# CHALLENGE

**GAMMON INFRASTRUCTURE PROJECTS LIMITED**

Annual Report **2018 - 19**

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# CHALLENGE

## In the face of a **CHALLENGE**, one's perception and attitude makes all the difference between progressing and giving up. While some let challenges hinder their progress, GIPL sees them as way forward to demonstrate resilience and **CHANGE**.

Gammon Infrastructure Projects Limited (GIPL) is one of the torchbearer infrastructure companies modelled on Public Private Partnerships (PPP). Historically, GIPL has successfully completed projects within the planned timelines, and has also been awarded decent bonuses in few projects from NHAI in the past.

However, the PPP model has proven to be increasingly flawed, having delivered a mixed bag of outcomes. Factors such as overextended balance sheets, delays in project completion, contract disputes, land acquisition issues, and the lack of timely conflict resolution mechanisms are significant contributors to stress in the infrastructure space.

In this economic backdrop, several of our Special Purpose Vehicle (SPV) projects are stressed owing to delay in completion, cost overruns, and the liquidity crunch; while also being subjected to ongoing legal issues, arbitration proceedings or negotiations with lenders and authorities. The economic slowdown has adversely hindered the projections, further shrinking our revenue projections. This is a challenging situation indeed, but with the right course of strategic change coupled with the resolution of projects loan accounts citing to offer immediate relief, we are optimistic about seeing the light at the end of the tunnel.

The management anticipates receiving a favourable decision on the outstanding litigations. Additionally, negotiations with the banks are underway to explore the compromised settlement proposals of some loans. These proposals will help the Company optimise costs and steer GIPL towards a path of stability and growth.

We are determined to weather the sectoral challenges and focus on changing ourselves for the better to eventually deliver value to our stakeholders.

# Corporate Information

## Board of Directors

**Mr. Sushil Chandra Tripathi**
Independent Director
upto May 21, 2019

**Mr. Kishore Kumar Mohanty**
Managing Director

**Ms. Homai A Daruwalla**
Independent Director

**Mr. Sanjay Sachdev**
Independent Director
upto February 20, 2019

**Mr. Vardhan Dharkar**
Non-Executive Director
upto January 17, 2019

**Mr. Chayan Bhattacharjee**
Non-Executive Director

**Mr. Mahendra Kumar Agrawala**
Independent Director
appointed on October 31, 2018

## Auditors

**M/s. Nayan Parikh & Co.**
Chartered Accountants

## Internal Auditor

**M/s. Nitin H. Rajda & Co.**
Chartered Accountant

**Mr. Naresh Sasanwar**
Chief Financial Officer

**Mr. Kaushal Shah**
Company Secretary & Compliance Officer

## Registered Office

Orbit Plaza CHS Limited,
$5^{th}$ Floor, Plot No.952/954,
New Prabhadevi Road, Prabhadevi,
Mumbai - 400025.
Tel.No.+91 - 22-67487200
Fax No.+91 - 22-67487201

## 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 was the Chairman of the Audit Committee.

**Mr. Kishore 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.

**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.

**Mr. Mahendra Kumar Agrawala**
Independent Director

A Chartered Accountant with over three decades of experience in the field of Auditing, Income Tax, Company Law matter, Project & Management consultancy.

He is the Chairman of the Audit Committee.

# Company at a Glance

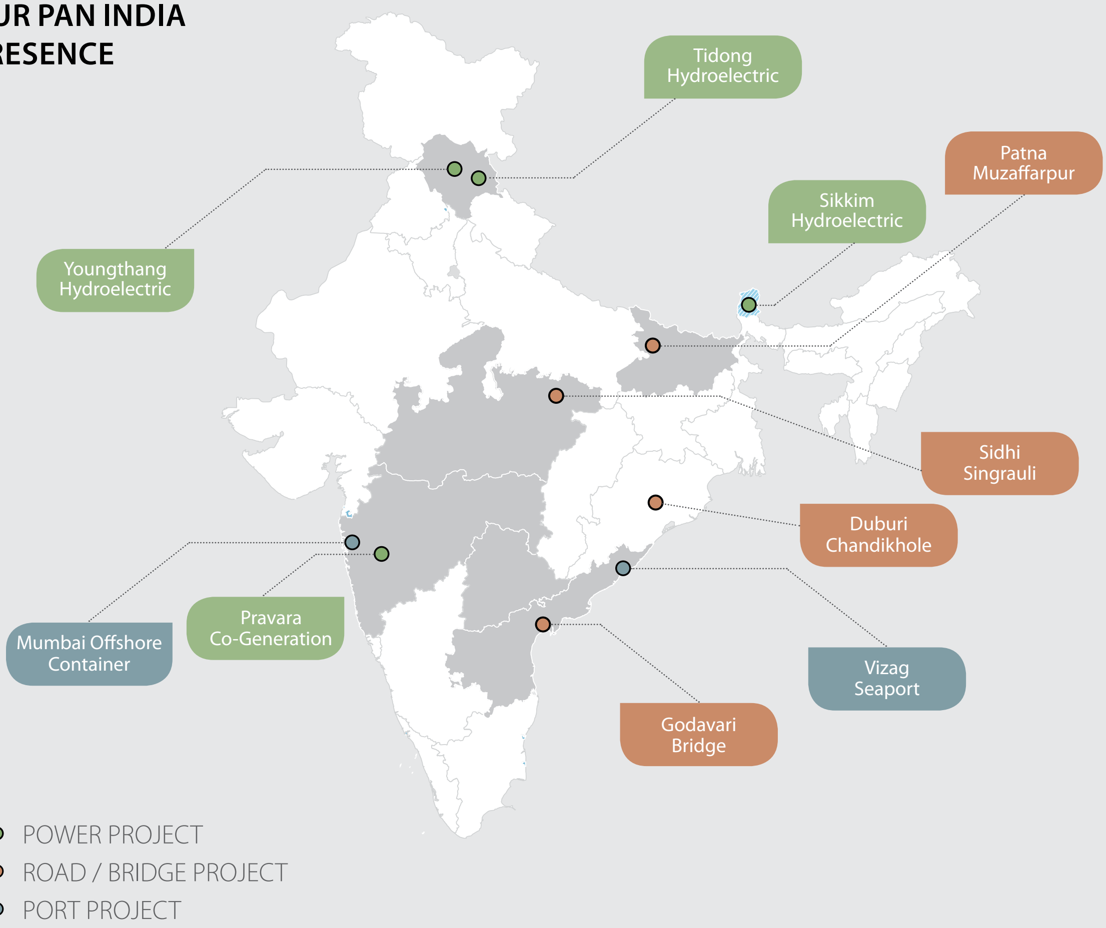
Gammon Infrastructure Projects Limited is a pan-India infrastructure project development company with a diverse portfolio across the road, power and port sectors. The Company derives its strength from its multi-segment presence in the infrastructure sector, and its two decadal experience and technical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


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

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

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

## OUR PAN INDIA PRESENCE




## PORTFOLIO

The current portfolio of the Company (after the divestment of 6 projects – 5 operational and 1 under development) comprises of 4 operational assets and 6 projects under different stages of development. The Company's projects are spread across 6 states in India.

Presence across Indian States

**06**

Years of Experience

**18**

Total Projects

**10**

Team Size

**229**

# Message from the Managing Director

Dear Shareholders,

Thank you for your support, even though FY2019 was another testing year at Gammon Infrastructure Projects Limited (GIPL).

During the year, the Indian economy faced testing times that had a particularly adverse effect on the infrastructure sector, as actual revenues were not in line with the estimated levels.

This mismatch was primarily caused by lapses in the delivery mechanism of the PPP model wherein the public sector was unable to meet its commitments. Our inability to fulfil obligations came down to two overarching reasons: conditions that resulted in time and cost overruns; and the contractual provisions for the payment of claims and dues that were not settled on time. These factors resulted in high levels of cash-flow mismatches concerning several of our projects. Our efforts to arrange for alternative funding in the current investment climate also remained a challenge.

As a legacy organisation in the PPP segment, we have also been facing problems due to delayed completion of our ongoing projects, which has affected our revenues. The main reasons behind the flattish performance of our PPP projects are disputes in existing contracts; non-performance by our public sector partners; and onerous regulatory hurdles. Additionally, the resultant mismatch in cash flows and building interest burden has made it difficult to stabilise the business.

Furthermore, due to the implementation of the IBC code, bankers have become inflexible and rigid, resorting to a process-driven approach. Therefore, the stressed infrastructure projects were further deprived of finding sustainable solutions, which is causing damage to the interest of all stakeholders.

The resistance of landlords to physically hand over their land — in spite of receiving payments from the Government; the environmentalists' constant

Going forward, we are confident that, with the resolution of our operational projects, the Company's operations will stabilise, leaving behind the testing times, and moving towards stability and growth in the future.

hindrances by approaching judiciary proceedings; and the outdated process followed by the authorities to approve any resolution plans have increased the number of stressed or languishing projects.

The solution lies in finding resolutions to the problems faced by our operational projects, some of which have turned into NPAs with different lenders. We have put in our best efforts in offering resolution plans to the lenders, which includes inviting strategic investors and arranging for equity as well as debt and offering compromised settlement proposals with lenders, amongst others. Although we have not been able to conclude these proposals, the resolution plans are in advanced stages of discussion, and we hope to bring them to a satisfactory conclusion shortly.

Going forward, we are confident that, with the resolution of our operational projects, the Company's operations will stabilise, leaving behind the testing times and moving towards stability and growth in the future.

I would like to take this opportunity to thank our shareholders, Board of Directors, bankers, contractors, business partners, employees and Government agencies, and look forward to their continuous support.

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.

**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.

**PORTFOLIO**

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

**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.

**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).

**ENDURING RELATIONSHIPS**

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

**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.

**FINANCIAL CAPABILITY**

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

**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.

# 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

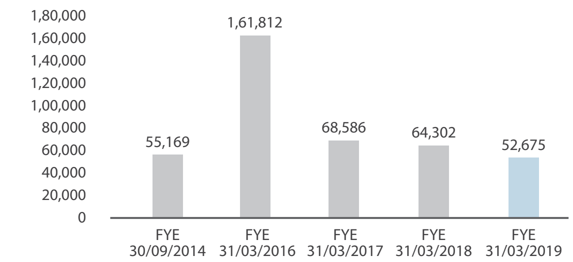
The Company has widened its product portfolio by offering fee-based O&M services for external infrastructure projects. Going forward, the Company will explore opportunities to enhance the scope and size of O&M services, especially in roads sector.

### 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.

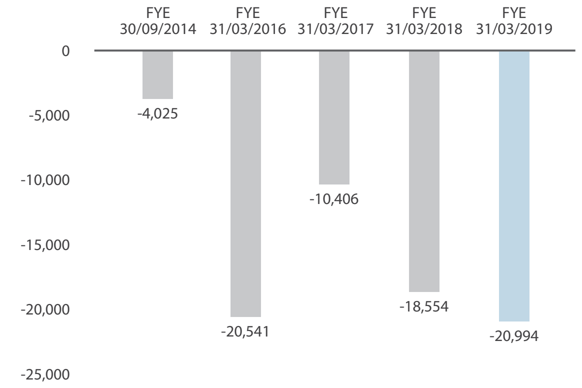
# Consolidated Financial Highlights

## Total Income (₹ Lakhs)

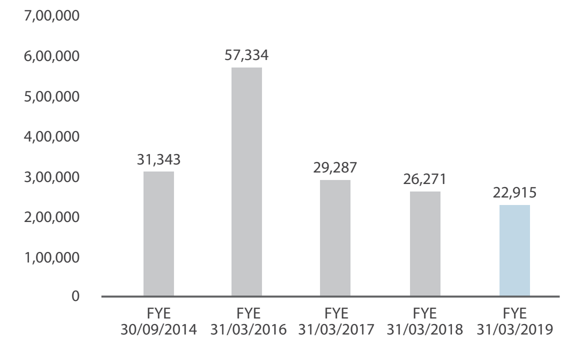



We continued to face tough times during the year. Our slow pace of execution and unwarranted delays in infrastructure projects resulted in sizeable cost over-runs. We are persistently building on our fundamentals by focusing on consolidation and execution of our ongoing projects and improving our operational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

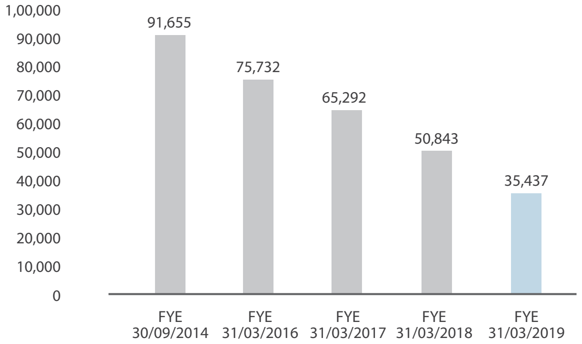
## Profit After Tax (₹ Lakhs)



