**2.01**
	-	-	-	-	-	-
Ras Cities and Townships Pvt ltd	-	-	2.01	-	-	2.01
(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Rent Paid	**-**	**-**	**57.58**	**-**	**-**	**57.58**
	-	**-**	**(62.24)**	**-**	**-**	**(62.24)**
-Pravara Renewable Energy Ltd	-	-	57.58	-	-	57.58
(Previous Year)	-	-	(62.24)	-	-	(62.24)
Gurantee Commission income	**-**	**-**	**1,097.19**	**-**	**-**	**1,097.19**
	-	**-**	**(1,024.14)**	**-**	**-**	**(1,024.14)**
-Cochin Bridge Infrastructure Co Ltd	-	-	1.65	-	-	1.65
(Previous Year)	-	-	(2.76)	-	-	(2.76)
-Rajahmundry Godavari Bridge Ltd	-	-	323.64	-	-	323.64
(Previous Year)	-	-	(324.29)	-	-	(324.29)
-Patna Highway Projects Ltd	-	-	542.35	-	-	542.35
(Previous Year)	-	-	(530.54)	-	-	(530.54)
- Sidhi Singrauli Road Project Ltd	-	-	229.55	-	-	229.55
(Previous Year)	-	-	(166.55)	-	-	(166.55)
EPC billing	**-**	**-**	**14,281.75**	**-**	**-**	**14,281.75**
	-	**-**	**(19,858.09)**	**-**	**-**	**(19,858.09)**
- Sidhi Singrauli Road Project Ltd	-	-	14,281.75	-	-	14,281.75
(Previous Year)	-	-	(17,671.86)	-	-	(17,671.86)
- Vijayawada Gundugolanu Raod Project Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(2,186.22)	-	-	(2,186.22)
Advance received from on account of Mobilisation Advance	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**(4,234.69)**	**-**	**-**	**(4,234.69)**
- Vijayawada Gundugolanu Road Project Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(4,234.69)	-	-	(4,234.69)
Amount liquidated/ adjusted towards the Mobilisation Advance	**-**	**-**	**16,033.64**	**-**	**-**	**16,033.64**
	-	**-**	**(2,813.30)**	**-**	**-**	**(2,813.30)**
- Sidhi Singrauli Road Project Ltd	-	-	2,451.62	-	-	2,451.62
(Previous Year)	-	-	(2,813.30)	-	-	(2,813.30)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Vijayawada Gundugolanu Road Project Pvt Ltd	-	-	13,582.02	-	-	13,582.02
(Previous Year)	-	-	-	-	-	-
Provision for ICD/ Current Account	**-**	**-**	**56.73**	**8.75**	**-**	**65.48**
	-	**-**	**(208.65)**	**-**	**-**	**(208.65)**
- Birmitrapur Barkote Highway Pvt Limited	-	-	-	-	-	-
(Previous Year)	-	-	(0.15)	-	-	(0.15)
- Chitoor Infra Co Pvt Ltd	-	-	1.15	-	-	1.15
(Previous Year)	-	-	-	-	-	-
- Earthlink Infrastructure Project Pvt Ltd	-	-	5.07	-	-	5.07
(Previous Year)	-	-	-	-	-	-
- Gammon Logistic Ltd	-	-	13.70	-	-	13.70
(Previous Year)	-	-	-	-	-	-
- Gammon Projects Developers Limited	-	-	37.79	-	-	37.79
(Previous Year)	-	-	-	-	-	-
- Gammon Road Infrastructure Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(51.27)	-	-	(51.27)
- GIPL - GIL JV	-	-	-	8.75		8.75
(Previous Year)	-	-	-	-	-	-
- Segue Infrastructure Projects Pvt Ltd	-	-	1.03			1.03
(Previous Year)	-	-	-	-	-	-
- Tada Infra Development Company Limited	-	-	0.17	-	-	0.17
(Previous Year)	-	-	-	-	-	-
- Tidong Hydro Power Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(157.23)	-	-	(157.23)
Reversal of Provision for ICD/ Current Account	**-**	**-**	**178.24**	**-**	**-**	**178.24**
	-	**-**	**-**	**-**	**-**	**-**
- Birmitrapur Barkote Highway Pvt Limited	-	-	7.96	-	-	7.96
(Previous Year)	-	-	-	-	-	-
- Chitoor Infra Co Pvt Ltd	-	-	0.89	-	-	0.89
(Previous Year)	-	-	-	-	-	-
- Earthlink Infrastructure Project Pvt Ltd	-	-	0.24	-	-	0.24
(Previous Year)	-	-	-	-	-	-
- Ghaggar Renewable Energy Pvt Ltd	-	-	8.27	-	-	8.27
(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Gammon Road Infrastructure Ltd	-	-	3.08	-	-	3.08
(Previous Year)	-	-	-	-	-	-
- Haryana Biomass Power Limited	-	-	123.35	-	-	123.35
(Previous Year)	-	-	-	-	-	-
- Lilac Infraprojects Developers Ltd	-	-	0.10	-	-	0.10
(Previous Year)	-	-	-	-	-	-
- Ras Cities And Townships Pvt Ltd	-	-	0.26	-	-	0.26
(Previous Year)	-	-	-	-	-	-
- Satluj Renewable Energy Pvt Ltd	-	-	24.90	-	-	24.90
(Previous Year)	-	-	-	-	-	-
Tangri Renewable Energy Private Limited	-	-	0.38	-	-	0.38
(Previous Year)	-	-	-	-	-	-
- Yamuna Minor Mineral Pvt Limited	-	-	8.01	-	-	8.01
(Previous Year)	-	-	-	-	-	-
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	0.80	-	-	0.80
(Previous Year)	-	-	-	-	-	-
Sundry Balances Written Off	**-**	**-**	**1.43**	**-**	**-**	**1.43**
		-	-	-	-	-
- Indira Container Terminal Private Limited	-	-	0.40	-	-	0.40
(Previous Year)	-	-	-	-	-	-
Tangri Renewable Energy Private Limited	-	-	1.03	-	-	1.03
(Previous Year)	-	-	-	-	-	-
Managerial Remuneration	**-**	**-**	**-**	**-**	**264.28**	**264.28**
	-	**-**	**-**	**-**	**261.43**	**261.43**
- Mr. K. K. Mohanty	-	-	-	-	-	-
Short term Employee Benefits	-	-	-	-	244.28	244.28
(Previous Year)	-	-	-	-	251.43	251.43
Post Employment Benefits	-	-	-	-	20.00	20.00
(Previous Year)	-	-	-	-	10.00	10.00