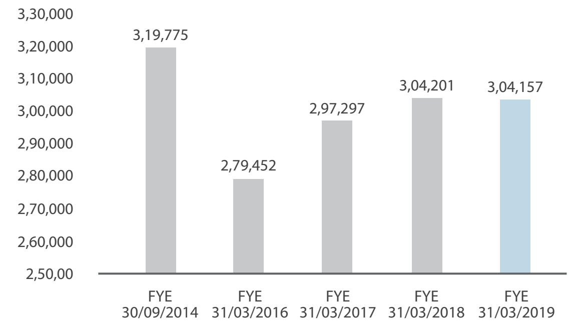

## EBIDTA (₹ Lakhs)




## Net Worth (₹ Lakhs)




## Asset Capitalisation (₹ Lakhs)



# An Overview of our Project Portfolio

| Details | PHPL | RGBL | SSRPL | VSPL | ICTPL | PREL | SHPVL |
|---|---|---|---|---|---|---|---|
| **Location** | Bihar | Andhra Pradesh | Madhya Pradesh | Andhra Pradesh | Maharashtra | Maharashtra | Sikkim |
| **Client** | NHAI | APRDC | 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 | 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 | NA | NA | NA | NA | NA |
| **Concession Period** | 15 years | 25 years | 30 years | 30 years | 30 years | 25 years post COD | 35 years post COD |
| **Project Cost** | ₹ 1,284 Crore | ₹ 1,071 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 Construction | Operational | Under Construction (trial run been carried out) | Operational | Under Construction |
| **Revenue Model** | Annuity | 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*

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

# Management Discussion and Analysis

**The infrastructure sector is highly responsible for propelling India's overall development, and is a major focus point for initiating policies that ensure the time-bound creation of world class infrastructure in the country.**

**7%**
**GDP Growth of India in FY2019**

## Indian Economic Overview

India's GDP for FY2019 stood at 7%. The Index of Industrial Production (IIP) grew by 3.6% in FY2019 and was majorly driven by growth in the sectors of Infrastructure/Construction goods, which grew by 7.5%. Furthermore, the inflation has remained in control. The Wholesale Price Index (WPI) and Consumer Price Index (CPI) based inflation was at 3.18% and 3.41% respectively in FY2019. The Reserve Bank of India (RBI) announced multiple rate cuts to ease the liquidity tightening. As per the first Monetary Policy Committee for FY2020, held on 4th April, 2019, the repo rate was cut by 25 basis points to 6%.

The Indian economy grew steadily amidst significant reforms announced in FY2019. The Re-capitalisation of Public Sector Banks (PSB), amendments to the Goods and Service Tax (GST), clean-up of Non-Performing Loans (NPA) through National Company Law Tribunal (NCLT), and the Insolvency and Bankruptcy Code (IBC) played a pivotal role in strengthening the economy, the effects of which will be seen in the next few years. Amidst the economic reforms, there was also development in infrastructure and an increased thrust on financial inclusion.

With its growth accelerating, India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. Its labour force is anticipated to touch 160-170 million by 2020, helped by the rate of population growth, increased labour force participation, and higher education enrolment, among other factors. (ASSOCHAM and Thought Arbitrage Research Institute).

India's foreign exchange reserves were US$ 405.64 billion as of March 2019, according to data from the RBI. The Parliament's interim Union Budget for 2020 announced in February 2019 focused on supporting farmers, the economically less privileged population, workers in unorganised sectors, and salaried employees; while continuing to support the Indian Government's initiatives to better the Country's physical and social infrastructure. [1]

The Union Budget announced on 5$^{th}$ July, 2019 focuses on reducing red tape, making best use of technology, building social infrastructure, digital India, pollution free India, make in India, job creation in Micro, Small and Medium Enterprises (MSMEs) and investing heavily into infrastructure. [2]

## Indian Infrastructure Sector

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and is a major focus point of the Government for initiating policies that aim to achieve the time-bound creation of world class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In the year 2018, India ranked 44$^{th}$ out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018.

India has an investment requirement of ₹50 trillion into the infrastructure sector by 2022 in order to encourage sustainable development in the country. The economy is witnessing significant interest from international investors in the infrastructure space. [3]

Source

1 https://www.ibef.org/economy/indian-economy-overview

2 https://www.ibef.org/economy/union-budget-2019-20

3 https://www.ibef.org/industry/infrastructure-sector-india.aspx

## Key Issues in the Infra-structure Industry

### 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

### 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

### 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

In this sector, the government's policy to increase private sector participation has proved to be a positive step for the infrastructure industry, with a large number of private players entering into the market through the Public-Private Partnership (PPP) model. Along with planning to expand the national highway network to over 200,000 km, the Indian Government has launched the Bharatmala Pariyojana, which aims to build 66,100 km of economic corridors, border and coastal roads, and expressways. It is envisaged that the programme will provide 4-lane connectivity to 550 districts, increase the vehicular speed by 20-25%, and reduce supply chain costs by 5-6%. The first phase of the programme will bring in US$ 82 billion investments into the sector by 2022, for the development of 34,800 km of highways. [4]

Source
4 Highway to Growth – Invest India https://www.investindia.gov.in/sector/roads-highways

### Hydro Power

Hydro power projects are crucial to stabilise the India's power grid, as the country looks to add 175 GW of renewable capacity. However, given the issues regarding resettlement of the affected population and infrastructure development, many projects have faced delays, leading to a decreasing share of hydro power in the country's energy mix. At present, India has an installed power-generation capacity of 357,875 MW. [5]

To create more incentive for the completion of these projects, the government declared that large hydro power projects would have renewable energy status in March 2019. The government has also cleared the path for the controversial, large-scale Dibang hydropower project in Arunachal Pradesh. This project is estimated to cost approximately US$ 4 billion, and is expected to be highest dam in India. The government has also introduced a bill on dam safety, which aims to regulate more than 5,600 existing dams in India. [6]

### Thermal Power

Thermal power accounts for 62% 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. This poses as a dilemma forcoal-fired thermal plants to either choose between using domestic 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. As thermal plants are the mainstay of power generation in India, there is a need to raise efficiencies and energy output, while simultaneously bringing down harmful emissions within acceptable limits. To do so, it is imperative to accelerate a modernisation program for these thermal power plants as an expansion in industrial activity, increasing market penetration and higher per-capita usage are expected to bolster the demand for electricity going forward.

### Ports

Approximately 95% of India's trading by volume and 70% by value is carried out through maritime transport, according to the Ministry of Shipping.

India maritime transport infrastructure consists of 12 major ports, and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports are expected to 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 around 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 % 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.

In FY2019, the cargo traffic increased by 2.9% YoY to 699.05 Million Tonnes (MT) against 679.36 MT in the previous financial year.

The Maritime Agenda 2010-20 has a 2020 target of 3,130 MT of port capacity. Ministry of Shipping has set a target capacity of over 3,130 MMT by 2020, which is expected to be driven by participation from the private sector. Non-major ports are expected to generate over 50% of this capacity. [7]

**Thermal Power accounts for**
**62%**
**of total electricity generated in India**

**India has an investment requirement of ₹50 trillion into the infrastructure sector by 2022 in order to encourage sustainable development in the country.**

Source
5 https://www.livemint.com/industry/energy/is-hydropower-back-in-play-in-india-s-energy-mix-1565407657407.html
6 https://news.mongabay.com/2019/07/india-pushes-for-its-largest-ever-hydropower-project-despite-concerns/
7 https://www.ibef.org/industry/ports-india-shipping.aspx

# Company 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 been 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 ("**APRDC**") to issue the final completion certificate for the RGBL Project.

On 9th July, 2018, RGBL had served a notice to APRDC communicating intent of termination of the Concession Agreement on account of several breaches of the said Concession Agreement by APRDC. The said Concession Agreement contemplated necessary safeguards and protections to the Lenders by way of Termination Payments for credit mitigation. Upon service of Termination Notice in terms of the said Concession Agreement, Termination Payments to the extent of aggregate ₹ 1,123.37 Crores had become due and payable by APRDC within 15 days of the Termination Notice.

On the same day, Union Bank of India, one of the Lenders for the RGBL project had initiated and served Corporate Insolvency Resolution Process against the RGBL before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"). RGBL had requested Union Bank of India to reconsider moving the proceedings before NCLT and explore better options in the interest of the Project, Lenders and all Stakeholders.

On 31st October, 2018, Canara Bank, Lead Bank of the Consortium of Lenders to RGBL, had invoked pledge of 10,40,19,039 equity

shares of ₹ 10/- each constituting 51% of the paid up equity capital of RGBL held by the Company in RGBL, through Canara Bank Securities Limited ("Security Trustee"). Thereby, RGBL ceased to be a subsidiary as the shareholding of the Company in RGBL had reduced from 75.28% to 24.28%.

In this regard, RGBL had written to the Lead Bank / Security Trustee for assigning a value to the invoked pledged shares. In response to the same, the Lead Bank had informed the Company that the invoked pledged shares of RGBL were held by the Security Trustee as collateral and the Lenders had not appropriated the pledged shares against outstanding dues nor had the pledged shares been sold to any third party for realising the outstanding dues. Therefore, the beneficial ownership of the pledged shares vested with the Company only.

Accordingly, the beneficial shareholding of the Company in RGBL stood at 75.28% and RGBL continued to be a subsidiary of the Company.

**Financial Performance of RGBL is as under:**

(₹ in Lakhs)

| Particulars | FYE – March 2019 | FYE – March 2018 |
|---|---|---|
| Total Revenue | 6,128.66 | 6,179.36 |
| EBIDTA | 4,278.51 | 4,375.46 |
| Profit after Tax | (12,619.99) | (7,907.63) |
| Equity Share Capital | 20,395.89 | 20,395.89 |
| Reserves and Surplus | (23,819.56) | (11,201.85) |

## 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 cargos in India's largest major port at Visakhapatnam. VSPL has developed the berths and terminal as a fully mechanised handling system, incorporating state-of-the-art technologies capable of handling cargo up to 9 MTPA.

The commercial operations commenced in July 2004 and VSPL has handled 7.1 Million tons of cargo during April 2018 to March 2019. VSPL has assessed an Annual Cargo potential of 8.00 Million Tons to be achieved in the ensuing years. Further, to cater to the requirement of handling higher volume, VSPL has augmented its crane capacity from existing four cranes to six cranes by deploying two higher capacity Leibherr Harbour Mobile Crane, LHM 550. VSPL has implemented digital issue of challans for movement of cargo by Dumpers for both inside and outside the terminal by developing in-house software. This system is followed from 1.1.2019 and accordingly system of issuing manual challan by engaging contract workers is dispensed with. This system has been working smoothly and helping in reduction of turn-around time of cargo evacuation. VSPL had been given allotment letter for additional land of 1.84 acres just adjacent to the VSPL Terminal based on e-auction and the said area has been occupied for use from June, 2018 onwards.

The concession period is 30 years, including the construction period. The project has been capitalised 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 and Cargo volume. This will also improve the EBIDTA and profitability of the VSPL project thereby benefiting all the stakeholders of VSPL.

**Financial Performance of VSPL is as under:**

(₹ in Lakhs)

| Particulars | FYE – March 2019 | FYE – March 2018 |
|---|---|---|
| Total Revenue | 18,666.32 | 17,636.28 |
| EBIDTA | 5,712.10 | 5,789.37 |
| Profit after Tax | 1,382.45 | 844.21 |
| Equity Share Capital | 8,719.13 | 8,719.13 |
| Reserves and Surplus | 2,675.64 | 1,300.52 |

## 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 cooperative sugar factory registered under the provisions of the Maharashtra Co-operative Societies Act, 1960. The Project had commenced operations on 6th November 2015 and successfully operated over the four crushing seasons. During the Financial Year, PREL has exported 75.57 million units to Grid and 28.80 million units to Karkhana and generated total revenue of ₹ 63.18 Crores from operations. The total capitalisation of the project is ₹ 274 Crores as on 31st March, 2019.

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.

On 30th October 2018, PREL signed an operational arrangement by way of supplementary agreement with Karkhana for one year period with an option to extend it by mutual consent for improving the performance of the co-gen power plant and better arrangement of bagasse / fuel. The said arrangement is a win-win option for PREL and Karkhana to realise optimal operational efficiencies.