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Director Sitting fees and Commission	**-**	**-**	**-**	**-**	**20.50**	**20.50**
	-	**-**	**-**	**-**	**(29.50)**	**(29.50)**
- Abhijit Rajan	-	-	-	-	3.00	3.00
(Previous Year)	-	-	-	-	(2.00)	(2.00)
- C.C Dayal	-	-	-	-	3.50	3.50
(Previous Year)	-	-	-	-	(6.50)	(6.50)
- Homai A Daruwalla	-	-	-	-	6.50	6.50
(Previous Year)	-	-	-	-	(7.50)	(7.50)
- Naresh Chandra	-	-	-	-	1.50	1.50
(Previous Year)	-	-	-	-	(6.00)	(6.00)
- Sanjay Sachdev	-	-	-	-	1.50	1.50
(Previous Year)	-	-	-	-	-	-
- Sushil Chandra Tripathi	-	-	-	-	4.00	4.00
(Previous Year)	-	-	-	-	(7.50)	(7.50)
- Vardhan Vasant Dharkar	-	-	-	-	0.50	0.50
(Previous Year)	-	-	-	-	-	-
Investment in equity shares of	**-**	**-**	**1,623.35**	**-**	**-**	**1,623.35**
	-	**-**	**-**	**-**	**-**	**-**
- Haryana Biomass Power Limited	-	-	123.35	-	-	123.35
(Previous Year)	-	-	-	-	-	-
- Indira Container Terminal Private Limited	-	-	1,500.00	-	-	1,500.00
(Previous Year)	-	-	-	-	-	-
Fair Value of Interest Free Loans	**-**	**-**	**30.80**	**-**	**-**	**30.80**
	-	**-**	**(42.91)**	**-**	**-**	**(42.91)**
Pravara Renewable Energy Limited	-	-	30.80	-	-	30.80
(Previous Year)	-	-	(42.91)	-	-	(42.91)
Fair Value of Financial Guarantee	**-**	**-**	**450.82**	**-**	**-**	**450.82**
	-	**-**	**-**	**-**	**-**	**-**
- Sidhi Singrauli Road Project Ltd	-	-	450.82	-	-	450.82
(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Movement in Quasi Investment (Net)	**-**	**-**	**11,152.13**	**-**	**-**	**11,152.13**
	-	**-**	**(4,482.87)**	**-**	**-**	**(4,482.87)**
Indira Container Terminal Pvt Limited	-	-	31.41	-	-	31.41
(Previous Year)	-	-	-	-	-	-
Sikkim Hydro Power Ventures Limited	-	-	841.25	-	-	841.25
(Previous Year)	-	-	(334.09)	-	-	(334.09)
Vijayawada Gundugolanu Road Project Pvt Limited	-	-	10,279.47	-	-	10,279.47
(Previous Year)	-	-	(4,077.78)	-	-	(4,077.78)
Youngthang Power Ventures Limited	-	-	-	-	-	-
(Previous Year)	-	-	(71.00)	-	-	(71.00)
Interest free Inter corporate loans given to	**-**	**-**	**613.19**	**-**	**-**	**613.19**
(Transaction Value)	**-**	**-**	**(261.70)**	**-**	**-**	**(261.70)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.15)	-	-	(0.15)
- Chitoor Infra Company Pvt Ltd	-	-	0.11	-	-	0.11
(Previous Year)	-	-	-	-	-	-
- Gammon Logistics Ltd	-	-	1.11	-	-	1.11
(Previous Year)	-	-	-	-	-	-
- Gammon Projects Developers Ltd	-	-	59.70	-	-	59.70
(Previous Year)	-	-	(10.00)	-	-	(10.00)
- Ghaggar Renewable Energy Pvt Ltd	-	-	0.11	-	-	0.11
(Previous Year)	-	-		-	-	-
- Gammon Road Infrastructure Ltd	-	-	0.11	-	-	0.11
(Previous Year)	-	-	-	-	-	-
- Gammon Seaport Infrastructure Limited	-	-	75.00	-	-	75.00
(Previous Year)	-	-	-	-	-	-
- Pravara Renewable Energy Ltd	-	-	476.88	-	-	476.88
(Previous Year)	-	-	(230.55)	-	-	(230.55)
- Satluj Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(21.00)	-	-	(21.00)
- Tada Infra Development Co Ltd	-	-	0.17	-	-	0.17
(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Refund of inter corporate loans given	-	-	**1,553.29**	-	-	**1,553.29**
(IGAAP Transaction Value)	-	-	**(171.00)**	-	-	**(171.00)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	-	-	-	-
- Chitoor Infra Company Pvt Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	-	-	-	-
- Earthlink Infrastructure Project Pvt Ltd	-	-	1,271.51	-	-	1,271.51
(Previous Year)	-	-	(8.00)	-	-	(8.00)
- Gammon Projects Developers Ltd	-	-	22.00	-	-	22.00
(Previous Year)	-	-	(12.00)	-	-	(12.00)
- Gammon Renewable Energy Infrastructure Projects Limited	-	-	122.00	-	-	122.00
(Previous Year)	-	-	-	-	-	-
- Ghaggar Renewable Energy Pvt Ltd	-	-	8.09	-	-	8.09
(Previous Year)	-	-	-	-	-	-
- Gammon Road Infrastructure Ltd	-	-	3.50	-	-	3.50
(Previous Year)	-	-	(75.00)	-	-	(75.00)
- Pravara Renewable Energy Ltd	-	-	66.00	-	-	66.00
(Previous Year)	-	-	(76.00)	-	-	(76.00)
- Satluj Renewable Energy Private Limited	-	-	45.90	-	-	45.90
(Previous Year)	-	-	-	-	-	-
- Tidong Hydro Power Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	-	-	-	-
- Yamuna Minor Mineral Pvt Limited	-	-	7.30	-	-	7.30
(Previous Year)	-	-	-	-	-	-
Expenses incured/ payments made by the Company on behalf of	-	-	**4,402.28**	**8.75**	-	**4,411.04**
	-	-	**(2,982.68)**	**(836.04)**	-	**(3,818.72)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	0.05	-	-	0.05
(Previous Year)	-	-	(0.46)	-	-	(0.46)
- Chitoor Infra Company Pvt Ltd	-	-	1.15	-	-	1.15
(Previous Year)	-	-	(3.17)	-	-	(3.17)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Cochin Bridge Infrastructure Co Ltd	-	-	3.01	-	-	3.01
(Previous Year)	-	-	(25.83)	-	-	(25.83)
- Earthlink Infrastructure Project Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(19.23)	-	-	(19.23)
- Gammon Logistic Ltd	-	-	13.59	-	-	13.59
(Previous Year)	-	-	(0.41)	-	-	(0.41)
- Gammon Projects Developers Ltd	-	-	0.08	-	-	0.08
(Previous Year)	-	-	(0.19)	-	-	(0.19)
- Gammon Renewable Energy Infrastructure Projects Limited	-	-	75.21	-	-	75.21
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Gammon Seaport Infrastructure Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Gammon Realty Limited	-	-	50.00	-	-	50.00
(Previous Year)	-	-	(300.00)	-	-	(300.00)
- Ghaggar Renewable Energy Pvt Ltd	-	-	0.09	-	-	0.09
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Gammon Road Infrastructure Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.24)	-	-	(0.24)
- GIPL - GIL JV	-	-	-	8.75	-	8.75
(Previous Year)	-	-	-	(0.15)	-	(0.15)
- Haryana Biomass Power Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.19)	-	-	(0.19)
- Indira Container Terminal Pvt Ltd	-	-	1,109.07		-	1,109.07
(Previous Year)	-	-	-	(835.89)	-	(835.89)
- Jaguar Projects Developers Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Lilac Infraprojects Developers Ltd	-	-	1.54	-	-	1.54
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Marine Project Services Ltd	-	-	1.73	-	-	1.73
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Mormugao Terminal Ltd	-	-	0.12	-	-	0.12
(Previous Year)	-	-	-	-	-	-
- Patna Highway Projects Ltd	-	-	1,889.39	-	-	1,889.39
(Previous Year)	-	-	(208.41)	-	-	(208.41)
- Pravara Renewable Energy Ltd	-	-	326.57	-	-	326.57