The Karkhana has agreed to ensure a minimum guaranteed payment of

₹ 48 Crores under the above arrangement, net of all operation & maintenance expenses.

**Your Company expects to operate the PREL plant at an optimum level with a sustainable fuel mix.**

**The salient features of the arrangement are:**

a. Arrangement for operation and maintenance of 30 MW Co-Generation plant by Karkhana for an initial period of 12 months starting from 1st October, 2018 , wherein Karkhana will oversee the operation & maintenance of the plant;

b. Renewal of the arrangement at mutually agreeable terms after 12 months;

c. No change in existing manpower. They will continue to operate as they have been operating so far;

d. Karkhana to arrange and oversee all activities relating to fuel supply, O & M, day to day administration, etc.;

e. Commercial consideration (guaranteed by Karkhana) will be ₹ 48 Crores for the initial 12 months; terms to be reviewed and modified in the event of renewal arrangement;

f. Approval of consortium lenders would be required to be obtained prior to commencement of arrangement;

g. Additional fund infusion of ₹ 10 Crores would be required to bring back the loan account back to "Standard" status with the Bank (currently NPA) and also for clearance of outstanding liabilities and annual maintenance expenses before handing over the plant to Karkhana.

**Financial Performance of PREL is as under:**

(₹ in Lakhs)

| Particulars | FYE – March 2019 | FYE – March 2018 |
|---|---|---|
| Total Revenue | 6,318.36 | 5,838.12 |
| EBIDTA | 2,734.94 | 2,505.41 |
| Profit after Tax | 4,461.77 | (2,821.98) |
| Equity Share Capital | 4,792.00 | 4,792.00 |
| Reserves and Surplus | (5,765.78) | (10,228.40) |

### 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 ₹ 146,639 Lakhs.

PHPL project has been delayed on account of unavailability of right of way over certain portions of the Project highway. Provisional Commercial Operation date was obtained on 1st September 2016 for the Project stretch from Km. 1.000 to Km. 41.500 excluding stretch from Km. 9.400 to Km 10.600. PHPL has received 4 annuity payments since PCOD amounting ₹ 378.40 Crores.

**Financial Performance of PHPL is as under:**

(₹ in Lakhs)

| Particulars | FYE – March 2019 | FYE – March 2018 |
|---|---|---|
| Total Revenue | 13,922.89 | 16,357.21 |
| EBIDTA | 8,752.24 | 9,353.71 |
| Profit after Tax | (1,008.99) | (15.10) |
| Equity Share Capital | 5,000.00 | 5,000.00 |
| Reserves and Surplus | 17,512.32 | 18,520.16 |

### Projects Under Construction

### 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 ₹ 1,14,972 Lakhs. The construction activities on the project started in September 2013. The Project had achieved about 78.21% completion as on 31st March 2019.

The total capitalisation for the Project was done at ₹ 97,114.01 Lakhs as on 31st March, 2019. 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 2020. SSRPL is also working on getting the Change of Scope approved by MPRDC, which will translate to additional works aggregating to approximately ₹ 84 Crores.

The MPRDC has issued “Cure Period Notice” to which your company has strongly objected. During Joint Meeting with Ministry of Road Transport and Highways the Ministry has suggested to submit the proposal for revival of the project, which is under preparation.

**SSRPL will be entitled to collect tolls in the entire operation period in lieu of its investment for the development of the Project.**

**Financial Performance of SSRPL is as under:**

(₹ in Lakhs)

| Particulars | FYE – March 2019 | FYE – March 2018 |
|---|---|---|
| Total Revenue | 2,870.45 | 14,293.51 |
| EBIDTA | (17.02) | (4.25) |
| Profit after Tax | (43.68) | (27.83) |
| Equity Share Capital | 17,041.00 | 17,041.00 |
| Reserves and Surplus | 7,204.13 | 7,426.17 |

## 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 116 RORO Vessels, 2 steel vessels, 1 passenger vessel, 2,03,683 units and 22,359 MT steel and earned revenue of ₹ 89.10 Crores. The revenue share payable by ICTPL to MbPT is 55% of gross revenue for the year.

Progress in construction of the Project by ICTPL was delayed due to non-fulfillment of certain conditions by the MbPT. This had 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 holds 74% of the total equity shares of ICTPL.

**The following major developments took place in the ICTPL project:**

(i) Canara Bank exercised their right to substitute ICTPL under the License Agreement (LA) and have failed to get any lead through market discovery process.

(ii) There was no development in the Dispute Notice dated 5th October 2018 issued by ICTPL to MbPT for the Licensor's Event of Default and call upon the Licensor to refer the disputes for amicable settlement under the LA.

(iii) ICTPL is in the process of moving the High Court under Section 9 of the Arbitration and Conciliation Act against Termination Notice dated 5th October 2018 on account of Licensor's Event of Default under the LA.

(iv) ICTPL had submitted a One-Time Settlement (OTS) proposal for ₹ 477 Crores to the consortium of Lenders', with payment of ₹ 177 Crores on approval of the proposal by the Lenders and balance ₹ 300 Crores to be paid to the Lenders' over a period of 2 years from date of approval of the Lenders'. The proposal is under consideration of the lenders.

**Financial Performance of ICTPL is as under:**

(₹ in Lakhs)

| Particulars | FYE – March 2019 | FYE – March 2018 |
|---|---|---|
| Total Revenue | 4,027.22 | 4,458.78 |
| EBIDTA | 3,136.57 | 3,750.00 |
| Profit after Tax | (10,309.21) | (8,649.39) |
| Equity Share Capital | 10,156.60 | 10,156.60 |
| Reserves and Surplus | (23,574.97) | (13,268.85) |

**SHPVL has received all clearances and approvals including environmental clearances from the Ministry of Environment and Forest (MoEF).**

## Sikkim Hydro Power Ventures Limited (SHPVL)

SHPVL is the SPV incorporated for developing Rangit II Hydroelectric Power Project in Sikkim on BOOT basis. SHPVL 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 was expired in December-2015. The SHPVL project execution has got delayed due to various issues beyond the control of SHPVL for which it has requested the Government of Sikkim for extension of time to achieve COD. The financial closure for the SHPVL Project was achieved in January 2014 for the cost of SHPVL project is estimated to be ₹ 49,644 Lakhs.

The Project has received all clearances and approvals including environmental clearances from the Ministry of Environment and Forest ("MoEF"). 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 major contracts for the Project have been awarded and the construction of various project components is underway. All the initial infrastructure works are completed including river diversion works damaged in flash flood and rains are restored to required service conditions. 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.

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. SHPVL has offered to sale the entire power generated from the Project to Haryana State through Haryana Power Purchase Centre on long term basis. Once the above is achieved the construction activity at the project site will speed up.

### 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 Crores. The concession period of the Project is 40 years, post commencement of commercial operations.

The Company has not been able to proceed with the studies to prepare the Detailed Project Report (DPR) due to opposition 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 had invoked arbitration on 19th February 2018 and nominated an arbitrator on 16th March 2018 against the GoHP to protect its interest in YPVL. GoHP on 4th September 2018 has intimated that they are in the process of appointment of arbitrator and will intimate shortly.

#### 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. The preparation of DPR is delayed due to local villagers dispute, inadequate access to site and road blockages, unfavourable weather conditions due to high altitude and issues beyond the control of THPL. THPL has sought resolutions to the issues pending with GoHP for expediting the DPR preparation for implementation of the project.

#### 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 has filed fresh writ in the matter before the Hon'ble High Court of Kerala for necessary legal relief.

### Duburi – Chandikhole

The Company, in consortium with GECPL as the lead member of the consortium, has made successful bid and received the Letter of Award dated 31st January, 2018 and entered in to Engineering Procurement and Construction Agreement dated 3rd January, 2019 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)".

## Claims

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

Your Company has retained rights and have secured necessary Power of Attorneys (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.

**Over the years, several initiatives have been taken by your Company to strengthen its risk management process.**

### 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.

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, offshore agents and others.
4. Capital risk on account of improper allocation or utilisation of capital.

### Mitigation Efforts

Before attempting a secondary acquisition or entering into 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 organisation from two perspectives: one, from a Risk Based Internal Audit approach (RBIA) and secondly, from a transactional control adequacy approach. Thus, the Board, Management and SPVs are regularly updated on key risks and mitigation measures. All decision making within the organisation, irrespective of the level of importance and significance, involves the explicit consideration of risks and the application of appropriate risk management techniques and tools. Further, Policies are regularly approved by the Board of Directors / Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.

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

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

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

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

## Internal Control Systems

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

## Safety Measures

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

## Cautionary Statement

Statements in this Management Discussion and Analysis may 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 realised by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations including domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes.

**The Company is following all the applicable Accounting Standards for proper maintenance of its books of accounts and reporting of financial statements.**

# DIRECTORS' REPORT

To

The Shareholders of

Gammon Infrastructure Projects Limited

Your Directors have pleasure in submitting their Eighteenth Annual Report together with the Audited Accounts of the Company, for the financial year ended March 31, 2019 (**"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)

| Particular | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Financial Year ended March 31, 2019 | Financial Year ended March 31, 2018 | Financial Year ended March 31, 2019 | Financial Year ended March 31, 2018 |
| Income | 5,887.84 | 17,669.38 | 52,675.19 | 64,301.88 |
| Earnings before interest, tax, depreciation and amortization | 2,648.11 | 3,692.53 | 22,915.12 | 26,270.71 |
| Financial costs | 2,231.53 | 2,239.88 | 36,128.43 | 33,992.90 |
| Depreciation and amortization | 68.99 | 60.85 | 10,874.67 | 8,724.22 |
| Tax expenses | 27.78 | 247.33 | 5,477.01 | 1587.39 |
| Minority interest & share of profit of associates | N. A. | N. A. | (5,443.77) | (3,986.28) |
| Net Profit after Tax / (Loss) | (7341.19) | 1,144.47 | (20,986.77) | (18,565.45) |

## 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.

## CHANGE IN REGISTERED OFFICE OF THE COMPANY

The Registered Office of the Company has been changed from Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai -400025 to Orbit Plaza CHS Ltd., 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai-400025 with effect from 12th March, 2019.

## COMPANY'S BUSINESS

Your Company, in consortium with Gammon Engineers and Contractors Private Limited (**"GECPL"**), has successfully bid for a road project in the State of Odisha on Engineering, Procurement and Construction (**"EPC"**) mode from National Highways Authority of India (**"NHAI"**). During the FY 2018-19, the Company has signed the EPC Agreement with NHAI, and has submitted the Performance Bank Guarantee for the same. The Company has mobilised the resources and commenced the pre-construction activities at project site. The construction work will commence once the appointed date for the EPC project is declared by NHAI.

In addition to the above, the Company has three projects in the Road Sector, two in the Port Sector and four in the Power Sector, which are at various stages of construction, under development and/or operation and management through project specific Special Purpose Vehicles (**"SPVs"**).

## THE FUTURE

Most players in the infrastructure industry including your Company, continue to face a resource crunch over 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. However, to ease the present situation, the Company is actively taking steps for realization of its receivables from NHAI and other public sector authorities. 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.

Your Company is focusing on strategic partnerships and change in management at holding company level with selective opportunities. The plan is to get "almost ready" projects commissioned at the earliest and operate the projects successfully. The commencement of works on the EPC contract on the Odisha project will provide the much-needed top line. Your Company is confident that these projects 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 ₹ 188.36 Crores as at 31st March, 2019 comprising of 941,830,724 equity shares of ₹ 2/- each fully paid up.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control systems 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

M/s. Nitin H Rajda & Co., Chartered Accountants, Mumbai, is the Internal Auditor of the Company. 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 loss 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

At the request of the Nomination & Remuneration Committee and the Board of Directors, Mr. Kishore Kumar Mohanty agreed to continue as the Managing Director of the Company upto an extended period of six months beyond the present tenure which expired on 11th April, 2019, subject to shareholders' approval at the ensuing Annual General Meeting.

Mr. Mahendra Kumar Agrawala was appointed as an additional director in the category of Independent Director with effect from October 31, 2018 and holds office as such up to the date of ensuing Annual General Meeting.

Ms. Homai Daruwalla was appointed as an additional director w. e. f. 30th June 2019 in the category of an independent director, consequent to the expiry of her tenure of 5 years as an Independent Director on 29th June 2019.

Mr. Abhijit Rajan vacated office of Director of the Company w.e.f. 7th May, 2018.

Mr. Vardhan Dharkar, Non-Executive Non-Independent Director, has resigned as Director of the Company with effect from January 17, 2019 due to his pre-occupation.

Mr. Sanjay Sachdev has resigned as an Independent Director of the Company with effect from February 20, 2019 due to his personal commitments.

Mr. Sushil Chandra Tripathi, having served as an independent director of the Company for more than 10 years since his initial appointment, has resigned as an independent director of the Company effective 21st May 2019.

The Board took on record its appreciation for the valuable services provided by Mr. Vardhan Dharkar, Mr. Sanjay Sachdev and Mr. S. C. Tripathi during their tenure as directors of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Chayan Bhattacharjee is liable to retire by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

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 **"SEBI Listing Regulations"**).

**Key Managerial Personnel**

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. Kishore 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 SEBI 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 SEBI 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 six 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 SEBI 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 2018-19, the following changes have taken place:

Canara Bank, being Lead Bank of the Consortium of Lenders to Rajahmundry Godavari Bridge Limited (**"RGBL"**), an unlisted subsidiary of the Company, has invoked pledge of 10,40,19,039 equity shares of ₹10/- each constituting 51% of the paid up equity capital of RGBL held by the Company in RGBL, through Canara Bank Securities Limited (**"Security Trustee"**). Pursuant to said invocation of pledge by Canara Bank, the shareholding of the Company in RGBL was reduced from 75.28% to 24.28% and RGBL ceased to be a subsidiary of the Company.

In this regard, the Company had written to the Lead Bank / Security Trustee for assigning a value to the invoked pledged shares, for which the Company was informed that the invoked pledged shares of RGBL were held by the Security Trustee as collateral and the Lenders had neither appropriated the pledged shares against outstanding dues nor the pledged shares were sold to any third party for realising the outstanding dues. Therefore, the beneficial ownership of the invoked pledged shares vested with the Company only.

Accordingly, the beneficial shareholding of the Company in RGBL stands at 75.28% and RGBL continued to be a subsidiary of the Company.

Ministry of Corporate Affairs (MCA) has approved the closure of following subsidiaries and step-down subsidiaries of the Company:

1. Ghaggar Renewable Energy Private Limited(w.e.f. 23/03/2019);

2. Lilac Infraprojects Developers Limited (w.e.f. 25/03/2019);

3. Tangri Renewable Energy Private Limited (w.e.f. 28/03/2019); and

4. Yamuna Minor Minerals Private Limited(w.e.f. 30/03/2019¬)

The activities of above companies stands closed with effect from dates mentioned above.

An application in Form STK-2 has been filed with the Ministry of Corporate Affairs (**"MCA"**) by the Jaguar Projects Developers Limited, a subsidiary of the Company for striking off the name from the register maintained by the Registrar of Companies.

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 & 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 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.

## 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.

Strategic Report
Reports
Financial Statements

## 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

In accordance with the Companies Act, 2013, 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 SEBI 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.

## REPORTING OF FRAUDS BY AUDITORS

During the Financial Year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## 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 opinion in their Independent Auditors Report as follows:

a) Attention is invited to Note 28(a) to the Standalone Ind AS Financial Statements in respect of tolling bridge project in Andhra Pradesh in the SPV Rajahmundry Godavari Bridge Limited where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of ₹1,12,337 lacs as termination payments from

APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Company is ₹1,08,696.56 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders and other matters as aforesaid, we are unable to comment on the possible impairment required against the exposure of the Company.

b) Attention is invited to Note 28(b) to the Standalone Ind AS Financial Statements, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the company in the SPV/project is ₹13,488.27 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.

c) Attention is invited to Note no. 29 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 ₹ 4,884.10 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 ₹320.38 lacs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

**Material Uncertainty relating to Going Concern.**

We invite attention to Note 28 of the Standalone Ind AS Financial Statements for the year ended March 31, 2019, wherein status of various SPV projects which are stressed due to delay in completion, cost overrun, liquidity crunch and have legal issues, arbitration proceedings or negotiations. The successful progress and completion depend on favourable decisions on outstanding litigations being received by the Management. We also invite attention to Note 31 of the Standalone Ind AS Financial Statements where the Company has stated that as of March 31, 2019 the Company's current liabilities exceeded current assets by ₹ 39,211.70 lacs. There is a continuing mismatch including defaults in payment of its financial obligations to its subsidiary Company. These conditions, along with the fact of the Auditors' Report of some of the SPV carrying a separate paragraph on Material Uncertainty related to Going Concern referred to in Note 31 of the Standalone Ind AS Financial Statements, indicate the existence of Material Uncertainty which may impact the Company's ability to continue as a going concern. Our report is not qualified on this matter.

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

a) Attention is invited to Note 28 (c) of the Statement, relating to slow progress of work for one of the road project at Madhya Pradesh. These delays have resulted in increase in project cost resulting in cost overrun in the project. The SPV has also received the cure period notice from MPRDC in terms of defaults under the Concession Agreement for delay, no-project work and maintenance work being carried out at site, and to clear the defaults against which the company has submitted their response. The credit facility of the SPV has been marked as

NPA by the lenders. Total exposure of the Company is the SPV/Project is ₹ 74,578.94 lacs. The Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. We have relied on the management assertion on this matter. The management also believes that the project would achieve PCOD in a short time.

b) We invite attention to Note 28 (d) 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 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 SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company in the SPV is ₹ 1,30,052.41 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

c) We invite attention to Note 28 (e) 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 ₹2,389.34 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

d) We invite attention to Note 28(f) 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 SPV has received a letter from GoHP dated September 4, 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The Company's exposure towards the said project includes investment and loans and advances of ₹ 7,126.01 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

e) We invite attention to Note no 28(g) 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 ₹ 9,428.08 lacs.

f) We invite attention to Note no 30 of the Standalone Ind AS Financial Statements, wherein during the previous 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.

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. Veeraraghavan 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 as Annexure V. In terms of the provisions of Section 197(12) of the Act read with sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Report. However, having regard to the provisions of the 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, 2019. During the Financial Year, no complaint was filed before the said Committee. Internal Complaints Committee comprises of Ms. Hilda Buthello, Ms. Poonam Sabnis, Mr. Naresh P Sasanwar 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**

**Homai Daruwalla**
Director
DIN: 00365880

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

Place: Mumbai
Date: 31st August, 2019

**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 | | 01.04.2018 to 31.03.2019 | | 01.04.2017 to 31.03.2018 | |
|---|---|---|---|---|---|
| 1 | Options granted / subsisting | 60,000 | | 1,20,000 | |
| 2 | Pricing Formula / Exercise Price (₹) | ₹2.00 | | ₹ 2.00/- | |
| 3 | Options vested | Nil | | Nil | |
| 4 | Options exercised | Nil | | Nil | |
| 5 | Total number of Equity Shares arising as a result of exercise of Options | Nil | | Nil | |
| 6 | Options lapsed /cancelled | Nil | | 60,000 | |
| 7 | Variation of terms of Options | None | | None | |
| 8 | Money realised by exercise of Options | Nil | | Nil | |
| 9 | Total number of options in force | 60,000 | | 60,000 | |
| 10 | Weighted average exercise price (₹) | ₹ 2.00/- | | ₹ 2.00/- | |
| 11 | Weighted average fair value of Options granted during the year (₹) | 4.592/- (Options vested on October 1, 2014)<br>4.745/- (Options vested on October 1, 2015)<br>4.896/- (Options to be vested on October 1, 2016)<br>5.041/- (Options to be vested on October 1, 2017) | | | |
| 12 | Option pricing model used and underlying assumptions | Black-Scholes Option Pricing Model | | | |
| | Equity Share Price (₹) | ₹ 6.40/- | | | |
| | Exercise Price (₹) | ₹ 2.00/- | | | |
| | 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<br>Mr. Kishore Kumar Mohanty – 25,00,000 (40.58% of total options granted)<br>Mr. Kaushik Chaudhuri – 2,40,000 (3.89% of total options granted)<br>Other Employees<br>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 | 01.04.2018 to 31.03.2019 | 01.04.2017 to 31.03.2018 |
|---|---|---|
| Diluted earnings per share pursuant to issue of Equity Shares on exercise of option calculated in accordance with Accounting Standard (AS – 20) | (0.78) | 0.12 |

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

| Financial Year | 01.04.2018 to 31.03.2019 | 01.04.2017 to 31.03.2018 |
|---|---|---|
| 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.<br>NPAT of<br>(₹7341.19) lakhs and EPS of<br>(₹0.78 ) would remain unchanged. | Nil.<br>NPAT of<br>₹1144.47 lakhs and EPS of<br>₹0.12 would remain unchanged. |

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

**Homai Daruwalla**
Director
DIN: 00365880

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

Place: Mumbai
Date: 31st August, 2019

**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 Arms' length basis

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2019, which were not at arms' length basis.

2. Details of contracts or arrangements or transactions at Arms' length basis

| Sr. No. | Name(s) of the related party & nature of relationship | Nature of transaction | Trans-actions Value (₹ in Lakhs | Duration of the transaction | Salient terms of the trans-action including the value, if any | Date of approval by the Board | Amount received as ad-vances, if any (₹in lakhs) |
|---|---|---|---|---|---|---|---|
| 1 | Sidhi Singrauli Road Project Limited (SSRPL) (Wholly owned subsidiary of the Company) | EPC Income | 4111.86 | 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: ₹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 | 415.18 | | | 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**

**Homai Daruwalla**
Director
DIN: 00365880

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

Place: Mumbai
Date: 31st August, 2019

**Annexure III**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended 31/03/2019**
**(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 | Orbit Plaza Co-operative Housing Society Limited, 5th Floor, Plot No. 952 / 954, New Prabhadevi Road, Prabhadevi, Mumbai – 400 025<br>Tel: 02267487200<br>Fax: 02267487201 |
| 5. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Private Limited<br>C – 101, 247 Park, L B S Marg, Vikhroli West,<br>Mumbai – 400083<br>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 | 38.88% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | 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) |

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 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) |
| 9 | Gammon Seaport Infrastructure Limited | U74990MH2009PLC194663 | Subsidiary | 100% | 2(87) (ii) |
| 10 | Haryana Biomass Power Limited | U40102MH2007PLC173416 | Subsidiary | 100% | 2(87) (ii) |
| 11 | Indira Container Terminal Private Limited | U63032MH2007PTC174100 | Associate | *74% | 2(87) (ii) |
| 12 | Jaguar Projects Developers Limited | U70102MH2008PLC185427 | Subsidiary | 100% | 2(87) (ii) |
| 13 | Marine Project Services Limited | U61100MH2007PLC168759 | Subsidiary | 100% | 2(87) (ii) |
| 14 | Patna Highway Projects Limited | U74999DL2009PLC197265 | Subsidiary | 100% | 2(87) (ii) |
| 15 | Pravara Renewable Energy Limited | U45202MH2008PLC185428 | Subsidiary | 100% | 2(87) (ii) |
| 16 | Ras Cities and Townships Private Limited | U70102TG2005PTC047148 | Step down Subsidiary | 100% | 2(87) (ii) |
| 17 | Rajahmundry Godavari Bridge Limited | U45203MH2008PLC185941 | Subsidiary | 75.28% | 2(87) (ii) |
| 18 | Segue Infrastructure Projects Private Limited | U74900MH2010PTC210430 | Step down Subsidiary | 100% | 2(87) (ii) |
| 19 | Sidhi Singrauli Road Project Limited | U74999DL2012PLC234738 | Subsidiary | 100% | 2(87) (ii) |
| 20 | Sikkim Hydro Power Ventures Limited | U40100DL2005PLC257673 | Subsidiary | 100% | 2(87) (ii) |
| 21 | Tada Infra Development Company Limited | U45400MH2008PLC186002 | Subsidiary | 100% | 2(87) (ii) |
| 22 | Tidong Hydro Power Limited | U40101HP2007PLC030774 | Subsidiary | *51% | 2(87) (ii) |
| 23 | Vijayawada Gundugolanu Road Project Private Limited | U74990DL2012PTC232205 | Subsidiary | 100% | 2(87) (ii) |
| 24 | Vizag Seaport Private Limited | U45203AP2001PTC038955 | Subsidiary | 73.76% | 2(87) (ii) |
| 25 | Yamunanagar Panchkula Highway Private Limited | U74999DL2012PTC234340 | Subsidiary | 100% | 2(87) (ii) |
| 26 | Youngthang Power Ventures Limited | U40101HP2008PLC030953 | Subsidiary | 100% | 2(87) (ii) |
| 27 | Modern Toll Roads Private Limited | U45203MH2007PTC173503 | Associate | 49% | 2(6) |