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
(Previous Year)	-	-	(282.56)	-	-	(282.56)
- Rajahmundry Godavari Bridge Ltd	-	-	33.89	-	-	33.89
(Previous Year)	-	-	(46.46)	-	-	(46.46)
- Ras Cities And Townships Pvt Ltd	-	-	80.33	-	-	80.33
(Previous Year)	-	-	(0.18)	-	-	(0.18)
- Satluj Renewable Energy Pvt Ltd	-	-	0.02	-	-	0.02
(Previous Year)	-	-	(0.22)	-	-	(0.22)
- Segue Infrastructure Projects Pvt Ltd	-	-	1.39	-	-	1.39
(Previous Year)	-	-	(7.67)	-	-	(7.67)
- Sidhi Singrauli Road Project Ltd	-	-	471.69	-	-	471.69
(Previous Year)	-	-	(403.81)	-	-	(403.81)
- Sikkim Hydro Power Ventures Ltd	-	-	171.32	-	-	171.32
(Previous Year)	-	-	(33.85)	-	-	(33.85)
- Tada Infra Development Co Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.17)	-	-	(0.17)
- Tangri Renewable Energy Pvt Ltd	-	-	0.42	-	-	0.42
(Previous Year)	-	-	(0.19)	-	-	(0.19)
- Tidong Hydro Power Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.20)	-	-	(0.20)
- Vijayawada Gundugolanu Road Project Pvt Ltd	-	-	162.93	-	-	162.93
(Previous Year)	-	-	(1,629.12)	-	-	(1,629.12)
- Vizag Seaport Pvt Ltd	-	-	0.08	-	-	0.08
(Previous Year)	-	-	-	-	-	-
- Yamuna Minor Minerals Pvt Ltd	-	-	0.03	-	-	0.03
(Previous Year)	-	-	(0.17)	-	-	(0.17)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	0.20	-	-	0.20
(Previous Year)	-	-	(0.95)	-	-	(0.95)
- Youngthang Power Ventures Ltd	-	-	8.37	-	-	8.37
(Previous Year)	-	-	(17.92)	-	-	(17.92)
Amount liquidated towards the above finance	**-**	**-**	**6,235.90**	**-**	**-**	**6,235.90**
	-	**-**	**(1,593.21)**	**(973.33)**	**-**	**(2,566.54)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Chitoor Infra Company Pvt Ltd	-	-		-	-	-
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Cochin Bridge Infrastructure Co Ltd	-	-		-	-	-
(Previous Year)	-	-	(0.03)	-	-	(0.03)
- Earthlink Infrastructure Project Pvt Ltd	-	-	0.24	-	-	0.24
(Previous Year)	-	-	(19.06)	-	-	(19.06)
- Gammon Logistic Ltd	-	-		-	-	-
(Previous Year)	-	-	(0.17)	-	-	(0.17)
- Gammon Road Infrastructure Ltd	-	-		-	-	-
(Previous Year)	-	-	(0.01)	-	-	(0.01)
- Gammon Realty Limited	-	-	50.00	-	-	50.00
(Previous Year)	-	-	(300.00)	-	-	(300.00)
- Ghaggar Renewable Energy Pvt Ltd	-	-	0.38	-	-	0.38
(Previous Year)	-	-	-	-	-	-
- Haryana Biomass Power Ltd	-	-	123.35	-	-	123.35
(Previous Year)	-	-	-	-	-	-
- Indira Container Terminal Pvt Ltd	-	-	1,157.55		-	1,157.55
(Previous Year)	-	-	-	(973.33)	-	(973.33)
- Lilac Infraprojects Developers Ltd	-	-	1.64	-	-	1.64
(Previous Year)	-	-	(2.07)	-	-	(2.07)
- Patna Highway Projects Ltd	-	-	2,495.31	-	-	2,495.31
(Previous Year)	-	-	(107.66)	-	-	(107.66)
- Pravara Renewable Energy Ltd	-	-	165.84	-	-	165.84
(Previous Year)	-	-	(256.64)	-	-	(256.64)
- Rajahmundry Godavari Bridge Ltd	-	-	54.66	-	-	54.66
(Previous Year)	-	-	(36.89)	-	-	(36.89)
- Ras Cities And Townships Pvt Ltd	-	-	15.46	-	-	15.46
(Previous Year)	-	-	-	-	-	-
- Satluj Renewable Energy Pvt Ltd	-	-		-	-	-
(Previous Year)	-	-	(0.37)	-	-	(0.37)
- Segue Infrastructure Projects Pvt Ltd	-	-	0.36	-	-	0.36
(Previous Year)	-	-	(7.50)	-	-	(7.50)
- Sidhi Singrauli Road Project Ltd	-	-	631.21	-	-	631.21
(Previous Year)	-	-	(503.25)	-	-	(503.25)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Sikkim Hydro Power Ventures Ltd	-	-	64.55	-	-	64.55
(Previous Year)	-	-	(22.43)	-	-	(22.43)
- Tada Infra Development Co Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(4.50)	-	-	(4.50)
- Tangri Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	-	1,472.55	-	-	1,472.55
(Previous Year)	-	-	(327.34)	-	-	(327.34)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	-	-	-	-
- Yamuna Minor Minerals Pvt Ltd	-	-	0.74	-	-	0.74
(Previous Year)	-	-	-	-	-	-
- Youngthang Power Ventures Ltd	-	-	0.06	-	-	0.06
(Previous Year)	-	-	(2.29)	-	-	(2.29)
Inter corporate borrowings taken from	**-**	**-**	**1,223.75**	**-**	**-**	**1,223.75**
	-	**-**	**(35.75)**	**-**	**-**	**(35.75)**
- Marine Project Services Ltd		-	18.75	-	-	18.75
(Previous Year)		-	(18.75)	-	-	(18.75)
- Ras Cities And Townships Pvt Ltd		-	1,205.00	-	-	1,205.00
(Previous Year)		-	(17.00)	-	-	(17.00)
Refund of inter corporate borrowings taken earlier	**-**	**-**	**668.12**	**-**	**-**	**668.12**
	-	**-**	**(543.75)**	**-**	**-**	**(543.75)**
- Marine Project Services Ltd	-	-	18.75	-	-	18.75
(Previous Year)	-	-	(18.75)	-	-	(18.75)
- Ras Cities And Townships Pvt Ltd	-	-	499.95	-	-	499.95
(Previous Year)	-	-	(17.00)	-	-	(17.00)
- Vizag Seaport Pvt Ltd	-	-	149.42	-	-	149.42
(Previous Year)	-	-	(508.00)	-	-	(508.00)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Finance paid for Security Deposit for Director Appointment to	**-**	**-**	**43.00**	**-**	**-**	**43.00**
	-	**-**	**(38.00)**	**-**	**-**	**(38.00)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Cochin Bridge Infrastructure Co Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	-	-	-	-
- Gammon Logistic Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Gammon Project Developers Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Gammon Renewable Energy Infrastructure Projects Limited	-	-	-	-	-	-
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Gammon Road Infrastructure Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	-	-	-	-
- Gammon Seaport Infrastructure Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Ghaggar Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Gammon Power Ltd	-	-	1.00			1.00
(Previous Year)	-	-				-
- Haryana Biomass Power Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Indira Container Terminal Pvt Ltd	-	-	1.00		-	1.00
(Previous Year)	-	-	-	-	-	-
- Jaguar Project Developers Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Lilac Infraprojects Developers Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Marine Project Services Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Patna Highway Projects Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Pravara Renewable Energy Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Ras Cities And Townships Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Rajahmundry Godavari Bridge Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Satluj Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Sidhi Singrauli Road Project Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Sikkim Hydro Power Ventures Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Tada Infra Development Co Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Tangri Renewable Energy Pvt Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Vijayawada Gundugolanu Road Project Pvt Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Youngthang Power Ventures Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
Refund Received of Security Deposit for Director Appointment	**-**	**-**	**53.00**	**-**	**-**	**53.00**
			(37.00)			**(37.00)**
- Andhra Expressway Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Birmitrapur Barkote Highway Pvt Ltd	-	-	7.00	-	-	7.00
(Previous Year)	-	-	-	-	-	-
- Cochin Bridge Infrastructure Co Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	-	-	-	-
- Gammon Logistic Ltd	-	-	4.00	-	-	4.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Gammon Project Developers Ltd	-	-	2.00	-	-	2.00