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding / Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 28 | ATSL Infrastructure Projects Limited | U45400MH2007PLC169995 | Associate | 48.90% | 2(6) |
| 29 | Eversun Sparkle Maritime Services Private Limited | U60210AP2004PTC044374 | Associate | 30.90% | 2(6) |
| 30 | SEZ Adityapur Limited | U45200JH2006PLC012633 | Associate | 38% | 2(6) |

*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 | Phys-ical | Total | % of Total Shares | Demat | Phys-ical | 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. | 362,999,700 | 0 | 362,999,700 | 38.54 | 193,999,800 | 0 | 193,999,800 | 20.60 | -17.94 |
| 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):-** | **362,999,700** | **0** | **362,999,700** | **38.54** | **193,999,800** | **0** | **193,999,800** | **20.60** | **-17.94** |
| (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)** | **362,999,700** | **0** | **362,999,700** | **38.54** | **193,999,800** | **0** | **193,999,800** | **20.60** | **-17.94** |

| 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 | Phys-ical | Total | % of Total Shares | Demat | Phys-ical | Total | % of Total Shares | |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 96,094,884 | 0 | 96,094,884 | 10.20 | 11,829,652 | 0 | 11,829,652 | 1.26 | -8.95 |
| b) Banks / FI | 8,850,130 | 0 | 8,850,130 | 0.94 | 176,215,026 | 0 | 176,215,026 | 18.71 | 17.77 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 3,000 | 0 | 3,000 | 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 | 13,702,110 | 0 | 13,702,110 | 1.45 | 10,225,295 | 0 | 10,225,295 | 1.09 | -0.37 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) NBFCs registered with RBI | 0 | 0 | 0 | 0.00 | 54,558 | 0 | 54,558 | 0.01 | 0.01 |
| **Sub-total (B)(1):-** | 118,647,124 | 0 | 118,647,124 | 12.60 | 198,327,531 | 0 | 198,327,531 | 21.06 | 8.46 |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | 119,093,124 | 0 | 119,093,124 | 12.64 | 95,498,554 | 0 | 95,498,554 | 10.14 | -2.51 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | 166,550,046 | 2,695 | 166,552,741 | 17.68 | 208,322,075 | 2,580 | 208,324,655 | 22.12 | 4.44 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 127,619,092 | 0 | 127,619,092 | 13.56 | 202,654,201 | 0 | 202,654,201 | 21.52 | 7.97 |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Trusts | 1,515 | 0 | 1,515 | 0.00 | 1,515 | 0 | 1,515 | 0.00 | 0.00 |
| Foreign Nationals / NRI | 12,019,281 | 0 | 12,019,281 | 1.28 | 16,056,770 | 0 | 16,056,770 | 1.70 | 0.43 |
| HUF | 9,583,794 | 0 | 9,583,794 | 1.02 | 12,368,864 | 0 | 12,368,864 | 1.31 | 0.30 |

| 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 | Phys-ical | Total | % of Total Shares | Demat | Phys-ical | Total | % of Total Shares | |
| Director or Director's Relatives | 8,603,997 | 0 | 8,603,997 | 0.91 | 2,655,339 | 0 | 2,655,339 | 0.28 | -0.63 |
| Office Bearers | 1,332,841 | 0 | 1,332,841 | 0.14 | 1,323,071 | 0 | 1,323,071 | 0.14 | 0.00 |
| Clearing Members | 15,377,491 | 24 | 15,377,515 | 1.63 | 10,620,400 | 24 | 10,620,424 | 1.13 | -0.51 |
| **Sub-total (B)(2):-** | **460,181,181** | **2,719** | **460,183,900** | **48.87** | **549,500,789** | **2,604** | **549,503,393** | **58.34** | **9.48** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **578,828,305** | **2,719** | **578,831,024** | **61.46** | **747,828,320** | **2,604** | **747,830,924** | **79.40** | **17.94** |
| **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** | **941,828,120** | **2,604** | **941,830,724** | **100.00** | **0.00** |

## ii) Shareholding of Promoter-

| Sr. No. | Sharehold-er's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share-holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the com-pany | % of shares pledged / encum-bered to total shares | No. of Shares | % of total Shares of the com-pany | % of Shares Pledged / encum-bered to total shares | |
| **1** | Gammon Power Limited | 362,999,700 | 38.54 | 38.54 | 193,999,800 | 20.60 | 20.60 | -17.94 |
| | **Total** | **362,999,700** | **38.54** | **38.54** | **193,999,800** | **20.60** | **20.60** | **-17.94** |

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

| Sr. No. | Particulars | Shareholding at the beginning of the year (as on 01-04-2018) | | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) | |
|---|---|---|---|---|---|
| | | 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 | 362,999,700 | 38.54 | 362,999,700 | 38.54 |
| | Decrease: Pledge invoked – 14-May-2018 | 168,999,900 | 17.94 | 193,999,800 | 20.60 |
| | At the end of the year | 193,999,800 | 20.60 | 193,999,800 | 20.60 |

### 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 | ICICI Bank Limited | | | | |
| | At the beginning of the year | 8,09,858 | 0.09 | 8,09,858 | 0.09 |
| | Increase – Pledge invoked and market purchase- 14-May-2018 | 16,90,02,654 | 17.95 | 16,98,12,512 | 18.03 |
| | Decrease – Market sale - 25-May-2018 | 4,734 | 0.00 | 16,98,07,778 | 18.03 |
| | Decrease – Market sale - 01-June-2018 | 1,562 | 0.00 | 16,98,06,216 | 18.03 |
| | Decrease – Market sale - 15-June-2018 | 21,643 | 0.00 | 16,97,84,573 | 18.03 |
| | Decrease – Market sale - 22-June-2018 | 59,964 | 0.01 | 16,98,44,537 | 18.03 |
| | Decrease – Market sale - 30-June-2018 | 12,147 | 0.00 | 16,98,32,390 | 18.03 |
| | Decrease – Market sale - 06-July-2018 | 14,488 | 0.00 | 16,98,17,902 | 18.03 |
| | Decrease – Market sale - 20-July-2018 | 67,263 | 0.01 | 16,98,85,165 | 18.04 |
| | Decrease – Market sale - 27-July-2018 | 22,833 | 0.00 | 16,99,07,998 | 18.04 |
| | Decrease – Market sale - 03-Aug-2018 | 9,08,098 | -0.10 | 16,89,99,900 | 17.94 |
| | At the end of the year | 16,89,99,900 | 17.94 | 16,89,99,900 | 17.94 |
| 2 | Frontier Realty Private Limited | | | | |
| | At the beginning of the year | 4,35,70,931 | 4.63 | 4,35,70,931 | 4.63 |
| | Date wise Increase / Decrease in Shareholding during the year | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year | 4,35,70,931 | 4.63 | 4,35,70,931 | 4.63 |
| 3 | Anand Shaktikumar Sancheti | | | | |
| | Shareholding as on 30-June-2018 (Details available since 30-June-2018) | 30,90,235 | 0.33 | 30,90,235 | 0.33 |
| | Increase - Market purchase - 06-July-2018 | 1,00,000 | 0.01 | 31,90,235 | 0.34 |
| | Increase - Market purchase - 17-August-2018 | 1,00,00,000 | 1.06 | 1,31,90,235 | 1.40 |
| | Increase - Market purchase - 21-Dec-2018 | 15,08,735 | 0.16 | 1,46,98,970 | 1.56 |
| | At the end of the year | 1,46,98,970 | 1.56 | 1,46,98,970 | 1.56 |
| 4 | Shree Vishwamurte Tradinvest Private Limited | | | | |
| | Shareholding as on 09-Nov-2018 (Details available since 09-Nov-2018) | 28,57,119 | 0.30 | 28,57,119 | 0.30 |
| | Increase - Market purchase - 16-Nov-2018 | 25,000 | 0.00 | 28,82,119 | 0.31 |
| | Increase - Market purchase - 30-Nov-2018 | 1,25,000 | 0.01 | 30,07,119 | 0.32 |
| | Increase - Market purchase - 07-Dec-2018 | 5,25,000 | 0.06 | 35,32,119 | 0.38 |
| | Increase - Market purchase - 14-Dec-2018 | 79,75,000 | 0.85 | 1,15,07,119 | 1.22 |
| | Increase - Market purchase - 08-Feb-2019 | 3,45,000 | 0.04 | 1,18,52,119 | 1.26 |

| 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 |
| | Increase - Market purchase - 15-Feb-2019 | 3,25,000 | 0.03 | 1,21,77,119 | 1.29 |
| | Increase - Market purchase - 22-Feb-2019 | 60,000 | 0.01 | 1,22,37,119 | 1.30 |
| | Increase - Market purchase - 01-Mar-2019 | 22,000 | 0.00 | 1,22,59,119 | 1.30 |
| | Increase - Market purchase - 08-Mar-2019 | 73,000 | 0.01 | 1,23,32,119 | 1.31 |
| | Increase - Market purchase - 15-Mar-2019 | 25,000 | 0.00 | 1,23,57,119 | 1.31 |
| | Increase - Market purchase - 22-Mar-2019 | 50,000 | 0.01 | 1,24,07,119 | 1.32 |
| | At the end of the year | 1,24,07,119 | 1.32 | 1,24,07,119 | 1.32 |
| 5 | ICICI Prudential Midcap Fund | | | | |
| | At the beginning of the year | 1,30,10,531 | 1.38 | 1,30,10,531 | 1.38 |
| | Decrease - Market sale - 29-Sep-2018 | 11,80,879 | -0.13 | 1,18,29,652 | 1.26 |
| | At the end of the year | 1,18,29,652 | 1.26 | 1,18,29,652 | 1.26 |
| 6 | Aviator Global Investment Fund | | | | |
| | At the beginning of the year | 1,02,25,294 | 1.09 | 1,02,25,294 | 1.09 |
| | Date wise Increase / Decrease in Shareholding during the year | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year | 1,02,25,294 | 1.09 | 1,02,25,294 | 1.09 |
| 7 | 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 |
| 8 | Mr. Manojkumar Prannath Abrol | | | | |
| | At the beginning of the Year | 57,20,000 | 0.61 | 57,20,000 | 0.61 |
| | Decrease – Market sale - 24-Aug-2018 | 1,00,000 | -0.01 | 56,20,000 | 0.60 |
| | At the end of the Year | 56,20,000 | 0.60 | 56,20,000 | 0.60 |
| 9 | Central Bank of India | | | | |
| | At the beginning of the Year | 44,10,567 | 0.47 | 44,10,567 | 0.47 |
| | Date wise Increase / Decrease in shareholding during the year | 0 | 0.00 | 0 | 0.00 |
| | At the end of the Year | 44,10,567 | 0.47 | 44,10,567 | 0.47 |
| 10 | Arpana Niteen Jadhav | | | | |
| | At the beginning of the Year | 31,95,589 | 0.34 | 31,95,589 | 0.34 |
| | Date wise Increase / Decrease in shareholding during the year | 0 | 0.00 | 0 | 0.00 |
| | At the end of the Year | 31,95,589 | 0.34 | 31,95,589 | 0.34 |

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**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 | - | - | - | - |
| | *As on 7th May 2018 | 6,000,000 | 0.63 | 6,000,000 | 0.63 |
| **2.** | Mr. Kishore 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.** | 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 |
| 4. | Mr. Chayan Bhattacharjee | | | | |
| | **As on 13th June 2018 | 51,342 | 0.00 | 51,342 | 0.00 |
| | Date wise Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 51,342 | 0.00 | 51,342 | 0.00 |

i) Mr. Abhijit Rajan vacated office of Director of the Company w.e.f. 7th May, 2018

ii) *Mr. Chayan Bhattacharjee was appointed as additional director of the Company w. e. f. 13th June, 2018

iii) Mr. Sushil Chandra Tripathi, Chairman and Independent Director, Mr. Sanjay Sachdev, Independent Director, Mr. Vardhan Dharkar, Non-Executive Director and Mr. Mahendra Kumar Agrawala, Independent Director, did not hold equity shares of the Company.

iv) Mr. Naresh Sasanwar, Chief Financial Officer and Mr. Kaushal Shah, Company Secretary did 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 | 2,517.26 | 12,082.02 | - | 14,599.28 |
| ii) Interest due but not paid | - | 158.13 | | 158.13 |
| iii) Interest accrued but not due | 4.21 | 264.09 | - | 268.30 |
| **Total (i+ii+iii)** | 2,521.47 | 12,504.24 | - | 15,025.71 |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 78,052.00* | 1,890.31 | - | 79,942.31 |
| Reduction | -14.15 | - | - | -14.15 |
| Net Change | 78,037.85. | 1,890.31 | - | 79,928.16 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 80,551.81 | 12,472.46 | - | 93,024.27 |
| ii) Interest due but not paid | - | 325.78 | - | 325.78 |
| iii) Interest accrued but not due | 7.51 | 1,596.31 | - | 1,603.82 |
| **Total (i+ii+iii)** | **80,559.32** | **14,394.55** | **-** | **94,953.87** |

*This is on account of invocation of Corporate Guarantee by the Lenders of Rajahmundry Godavari Bridge Limited

## 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 |
|---|---|---|---|
| | | Kishore Kumar Mohanty (Managing Director) | |
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 23,708,210 | 23,708,210 |
| | (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<br>Commission - others, specify... | | |
| 5 | Others, please specify (Provident Fund) | 720,000 | 720,000 |
| | **Total (A)** | **24,428,210** | **24,428,210** |

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | Total Amount |
|---|---|---|---|
| | | Kishore Kumar Mohanty (Managing Director) | |
| | Ceiling as per the Act | 12,000,000 | |
| | Remuneration in excess of limits as per Schedule V may be paid since approval of the shareholders is obtained by means of special resolution passed on 19th December 2017 | | |

**B. Remuneration to other directors:**

( Amount in ₹ )

| Sr. No. | Particulars of Remuneration | Name of the Directors | | | Total |
|---|---|---|---|---|---|
| **1** | **Independent Directors** | ***Sushil Chandra Tripathi** | **Homai A. Daruwalla** | ****Sanjay Sachdev** | |
| | Fee for attending board/ committee meetings | 500,000 | 500,000 | 150,000 | 1,150,000 |
| | Commission | 0 | 0 | 0 | 0 |
| | Others | 0 | 0 | 0 | 0 |
| | Total (1) | 500,000 | 500,000 | 150,000 | 1,150,000 |

*Resigned as Director w.e.f. 21st May, 2019.

**Resigned as Director w.e.f. 20th February, 2019

| | | | | | |
|---|---|---|---|---|---|
| **2** | **Other Non- Executive Directors** | *****Vardhan Dharkar** | **#Chayan Bhat-tacharjee** | **##Mahendra Kumar Agrawa-la** | **Total** |
| | Fee for attending board / committee meetings | 150,000 | 300,000 | 100,000 | 550,000 |
| | Commission | 0 | 0 | 0 | 0 |
| | Others | 0 | 0 | 0 | 0 |
| | Total (2) | 150,000 | 300,000 | 100,000 | 550,000 |
| | Total (1 + 2) | | | | 1,700,000 |
| | Total Managerial Remuneration (A+B) | | | | |
| | Overall Ceiling as per the Act | | | | |
| | Total Managerial Remuneration (A+B) | | | | **26,128,210** (including sitting fees) |
| | Overall Ceiling as per the Act | | | | **12,000,000** (excluding sitting fees) |
| | Remuneration in excess of limits as per Schedule V may be paid since approval of the shareholders is obtained by means of special resolution passed on 19th December 2017 | | | | |

***Resigned as Director w.e.f. 17th January, 2019.

#Appointed as additional director w.e.f. 13th June, 2018 and confirmed by shareholders at the Annual General Meeting on 20th September, 2018.

##Appointed as additional director w.e.f. 31st October, 2018.

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

( Amount in ₹ )

| Sr. No. | Particulars of Remuneration | | Key Managerial Personnel | | |
|---|---|---|---|---|---|
| | | | Naresh Sasanwar | Kaushal Shah | Total |
| 1 | **Gross salary** | | | | |
| | (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 46,38,572 | 15,41,790 | |
| | (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 | | 1,19,520 | 41,676 | |
| | **Total** | | **47,58,092** | **15,83,446** | |

## 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 | | | Nil | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT: NIL** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

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

**Homai Daruwalla**
Director
DIN: 00365880
Place: Mumbai
Date: 31st August, 2019

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Annexure IV**

**Form No. MR – 3**
**SECRETRIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
Gammon 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 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2019 , 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:

Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015– The Company is required to submit the Audited financial results within 60 days from the end of the financial year, i.e.: by 30$^{th}$ May 2018. However, the said Audited financial results were submitted to the stock exchanges with a delay of 14 days. National Stock Exchange of India Limited had imposed a penalty of ₹ 70,000/- vide its letter dt. 15.6.2018. The Company has paid the said penalty of ₹ 75,600/- (including taxes) vide NEFT on 28$^{th}$ June 2018 and intimated vide covering letter Dt.. 30.06.2018

I further report that:

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

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

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

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

**Veeraraghavan N.**

ACS No: 6911

CP No : 4334

Place : Mumbai

Date : 29$^{th}$ May 2019

**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 2018 to 31st March 2019 are as under:

| Sr. No. | Name of the Director | Designation | Remuneration | Ratio (times) |
|---|---|---|---|---|
| A | Median Employee Remuneration | - | ₹ 595,651/- | 1:0.95 |
| B | Directors Remuneration | | | |
| 1. | Mr. Kishore Kumar Mohanty | Managing Director | ₹ 2,37,08,210/- | 1: 39 |

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during 1st April 2018 to 31st March 2019 are as under:

| Sr. No. | Name of the Director / KMP | Designation | % increase in Remuneration in the Financial Year 1st April 2018 to 31st March 2019 |
|---|---|---|---|
| 1. | Mr. Kishore Kumar Mohanty | Managing Director | 7% (Previous year – NiL) |
| 2. | Mr. Naresh Sasanwar | CFO | N. A. (Previous year – N. A.) |
| 3. | Mr. Kaushal Shah | Company Secretary | N. A. (Previous year – N. A.) |

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

(iv) There were 15 permanent employees on the rolls of the Company as on 31st March, 2019.

(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. Kishore Kumar Mohanty, Managing Director | Mr. Naresh Sasanwar, Chief Financial Officer | Mr. Kaushal Shah, Company Secretary |
|---|---|---|---|
| Remuneration in FY 2017-18 | 2,44,28,210 | 47,58,092 | 15,83,466 |
| Revenue | 588784000 | 588784000 | 588784000 |
| Remuneration as a % of revenue | 41.49 | 8.08 | 2.69 |
| Profit before Tax (PBT) | (734119000) | (734119000) | (734119000) |
| Remuneration (as % of PBT) | (3.33%) | (0.65%) | (0.22%) |

| Particulars | As at 31st March 2019 | As at 31st March 2018 | Variation |
|---|---|---|---|
| Market Capitalization (₹ in crores) | 65.92 | 230.74 | (0.71) |
| Price Earnings Ratio | (0.78) | 20.58 | (0.96) |

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

| Particulars | 31st March 2019 | March 2008 IPO Price | % Change |
|---|---|---|---|
| Market Price (BSE) in ₹ | 0.61 | 167 | (99.63) |
| Market Price (NSE) in ₹ | 0.60 | 167 | (99.64) |

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ended 31st March 2019 was 5% 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:

| Whole-time Directors and KMPs | Remuneration (Amount in ₹) | | Ratio to median remuneration | Change (%) | Ratio of 2017-18 to Remuneration to | |
|---|---|---|---|---|---|---|
| | 1st April 2018 to 31st March 2019 | 1st April 2017 to 31st March 2018 | | | Revenue | Net Profit |
| Mr. Kishore Kumar Mohanty, Managing Director | 244,28,210 /- | 228,72,200/- | 1:39 (Current) | 14% | 1.20% | 12.20% |
| Mr. Naresh Sasanwar, Chief Financial Officer | 47,58,092/- | 599,963/- | 1:7.79 | 12% | - | - |
| Mr. Kaushal Shah, Company Secretary | 15,83,466/- | 221,527/- | 1:2.59 | 4% | - | - |

(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 2019 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.**
ACS No: 6911
CP No : 4334

Place : Mumbai
Date : 31st August 2019

# 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

Presently, the Board of Directors comprised of four directors of which three are non-executive directors and one is an executive director. Out of the three non-executive directors, two are independent directors.

During the financial year 2018-19, the Board of Directors comprised of seven Directors of which six were non-executive directors and one was an executive director. Out of the six non-executive directors, four were 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 (**"SEBI Listing Regulations"**).

During the financial year ended 31st March 2019 ("**Financial Year**"), the Board met six times on 13th June 2018, 10th August 2018, 31st October 2018, 5th February 2019, 14th February 2019 and 11th March 2019.

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 Directors | Out of Six Board Meetings held during the Financial Year, the director attended | No. of directorships in other public companies$ | Attendance at last AGM | No. of committee positions held in public companies including the Company$$ | |
|---|---|---|---|---|---|
| | | | | Chairman | Memberships including chairmanships |
| *Mr. S. C. Tripathi Chairman, Independent Director | 6 | 7 | Yes | 3 | 8 |
| Mr. Kishore Kumar Mohanty, Managing Director | 6 | 6 | Yes | Nil | 1 |
| Ms. Homai A Daruwalla, Independent Director | 6 | 9 | Yes | 5 | 10 |
| **Mr. Abhijit Rajan, Non-Executive Director | Nil | N. A. | N. A. | N. A. | N. A. |
| ***Mr. Sanjay Sachdev, Independent Director | 3 | Nil | No | N. A. | N. A. |

| Name of Directors | Out of Six Board Meetings held during the Financial Year, the director attended | No. of directorships in other public companies$ | Attendance at last AGM | No. of committee positions held in public companies including the Company$$ | |
|---|---|---|---|---|---|
| | | | | Chairman | Memberships including chairmanships |
| ****Mr. Vardhan Dharkar, Non-Executive Director | 3 | 1 | Yes | N. A. | N. A. |
| #Mr. Chayan Bhattacharjee, Non-Executive Director | 6 | 8 | Yes | 1 | 1 |
| ##Mr. Mahendra Kumar Agrawala, Independent Director | 2 | 2 | N. A. | Nil | Nil |

*Resigned as the Director of the Company w.e.f. 21st May, 2019.

**Vacated office of Director of the Company w.e.f. 7th May, 2018

***Resigned as the Director of the Company w.e.f. 20th February, 2019.

****Resigned as the Director of the Company w.e.f. 17th January, 2019

#Appointed as additional director of the Company w.e.f. 13th June 2018

##Appointed as additional director of the Company w.e.f. 31st October 2018

$ excludes private, foreign and unlimited liability companies and companies registered under section 8 of the Companies Act, 2013

$$ indicates membership of Audit & Stakeholders Relationship Committees across all public limited companies.

| Name of Directors | Names of other listed companies and category of directorship |
|---|---|
| Mr. S. C. Tripathi | Motherson Sumi Systems Limited, Independent Director<br>Ginni Filaments Limited, Independent Director<br>Reliance Nippon Life Asset Management Limited, Independent Director<br>Religare Enterprises Limited, Independent Director<br>Religare Finvest Limited, Independent Director |
| Mr. Kishore Kumar Mohanty | Nil |
| Ms. Homai A Daruwalla | Jaiprakash Associates Limited, Independent Director<br>Rolta India Limited, Independent Director<br>Triveni Engineering And Industries Limited, Independent Director<br>Triveni Turbine Limited, Independent Director |
| Mr. Chayan Bhattacharjee | Nil |
| Mr. Mahendra Kumar Agrawala | Nil |

Mr. Chayan Bhattacharjee was appointed as an Additional Director of the Company w. e. f. 13th June, 2018 to hold office as Non-Executive Director of the Company and his appointment as a Director was regularized by the shareholders at Annual General Meeting on 20th September, 2018.

Mr. Mahendra Kumar Agrawala was appointed as an Additional Director of the Company w. e. f. 31st October, 2018 in the capacity of Independent Director.

Mr. Abhijit Rajan vacated office of Director of the Company w.e.f. 7th May, 2018. Mr. Vardhan Dharkar and Mr. Sanjay Sachdev resigned as directors of the Company w. e. f. 17th January, 2019 and 20th February, 2019 respectively.

Mr. S. C. Tripathi, who served as an independent director of the Company for more than 10 years since his initial appointment, resigned as an independent director of the Company w. e. f. 21st May, 2019, whose present tenure was due to expire on 29th June 2019. In accordance with Regulation 7B of Section A of Part A of Schedule III of the SEBI Listing Regulations, Mr. S. C. Tripathi had confirmed that there was no other material reason for his resignation other than the reason stated in his letter of resignation.

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

**Separate Meeting Of Independent Directors**

The Independent Directors met on 11th March, 2019, 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.