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Gammon Power Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	-	-	-	-
- Gammon Renewable Energy Infrastructure Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Gammon Road Infrastructure Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Gammon Seaport Infrastructure Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Ghaggar Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Gorakhpur Infrastructure Co. Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Haryana Biomass Power Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Indira Container Terminal Pvt Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	-	-	-	-
- Jaguar Project Developers Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	(5.00)	-	-	(5.00)
- Lilac Infraprojects Developers Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Mumbai Nasik Expressway Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Marine Project Services Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Patliputra Highway Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Patna Buxar Highway Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Patna Highway Projects Ltd	-	-	3.00	-	-	3.00
(Previous Year)	-	-	-	-	-	-
- Pravara Renewable Energy Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Ras Cities And Townships Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Rajahmundry Godavari Bridge Ltd	-	-	5.00	-	-	5.00
(Previous Year)	-	-	-	-	-	-
- Rajahmundry Expressway Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Satluj Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Sidhi Singrauli Road Project Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Sikkim Hydro Power Ventures Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Tada Infra Development Co Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(3.00)	-	-	(3.00)
- Tangri Renewable Energy Pvt Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
- Tidong Hydro Power Ltd	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
- Vijayawada Gundugolanu Road Project Pvt Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(2.00)	-	-	(2.00)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	4.00	-	-	4.00
(Previous Year)	-	-	-	-	-	-
- Youngthang Power Ventures Ltd	-	-	1.00	-	-	1.00
(Previous Year)	-	-	(1.00)	-	-	(1.00)
Interest expenses / paid during the year	**-**	**-**	**1,287.28**	**-**	**-**	**1,287.28**
	-	**-**	**(1,401.92)**	**(6.00)**	**-**	**(1,407.92)**
- Indira Container Terminal Pvt Ltd	-	-	6.00		-	6.00
(Previous Year)	-	-	-	(6.00)	-	(6.00)
- Ras Cities and Townships Pvt ltd	-	-	5.37	-	-	5.37
(Previous Year)	-	-	(33.49)	-	-	(33.49)
- Marine Projects Services Limited	-	-	1.64	-	-	1.64
(Previous Year)	-	-	-	-	-	-
- Vizag Seaport Pvt Ltd	-	-	1,274.27	-	-	1,274.27
(Previous Year)	-	-	(1,368.43)	-	-	(1,368.43)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Remeasurement loss during the year	**-**	**-**	**35.04**	**-**	**-**	**35.04**
	-	**-**	**-**	**-**	**-**	**-**
- Ras Cities and Townships Pvt ltd			35.04			35.04
(Previous Year)			-			-
Amount refunded to	**-**	**-**	**-**	**-**	**-**	**-**
	-	**(6,241.00)**	**-**	**-**	**-**	**(6,241.00)**
Gammon India Limited	-	-	-	-	-	-
(Previous Year)	-	(6,241.00)	-	-	-	(6,241.00)
Corporate Guarantee Outstanding	**-**	**3,31,320.00**	**-**	**-**	**-**	**3,31,320.00**
	-	**(3,31,320.00)**	**-**	**-**	**-**	**(3,31,320.00)**
- Cochin Bridge Infrastructure Co Ltd	-	1,500.00	-	-	-	1,500.00
(Previous Year)	-	(1,500.00)	-	-	-	(1,500.00)
- Rajahmundry Godavari Bridge Ltd	-	71,414.00	-	-	-	71,414.00
(Previous Year)	-	(71,414.00)	-	-	-	(71,414.00)
- Patna Highway Projects Ltd	-	1,08,600.00	-	-	-	1,08,600.00
(Previous Year)	-	(1,08,600.00)	-	-	-	(1,08,600.00)
- Sidhi Singrauli Road Project Ltd	-	58,406.00	-	-	-	58,406.00
(Previous Year)	-	(58,406.00)	-	-	-	(58,406.00)
- Pravara Renewable Energy Ltd	-	19,167.00	-	-	-	19,167.00
(Previous Year)	-	(19,167.00)	-	-	-	(19,167.00)
- Vizag Seaport Pvt Ltd	-	35,000.00	-	-	-	35,000.00
(Previous Year)	-	(35,000.00)	-	-	-	(35,000.00)
- Sikkim Hydro Power Ventures Ltd	-	37,233.00	-	-	-	37,233.00
(Previous Year)	-	(37,233.00)	-	-	-	(37,233.00)
Oustanding balances receivable	**-**	**-**	**5,564.89**	**-**	**-**	**5,564.89**
(Trade Receivable)	**-**	**-**	**(6,999.42)**	**-**	**-**	**(6,999.42)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	487.67	-	-	487.67
(Previous Year)	-	-	(487.67)	-	-	(487.67)
- Sidhi Singrauli Road Projects Ltd	-	-	5,077.22	-	-	5,077.22

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
(Previous Year)	-	-	(4,659.84)	-	-	(4,659.84)
- Vijayawada Gundugolanu Road Project Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1,851.91)	-	-	(1,851.91)
Oustanding balances receivable :	**-**	**-**	**4,754.04**	**-**	**-**	**4,754.04**
Inter Corporate Deposits	**-**	**-**	**(5,231.69)**	**-**	**-**	**(5,231.69)**
- Birmitrapur Barkote Highway Pvt Ltd	-	-	605.18	-	-	605.18
(Previous Year)	-	-	(608.18)	-	-	(608.18)
- Chitoor Infra Company Private Limited	-	-	8.99	-	-	8.99
(Previous Year)	-	-	(9.88)	-	-	(9.88)
- Earthlink Infrastructure Project Pvt Ltd	-	-	5.07	-	-	5.07
(Previous Year)	-	-	(1,114.25)	-	-	(1,114.25)
- Gammon Logistic Ltd	-	-	159.46	-	-	159.46
(Previous Year)	-	-	(158.35)	-	-	(158.35)
- Gammon Project Developers Ltd	-	-	81.54	-	-	81.54
(Previous Year)	-	-	(43.84)	-	-	(43.84)
- Gammon Renewable Energy Infrastructure Ltd	-	-	129.20	-	-	129.20
(Previous Year)	-	-	(219.57)	-	-	(219.57)
- Gammon Road Infrastructure Limited	-	-	132.19	-	-	132.19
(Previous Year)	-	-	(135.27)	-	-	(135.27)
- Ghaggar Renewable Energy Private Limited	-	-	-	-	-	-
(Previous Year)	-	-	(7.98)	-	-	(7.98)
- Gammon Seaport Infrastructure Limited	-	-	75.00	-	-	75.00
(Previous Year)	-	-	-	-	-	-
- Pravara Renewable Energy Ltd	-	-	2,481.98	-	-	2,481.98
(Previous Year)	-	-	(1,805.92)	-	-	(1,805.92)
- Segue Infrastructure Projects Ltd	-	-	2.50	-	-	2.50
(Previous Year)	-	-	(2.50)	-	-	(2.50)
- Sutluj Renewable Energy Private Limited	-	-	-	-	-	-
(Previous Year)	-	-	(45.90)	-	-	(45.90)
- Tada Infra Development Company Limited	-	-	0.17	-	-	0.17
(Previous Year)	-	-	-	-	-	-
- Tidong Hydro Power Ltd	-	-	157.23	-	-	157.23
(Previous Year)	-	-	(157.23)	-	-	(157.23)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Yamuna Minor Minerals Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(7.30)	-	-	(7.30)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	915.53	-	-	915.53
(Previous Year)	-	-	(915.53)	-	-	(915.53)
Oustanding balances receivable : (Advance recoverable in cash or kind)	**49.28**	**-**	**1,732.52**	**25.06**	**-**	**1,806.86**
	-	**(49.28)**	**(3,161.76)**	**(134.40)**	**-**	**(3,345.44)**
						-
- Birmitrapur Barkote Highway Pvt Limited	-	-	0.02	-	-	0.02
(Previous Year)	-	-	(4.98)	-	-	(4.98)
- Chitoor Infra Company Private Limited	-	-	1.39	-	-	1.39
(Previous Year)	-	-	(0.24)	-	-	(0.24)
- Cochin Bridge Infrastructure Company Ltd	-	-	140.65	-	-	140.65
(Previous Year)	-	-	(137.63)	-	-	(137.63)
- Earthlink Infrastructure Project Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.24)	-	-	(0.24)
- Gammon India Ltd	49.28	-	-	-	-	49.28
(Previous Year)	-	(49.28)	-	-	-	(49.28)
- Gammon Logistics Ltd	-	-	28.14	-	-	28.14
(Previous Year)	-	-	(15.55)	-	-	(15.55)
- Gammon Project Developers Ltd	-	-	0.42	-	-	0.42
(Previous Year)	-	-	(0.34)	-	-	(0.34)
- Gammon Renewable Energy Infrastructure Ltd	-	-	75.74	-	-	75.74
(Previous Year)	-	-	(0.53)	-	-	(0.53)
- Gammon Road Infrastructure Ltd	-	-	-	-	-	-
(Previous Year)	-	-	1.00	-	-	1.00
- Gammon Seaport Infrastructure Ltd	-	-	0.30	-	-	0.30
(Previous Year)	-	-	(0.30)	-	-	(0.30)
- Ghaggar Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.29)	-	-	(0.29)
- GIPL - GIL JV	-	-		24.58	-	24.58
(Previous Year)	-	-		(15.83)	-	(15.83)
- Haryana Biomass Power Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(123.35)	-	-	(123.35)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Indira Container Terminal Pvt Ltd	-	-	53.98	-	-	53.98
(Previous Year)	-	-		(118.09)	-	(118.09)
- Jaguar Projects Developers Ltd	-	-	0.28	-	-	0.28
(Previous Year)	-	-	(0.28)	-	-	(0.28)
- Lilac Infraprojects Developers Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.10)	-	-	(0.10)
- Marine Projects Services Ltd	-	-	2.00	-	-	2.00
(Previous Year)	-	-	(0.27)	-	-	(0.27)
- Modern TollRoads Ltd	-	-		0.48	-	0.48
(Previous Year)	-	-		(0.48)	-	(0.48)
- Patna Highway Projects Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(411.87)	-	-	(411.87)
- Pravara Renewable Energy Ltd	-	-	906.33	-	-	906.33
(Previous Year)	-	-	(745.59)	-	-	(745.59)