Based on the declarations received from the Independent Directors, the Directors confirm that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**Independent Directors As Directors Of Unlisted Material Subsidiaries**

In terms of Regulation 16(1)(c) of the SEBI Listing Regulations, the material subsidiaries of the Company as on 31st March, 2019 are given below. In accordance with Regulation 24 of the SEBI Listing Regulations, the following Independent Directors of the Company are also Independent Directors on the Boards of the unlisted material subsidiaries as on 31st March, 2019:

| Name of the material unlisted subsidiaries | Name of the Independent Director |
|---|---|
| Patna Highway Projects Limited | Mr. Mahendra Kumar Agrawala |
| Sidhi Singrauli Road Project Limited | Mr. Mahendra Kumar Agrawala |
| Vizag Seaport Private Limited | Ms. Homai Daruwalla |

The minutes of the Board meetings of the unlisted subsidiary companies are placed at the Board meetings of the Company. The management also periodically brings to the attention of the Board of Directors, a statement of significant transactions and arrangements entered into by all the unlisted subsidiary companies of the Company. The audit committee of the Company also reviews the financial statements, in particular, the investments made by the unlisted subsidiaries.

**Core Skills/Expertise/Competencies**

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

| | |
|---|---|
| 1 | Executive Leadership |
| 2 | Strategic Advisor, Public and Regulatory Policy |
| 3 | Financial Acumen |
| 4 | Corporate Governance, Risk and Compliance |

**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 SEBI 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, 2019. 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 SEBI 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 SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

#### Composition and attendance

| Sr. No. | Name | Designation | No. of Meetings attended |
|---|---|---|---|
| 1 | *Mr. S. C. Tripathi | Chairman | 4 |
| 2 | Ms. Homai A. Daruwalla | Alternate Chairperson | 4 |
| 3 | Mr. Kishore Kumar Mohanty | Member | 4 |
| 4 | **Mr. Mahendra Kumar Agrawala | Chairman | Nil |

*Ceased to be Chairman and member of the Audit Committee w.e.f. 21st May, 2019 due to his resignation as a Director of the Company.

**Appointed as member and Chairman of the Audit Committee w.e.f. 29th May 2019.

During the Financial Year, the Audit Committee met four times. The meetings were held on 13th June 2018, 10th August 2018, 31st October 2018 and 14th February 2019. Necessary quorum was present at the meetings.

### 2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee **(NRC)** comprises of three members with majority being Independent Directors.

#### Terms of reference

i) formulating 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;

ii) formulating the criteria for evaluation of performance of independent directors and the board of directors;

iii) devising a policy on diversity of board of directors;

iv) 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;

v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

vi) recommending to the board, all remuneration, in whatever form, payable to senior management.

**Composition and Attendance**

| Sr. No. | Name | Designation | No. of Meetings attended |
|---|---|---|---|
| 1 | Ms. Homai A Daruwalla | Chairperson | 4 |
| 2 | *Mr. Vardhan Dharkar | Member | 3 |
| 3 | **Mr. Sanjay Sachdev | Member | 3 |
| 4 | ***Mr. Chayan Bhattacharjee | Member | 1 |
| 5 | ****Mr. Mahendra Kumar Agrawala | Member | 1 |

*Ceased to be member of NRC w.e.f. 17th January, 2019 due to his resignation as a Director of the Company.

**Ceased to be member of NRC w.e.f. 20th February, 2019 due to his resignation as a Director of the Company.

***Appointed as member of NRC w.e.f. 5th February, 2019.

****Appointed as member of NRC w.e.f. 7th March, 2019.

During the Financial Year, the NRC met four times. The meetings were held on 13th June 2018, 10th August 2018, 31st October 2018 and 11th March 2019. Necessary quorum was present at the meetings.

**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 2018-19 and shareholding in the Company as on 31st March 2019:

| Name of the Managing Director | Salary (₹) | Benefits (₹) | Total (₹) | Total number of shares held |
|---|---|---|---|---|
| Mr. Kishore Kumar Mohanty | 23,708,210 | 720,000 | 24,428,210 | 2,603,456 |

Details of payments made to the Non-Executive Directors during the financial year 2018-19 and their shareholding in the Company as on 31st March 2019:

| Name of the Non-Executive Directors | Sitting fees (₹) | Total number of shares held |
|---|---|---|
| Mr. Sushil Chandra Tripathi | 5,00,000 | Nil |
| Ms. Homai A. Daruwalla | 5,00,000 | 541 |

| | | |
|---|---|---|
| Mr. Sanjay Sachdev | 1,50,000 | Nil |
| Mr. Vardhan Dharkar | 1,50,000 | Nil |
| Mr. Chayan Bhattacharjee | 3,00,000 | 51,342 |
| Mr. Mahendra Kumar Agrawala | 1,00,000 | Nil |

## 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee **(SRC)** comprises of three members with at least one of them being an Independent Director.

**Terms of reference**

i) resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;

ii) reviewing the measures taken for effective exercise of voting rights by shareholders;

iii) reviewing the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

iv) reviewing various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

**Composition and Attendance**

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | *Mr. Chayan Bhattacharjee | Chairman |
| 2 | **Ms. Homai A. Daruwalla | Member |
| 3 | ***Mr. Kishore Kumar Mohanty | Member |
| 4 | ****Mr. Vardhan Dharkar | Member |

*Appointed as Chairman of SRC w.e.f. 5th February, 2019.

**Re-designated from Chairperson to member of SRC w.e.f. 10th August, 2018.

***Appointed as member of SRC w.e.f. 5th February, 2019.

****Re-designated as Chairman of SRC w.e.f. 10th August, 2018 and ceased to be Chairman and member of SRC w.e.f. 17th January, 2019 due to his resignation as a Director of the Company.

During the Financial Year, SRC transacted its business by resolution by circulation dated 24th April, 2018. No meeting of the SRC was held during the financial year.

During the Financial year, the Company received 1 (one) complaint which was 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**

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | Ms. Homai A. Daruwalla | Chairperson |
| 2 | *Mr. S. C. Tripathi | Member |
| 3 | Mr. Kishore Kumar Mohanty | Member |

*Ceased to be member of Compensation Committee w.e.f. May 21, 2019 due to his resignation as a Director of the Company.

No meeting of Compensation Committee was held during the financial year.

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**

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

*Designated as Chairman of RMC w. e. f. 13th June, 2018.

**Ceased to be member of RMC w.e.f. 20th February, 2019 due to his resignation as a Director of the Company.

***Ceased to be Chairman and Member of RMC w. e. f. 7th May, 2018.

****Appointed as member of RMC w. e. f. 13th June, 2018 and ceased to be member w. e. f. 10th August, 2018.

No meeting of this Committee was held during the financial year.

6. **BUSINESS REVIEW COMMITTEE**

The Business Review Committee **("BRC")** reviews the implementation and working of projects under development and operation and to decide on the various Public-Private Partnership and allied opportunities that may come up before the Company with special emphasis on:

i) the assessment and minimization of legal and business risk;

ii) consortium partners;

iii) agreement with consortium partners, technology providers and service providers and the costs & terms thereof;

iv) economic benefits; and

v) business positioning of the Company.

**Composition and Attendance**

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | Mr. Kishore Kumar Mohanty | Member |
| 2 | Ms. Homai A. Daruwalla | Member |
| 3 | *Mr. Sanjay Sachdev | Member |
| 4 | Mr. Kaushik Chaudhuri | Member |
| 5 | **Mr. Manu Trivedi | Member |

*Ceased to be member of BRC w.e.f. 20th February, 2019 due to his resignation as a Director of the Company.

**Appointed as member of BRC w. e. f. 13th June, 2018 and ceased to be member w. e. f. 10th August, 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**

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | *Mr. Chayan Bhattacharjee | Chairman |
| 2 | **Mr. Sanjay Sachdev | Chairman |
| 3 | Mr. Kishore Kumar Mohanty | Member |
| 4 | Ms. Homai A. Daruwalla | Member |

*Appointed as Chairman and member of CSR Committee w. e. f. 11th February 2019.

**Ceased to be Chairman and member of CSR Committee w. e. f. 20th February 2019 due to his resignation as a Director of the Company.

No meeting of the CSR Committee was held during the financial year.

## GENERAL BODY MEETINGS

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

| AGM | Year | Date | Time | Venue | Special Resolution passed |
|---|---|---|---|---|---|
| 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. Kishore Kumar Mohanty, Managing Director of the Company for the period from 1st October 2014 to 31st March 2016<br>b. Approval of waiver of the recovery of remuneration of Mr. Kishore Kumar Mohanty, Managing Director of the Company for the period from 1st January 2014 to 30th September 2014<br>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<br>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. Kishore Kumar Mohanty as the Managing Director of the Company for a further period of two years w.e.f. 12th April 2017.<br>b. Approval of waiver of recovery of remuneration of Mr. Kishore Kumar Mohanty, Managing Director of the Company for the period from 1st April 2016 to 31st March 2017. |
| 17th | 1st April 2017 to 31st March 2018 | 20th September 2018 | 11.00 a.m. | Hotel Kohinoor Park, Empress Hall, 1st Floor, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai-400025. | Payment of commission to Non-Executive directors in such manner that the overall commission shall not exceed 1% (one per cent) of the net profits of the Company in any financial year. |

## 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.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A certificate has been received from Mr. Veeraraghavan N., Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

## 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 Regulation33 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/- |
| 1st April, 2016 to 31st March, 2017 | 1,978,661/- | 2,275,911/- |
| 1st April, 2017 to 31st March, 2018 | 70,000/- | Nil |
| **Total** | **2,083,661/-** | **2,316,161/-** |

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

## TOTAL FEES PAID TO STATUTORY AUDITORS

M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) are the Statutory Auditors of the Company. The particulars of payment of fees to the Statutory Auditors', on consolidated basis is given below:

| Particulars | Amount (in ₹) |
|---|---|
| Services as statutory auditors (including quarterly audits) | 18,00,000 |
| Limited Review Fees | 6,00,000 |
| **Total** | **24,00,000** |

## DISCLOSURES RELATED TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has not received any complaints relating to sexual harassment of women during the financial year 2018-19. No complaints were pending as at end of the financial year.

## 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

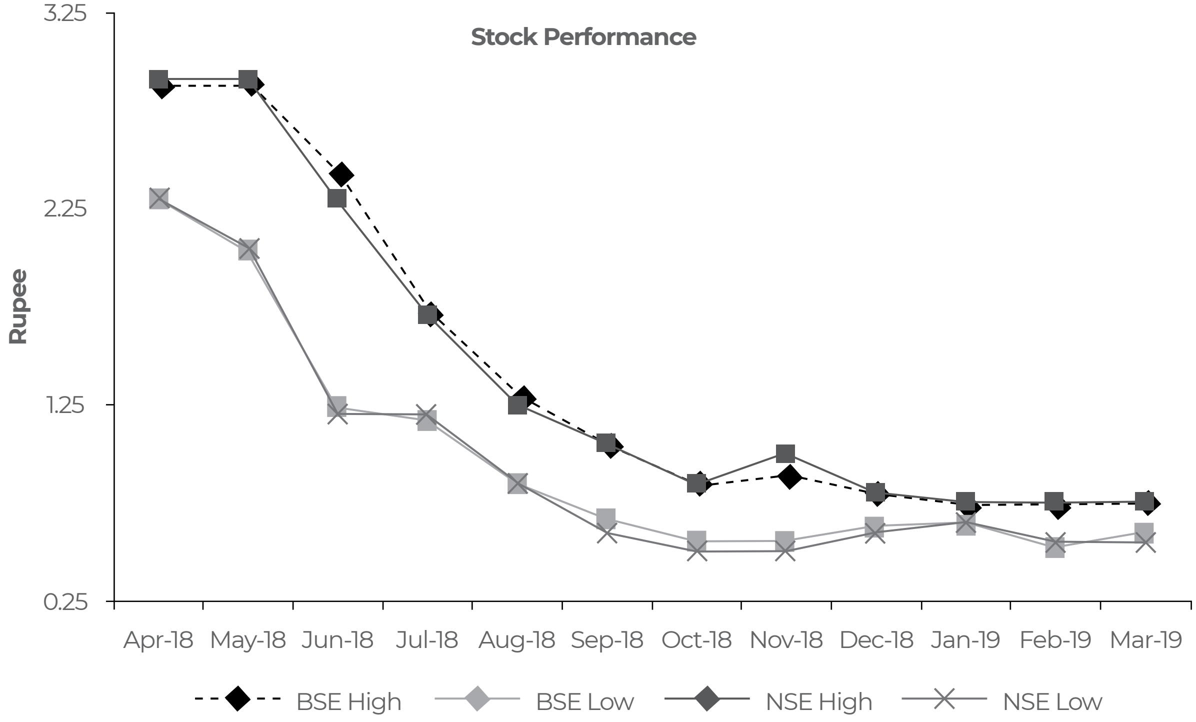
The quarterly, half-yearly and annual results are published in the newspapers. During the financial year, the Company had published the results in Business Standard (Mumbai, Delhi and Kolkata editions) and Free Press Journal (English) and Nav Shakti times (Marathi). The said results are also displayed 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.