- Rajahmundry Godavari Bridge Ltd	-	-	308.74	-	-	308.74
(Previous Year)	-	-	(332.50)	-	-	(332.50)
- Ras Cities And Townships Pvt Ltd	-	-	65.13	-	-	65.13
(Previous Year)	-	-	(0.26)	-	-	(0.26)
- Satluj Renewable Energy Private Limited	-	-	0.02	-	-	0.02
(Previous Year)	-	-	-	-	-	-
- Segue Infrastructure Projects Pvt Ltd	-	-	1.03	-	-	1.03
(Previous Year)	-	-	0.24	-	-	0.24
- SiddhiSingrauli Road Project Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(10.82)	-	-	(10.82)
- Sikkim Hydro Power Ventures Ltd	-	-	133.75	-	-	133.75
(Previous Year)	-	-	(26.98)	-	-	(26.98)
- Tada Infra Development Co Ltd	-	-	13.71	-	-	13.71
(Previous Year)	-	-	(13.71)	-	-	(13.71)
- Tangri Renewable Energy Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.38)	-	-	(0.38)
- Tidong Hydro Power Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1.16)	-	-	(1.16)
- Vijayawada Gundugulanu Road Project Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(1,309.66)	-	-	(1,309.66)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Yamuna Minor Minerals Pvt Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(0.71)	-	-	(0.71)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	0.89	-	-	0.89
(Previous Year)	-	-	(1.68)	-	-	(1.68)
- Youngthang Power Ventures Ltd	-	-	-	-	-	-
(Previous Year)	-	-	(23.58)	-	-	(23.58)
Oustanding balances receivable : (Share Application Money Paid)	**-**	**-**	**-**	**129.95**	**-**	**129.95**
	-	**-**	**-**	**(129.95)**	**-**	**(129.95)**
- Modern Toll Roads Limited	-	-	-	129.95	-	129.95
(Previous Year)	-	-	-	(129.95)	-	(129.95)
Oustanding balances receivable : (Interest Accrued receivable)		**-**	**17.47**	**-**	**-**	**17.47**
		-	**(62.27)**	**(247.88)**	**-**	**(310.15)**
- Cochin Bridge Infrastructure Company Limited	-		17.47			17.47
(Previous Year)			(17.47)			(17.47)
- Indira Container Terminal Private Limited	-	-	-	-	-	-
(Previous Year)	-	-	-	(247.88)	-	(247.88)
- Patna Highway Projects Limited			-			-
(Previous Year)			(19.33)			(19.33)
- Pravara Renewable Energy Limited			-			-
(Previous Year)			(25.47)			(25.47)
Oustanding Balances Payable :	**-**	**-**	**22,759.79**	**-**	**-**	**22,759.79**
	-	**-**	**(20,774.25)**	**-**	**-**	**(20,774.25)**
- Patna Highway Projects Ltd	-	-	654.65	-	-	654.65
(Previous Year)	-	-	(1,221.98)	-	-	(1,221.98)
- Sidhi Singrauli Road Project Ltd	-	-	22,044.79	-	-	22,044.79
(Previous Year)	-	-	(19,455.85)	-	-	(19,455.85)
- Tada Infra Development Co Ltd	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
(Previous Year)	-	-	(4.17)	-	-	(4.17)
- Youngthang Power Ventures Ltd - Rent	-	-	60.35	-	-	60.35
(Previous Year)	-	-	(92.25)	-	-	(92.25)
- Indira Container Terminal Private Limited	-	-	100.00	-	-	100.00
(Previous Year)	-	-		(100.00)	-	(100.00)
Oustanding Balances Payable :	**-**	**-**	**1,536.44**	**-**	**-**	**1,536.44**
Mobilisation Advance	**-**	**-**	**(17,570.09)**	**-**	**-**	**(17,570.09)**
- Sidhi Singrauli Road Project Ltd			1,508.98			1,508.98
(Previous Year)			(3,960.60)			(3,960.60)
- Vijayawada Gundugolanu Road Project Pvt Ltd			27.47			27.47
(Previous Year)			(13,609.49)			(13,609.49)
Oustanding Balances Payable :	**-**	**-**	**11,982.02**	**-**	**-**	**11,982.02**
Inter-corporate Deposits from:	**-**	**-**	**(11,238.16)**	**-**	**-**	**(11,238.16)**
- Vizag Seaport Pvt Ltd			10,976.97			10,976.97
(Previous Year)			(10,976.84)			(10,976.84)
- Ras Cities And Townships Pvt Ltd			1,005.05			1,005.05
(Previous Year)			(261.32)			(261.32)
Oustanding Balances Payable :(Guarantee Obligation)	**-**	**-**	**9,915.52**	**-**	**-**	**9,915.52**
	-	**-**	**(10,561.89)**	**-**	**-**	**(10,561.89)**
- Cochin Bridge Infrastructure Company Limited	-	-	0.54	-	-	0.54
(Previous Year)	-	-	(2.19)	-	-	(2.19)
- Rajahmundry Godavari Bridge Ltd	-	-	2,252.97	-	-	2,252.97
(Previous Year)	-	-	(2,576.60)	-	-	(2,576.60)
- Patna Highway Projects Limited	-	-	4,865.87	-	-	4,865.87
(Previous Year)	-	-	(5,408.22)	-	-	(5,408.22)
- Sidhi Singrauli Road Project Ltd	-	-	2,796.15	-	-	2,796.15
(Previous Year)	-	-	(2,574.88)	-	-	(2,574.88)

NOTES TO FINANCIAL STATEMENT
for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Transactions	Entities Having Significant Influence	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Oustanding Balances Payable :(Interest Accrued payable)	-	-	**264.09**	-	-	**264.09**
	-	-	**(303.67)**	**(41.63)**	-	**(345.30)**
- Indira Container Terminal Private Limited				-		-
(Previous Year)				(41.63)		(41.63)
- Vizag Seaport Pvt Ltd			264.09			264.09
(Previous Year)			(303.67)			(303.67)

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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

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	-1,092.57	1.39	1,092.96		0.48	-3.34	-	-3.34	-	100.00%
2	Cochin Bridge Infrastructure Company Limited	INR	N.A.	640.01	619.76	2,674.79	1,415.02		0.81	-152.15	-	-152.15	-	97.66%
3	Chitoor Infra Company Private Limited	INR	N.A.	1.00	-6.04	5.50	10.54		1.24	-0.03	-	-0.03	-	100.00%
4	Earthlink Infrastructure Projects Private Limited	INR	N.A.	1.00	-24.97	5.18	29.16		12.42	-151.23	-	-151.23	-	100.00%
5	Gammon Logistics Limited	INR	N.A.	255.00	-438.09	4.76	187.85		-	-0.23	-	-0.23	-	100.00%
6	Gammon Projects Developers Limited	INR	N.A.	25.00	-79.50	28.20	82.69		2.40	-37.70	-	-37.70	-	100.00%
7	Gammon Renewable Energy Infrastructure Projects Limited	INR	N.A.	5.00	17.34	539.74	517.41		0.20	-34.73	-	-34.73	-	100.00%
8	Gammon Road Infrastructure Limited	INR	N.A.	5.00	-70.47	67.90	133.36	0.50	0.01	-0.44	-	-0.44	-	100.00%
9	Gammon Seaport Infrastructure Limited	INR	N.A.	5.00	-2.64	77.82	75.46		-	-0.13	-	-0.13	-	100.00%
10	Ghaggar Renewable Energy Private Limited	INR	N.A.	9.45	-9.45	-	-		-	-0.22	-	-0.22	-	100.00%
11	Haryana Biomass Power Limited	INR	N.A.	128.35	-134.38	1.20	7.23		-	-0.23	-	-0.23	-	100.00%
12	Jaguar Projects Developers Limited	INR	N.A.	5.00	-1.71	3.73	0.44		-	-0.21	-	-0.21	-	100.00%
13	Lilac Infraprojects Developers Limited	INR	N.A.	5.00	-5.00	-	-		-	-1.67	-	-1.67	-	100.00%
14	Marine Project Services Limited	INR	N.A.	5.00	13.40	20.56	2.16		1.64	-0.07	-	-0.07	-	100.00%
15	Patna Highway Projects Limited	INR	N.A.	5,000.00	18,520.16	1,32,373.67	1,08,853.51		16,357.21	-15.10	-	-15.10	-	100.00%
16	Pravara Renewable Energy Limited	INR	N.A.	4,792.00	-10,228.41	29,735.65	35,172.06		5,838.11	-2,165.12	656.89	-2,822.01	-	100.00%
17	Ras Cities and Townships Private Limited	INR	N.A.	1.00	-43.49	1,629.79	1,672.28		40.42	20.74	7.00	13.74	-	100.00%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (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	-11,201.85	1,07,954.89	98,760.86		6,179.36	-7,907.63	-	-7,907.63	-	75.28%
19	Satluj Renewable Energy Private Limited	INR	N.A.	21.25	-21.34	20.32	20.41		-	-0.11	-	-0.11	-	100.00%
20	Sikkim Hydro Power Ventures Limited	INR	N.A.	6,273.59	2,145.89	10,957.60	2,538.12		-	-1,000.59	-	-1,000.59	-	100.00%
21	Segue Infrastructure Projects Private Limited	INR	N.A.	1.00	-11.89	0.97	11.86		-	-2.41	-	-2.41	-	100.00%
22	Sidhi Singrauli Road Project Limited	INR	N.A.	17,041.00	7,246.17	1,08,645.24	84,358.08		14,293.51	-27.83	-	-27.83	-	100.00%
23	Tada Infra Development Company Limited	INR	N.A.	5.00	-18.78	0.19	13.97		-	-0.14	-	-0.14	-	100.00%
24	Tangri Renewable Energy Private Limited	INR	N.A.	1.00	-1.00	-	-		0.63	0.40	-	0.40	-	100.00%
25	Tidong Hydro Power Limited	INR	N.A.	5.00	17.60	206.95	184.35		-	-1.26	-	-1.26	-	51.00%
26	Vijaywada Gundugolanu Road Project Private Limited	INR	N.A.	1.00	1,966.72	75,049.21	73,081.49		112.89	-262.06	5.86	-267.91	-	100.00%
27	Vizag Seaport Private Limited	INR	N.A.	8,719.13	1,300.52	36,488.78	26,469.13		17,636.28	1,483.97	639.76	844.22	-	73.76%
28	Yamuna Minor Minerals Private Limited	INR	N.A.	9.25	-9.25	-	-		-	-0.10	-0.00	-0.10	-	100.00%
29	Yamunanagar Panchkula Highway Private Limited	INR	N.A.	1,905.00	-2,798.97	23.13	917.10		0.08	-0.10	-	-0.10	-	100.00%
30	Indira Container Terminal Private Limited	INR	N.A.	10,156.60	-13,268.85	74,971.44	78,083.69		4,458.78	-8,618.83	30.57	-8,649.39		74.00%
31	Youngthang Power Ventures Limited	INR	N.A.	1,445.00	5,402.29	6,900.07	52.78		-	-11.27	-	-11.27	-	100.00%
	Total			**76,863.52**	**-2,218.80**	**5,88,388.67**	**5,13,743.95**	**0.50**	**64,936.45**	**-18,889.81**	**1,340.07**	**-20,229.88**	**-**	**-**

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2018 | (All figures are in lacs unless otherwise stated)

Names of subsidiaries which are yet to commence operations:
Sikkim Hydro Power Ventures Limited-Tidong Hydro Power Limited
Sidhi Singrauli Road Project Limited- Youngthang Power Ventures Limited

Names of subsidiaries which have been liquidated / closed or sold during the year:
Satluj Renewable Energy Private Limited
Ghaggar Renewable Energy Private Limited
Yamuna Minor Minerals Private Limited

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-18	-	-	95.00%	-17.35	0.09	0.00
3	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%	1.66	-	-
2	Eversun Sparkle Maritime Services Private Limited	31-Mar-16	21,43,950	214.40	30.90%	164.47	39.19	87.64
3	Modern Tollroads Private Limited (MTRL) ^	30-Sep-14	24,470	2.45	49.00%	1.60	-	-
	Total			**526.37**		**150.38**	**39.28**	**87.64**

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, 2018 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, 2018 | (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

Kishor Kumar Mohanty	**Homai Daruwalla**	**Naresh Sasanwar**	**Kaushal Shah**
Managing Director	Director	Chief Financial Officer	Company Secretary
DIN: 00080498	DIN: 00365880		Membership no.: ACS 18501

Place: Mumbai
Date: June 13, 2018

NOTES