| | |
|---|---|
| **Annual General Meeting**<br>Day, Date, Time and Venue | Monday, September 30, 2019 at 11.00 a.m.<br>Hotel Kohinoor Park, Empress Hall, 1st Floor, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai-400025. |
| **Financial Calendar**<br>First quarterly results<br>Second quarterly results<br>Third quarterly results<br>Year ending March, 2020 | <br>August 31, 2019<br>On or before November 14, 2019<br>On or before February 14, 2020<br>On or before May 30, 2020 |
| **Dividend Payment Date** | The Company has not recommended any dividend for the financial year |
| **Registered Office and CIN** | Orbit Plaza CHS Limited, 5th Floor, Plot No. 952 / 954, New Prabhadevi Road, Prabhadevi, Mumbai – 400 025<br>CIN:L45203MH2001PLC131728 |
| **Phone, Fax, E-mail** | Phone (022) 67487200; Fax (022) 67487201; E-mail: compliances@gammoninfra.com;<br>Website: www.gammoninfra.com |
| **Plant Location** | None |
| **Registrar and Share Transfer Agents** | Link Intime India Private Limited<br>C-101, 247, Lal Bahadur Shastri Marg<br>Gandhi Nagar, Vikhroli West<br>Mumbai – 400 083 |
| **Listing on the Stock Exchanges**<br>**ISIN** | The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)<br>The Annual listing fees have been paid to both the Stock Exchanges.<br>BSE: 532959 and NSE: GAMMNINFRA<br>INE181G0102 |

Stock market price data for the period: 01.04.2018 to 31.03.2019

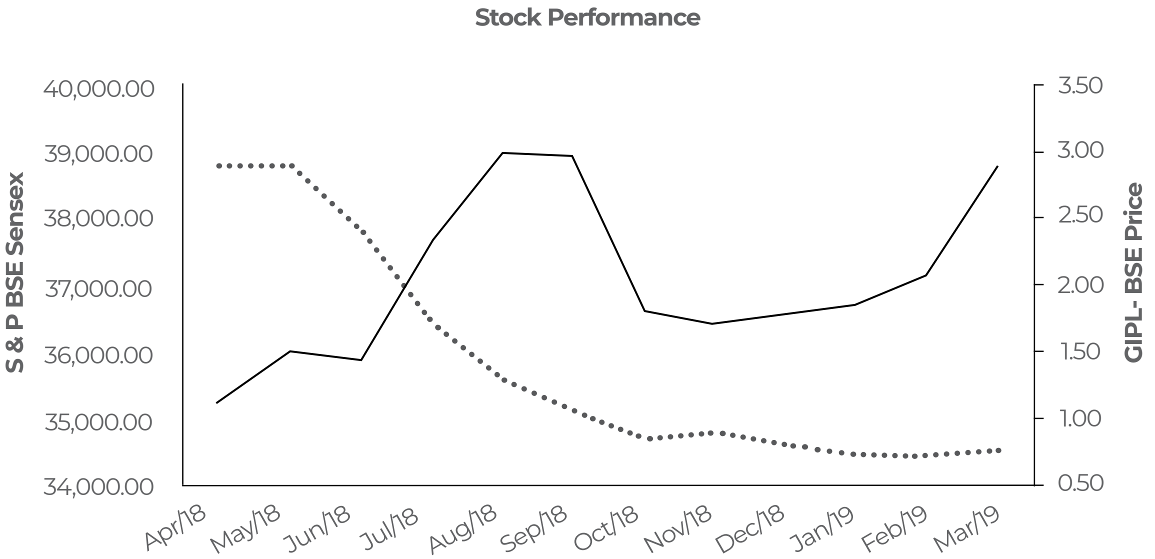
| Month | National Stock Exchange of India Ltd | | BSE Limited | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2018 | 2.90 | 2.30 | 2.88 | 2.30 |
| May 2018 | 2.90 | 2.05 | 2.89 | 2.03 |
| June 2018 | 2.30 | 1.20 | 2.42 | 1.23 |
| July 2018 | 1.70 | 1.20 | 1.71 | 1.17 |
| August 2018 | 1.25 | 0.85 | 1.29 | 0.85 |
| September 2018 | 1.05 | 0.60 | 1.04 | 0.66 |
| October 2018 | 0.85 | 0.50 | 0.84 | 0.55 |
| November 2018 | 1.00 | 0.50 | 0.89 | 0.55 |
| December 2018 | 0.80 | 0.60 | 0.80 | 0.63 |
| January 2019 | 0.75 | 0.65 | 0.73 | 0.64 |
| February 2019 | 0.75 | 0.55 | 0.72 | 0.53 |
| March 2019 | 0.75 | 0.55 | 0.75 | 0.59 |

**GIPL Comparative High Low price on NSE & BSE - Graph**



### Share Price Performance in comparison to S&P BSE Sensex

| Month - Year | GIPL – BSE Prices | S&P BSE Sensex |
|---|---|---|
| April 2018 | 2.88 | 35,213.30 |
| May 2018 | 2.89 | 35,993.53 |
| June 2018 | 2.42 | 35,877.41 |
| July 2018 | 1.71 | 37,644.59 |
| August 2018 | 1.29 | 38,989.65 |
| September 2018 | 1.04 | 38,934.35 |
| October 2018 | 0.84 | 36,616.64 |
| November 2018 | 0.89 | 36,389.22 |
| December 2018 | 0.80 | 36,554.99 |
| January 2019 | 0.73 | 36,701.03 |
| February 2019 | 0.72 | 37,172.18 |
| March 2019 | 0.75 | 38,748.54 |




### Share Transfer System

The SRC 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, 2019**

| No. of Equity Shares | Shareholders | | No. of Shares | % of Total |
|---|---|---|---|---|
| | Number | % to Total | | |
| 1- 500 | 28791 | 40.1778 | 5767258 | 0.6123 |
| 501 – 1000 | 12566 | 17.5358 | 10395507 | 1.1038 |
| 1001 – 2000 | 9061 | 12.6446 | 14188722 | 1.5065 |
| 2001 – 3000 | 4790 | 6.6844 | 12499771 | 1.3272 |
| 3001 – 4000 | 2090 | 2.9166 | 7662669 | 0.8136 |
| 4001 – 5000 | 3019 | 4.2130 | 14673961 | 1.5580 |
| 5001 – 10000 | 4990 | 6.9635 | 40018531 | 4.2490 |
| 10001 and above | 6352 | 8.8642 | 836624305 | 88.8296 |
| **Total** | **71659** | **100.00** | **941830724** | **100.00** |

**Shareholding Pattern as on March 31, 2019**

| Category | Number of Shares Held | % of capital |
|---|---|---|
| **A) Promoter's Holding** | | |
| **1. Indian** | | |
| Individual/HUF | Nil | Nil |
| Central/State Government | Nil | Nil |
| Bodies Corporate | 193999800 | 20.60 |
| 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)** | **193999800** | **20.60** |
| **B) Public Holding** | | |
| **1. Institutions** | | |
| Mutual Funds and UTI | 11829652 | 1.26 |
| Banks/ Financial Institutions | 176215026 | 18.71 |
| Insurance Companies (Central / State Government Institutions / Non – Government Institutions) | Nil | Nil |
| Foreign Portfolio Investor | 10225295 | 1.09 |
| Venture Capital Funds | Nil | Nil |
| **Sub – Total (B)(1)** | **198269973** | **21.05** |

| Category | Number of Shares Held | % of capital |
|---|---|---|
| **2. Non Institutions** | | |
| Bodies Corporate | 95553112 | 10.15 |
| Individuals | | |
| (i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh | 208324655 | 22.12 |
| (ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh | 202654201 | 21.52 |
| Any other (Central Government) | 3000 | 0.00 |
| (i) NRIs / OCBs / Foreign Nationals | 16056770 | 1.70 |
| (ii) Directors & Relatives | 2655339 | 0.28 |
| (iii) Clearing Member | 10620424 | 1.13 |
| (iv) Office Bearers | 1323071 | 0.14 |
| (v) Trusts | 1515 | 0.00 |
| (vi) Hindu Undivided Family | 12368864 | 1.31 |
| **Sub – Total (B) (2)** | **549560951** | **58.35** |
| **Sub – Total (B) (1+2)** | **747830924** | **79.40** |
| Shares held by Custodians and against which Depository Receipts have been received | **Nil** | **Nil** |
| **GRAND TOTAL** | **941830724** | **100.00** |

**Dematerialization of Shares**

The break- up of Company's shares in physical / dematerialized form as on 31st March, 2019 is as under:

| Particulars | No. of Equity Shares | % to Share Capital |
|---|---|---|
| **Electronic** | 941828120 | 99.99972 |
| Physical | 2604 | 0.00028 |
| **Total** | **941830724** | **100.00** |

The free float of the Company as on 31st March, 2019 is 79.40%.

**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 01.04.2018 | 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 31.03.2019 | 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 & Compliance Officer

Gammon Infrastructure Projects Limited

Orbit Plaza CHS Limited, 5th Floor, Plot No. 952 / 954,

New Prabhadevi Road, Prabhadevi, Mumbai – 400 025

Telephone: 022-67487200

The Company has following separate email ID for Investor's grievances compliances@gammoninfra.com

**Compliance with Mandatory/Non-Mandatory Requirements**

The Company has complied with all the mandatory requirements of corporate governance specified in SEBI Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and are being reviewed from time to time.

Mumbai, August 31, 2019

**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, 2019.

**Kishore Kumar Mohanty**
Managing Director

Mumbai, August 31, 2019

# Independent Auditor’s Report

**To**
**The Members of**
**Gammon Infrastructure Projects Limited**

**Report on the Audit of the Consolidated Financial Statements**

## Qualified Opinion

We have audited the accompanying Consolidated 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”), its Associates and Jointly Controlled Entities, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the “Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019 and consolidated loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## Basis for Qualified Opinion

a) Attention is invited to Note 33 (a) to the Consolidated Ind AS Financial Statements in respect of tolling bridge project in Andhra Pradesh where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of ₹ 1,12,337 lacs as termination payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon’ble National Company Law Tribunal (NCLT). Total Exposure of the Group is ₹ 99,325.41 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders we are unable to comment on the possible impairment required against the exposure of the Company.

b) Attention is invited to Note 33 (b) to the Consolidated Ind AS Financial Statements, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the Group in the SPV/project is ₹ 69,570.74 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. The Company has also received notice to invoke pledged shares against which the Company is in active discussions with bank. Pending conclusion of matters of material uncertainty related to the project, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.

c) Attention is invited to Note no. 34 to 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 ₹ 4,884.10 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 ₹ 320.38 lacs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

## Material Uncertainty relating to Going Concern

We invite attention to Note 33 of the Consolidated Ind AS Financial Statements for the year ended March 31, 2019, wherein status of various SPV projects which are stressed due to delay in completion, cost overrun, liquidity crunch and have legal issues, arbitration proceedings or negotiations. The successful progress and completion depend on favourable decisions on outstanding litigations being received by the Management. We also invite attention to Note 36 of the Statement where the Company has stated that as of March 31, 2019 the Company's current liabilities exceeded current assets by ₹ 192562.94 lacs. There is a continuing mismatch including defaults in payment of its financial obligations to its subsidiary Company. These conditions, along with the fact of the Auditors' Report of some of the SPV carrying a separate paragraph on Material Uncertainty related to Going Concern referred to in Note 36 of the Statement, indicate the existence of Material Uncertainty which may impact 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. Attention is invited to Note no 33 (c) of the Statement, relating to slow progress of work for one of the road project at Madhya Pradesh. These delays have resulted in increase in project cost resulting in cost overrun in the project. The SPV has also received the cure period notice from MPRDC in terms of defaults under the Concession Agreement for delay, no-project work and maintenance work being carried out at site, and to clear the defaults against which the company has submitted their response. The credit facility of the SPV has been marked as NPA by the lenders. Total exposure of the Company is the SPV/Project is ₹ 97,108.47 lacs. The Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. We have relied on the management assertion on this matter. The management also believes that the project would achieve PCOD in a short time.

b. We invite attention to Note 33 (d) 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 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 SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company in the SPV is ₹ 1,24,618.78 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

c. We invite attention to Note 33 (e) 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. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

d. We invite attention to Note 33 (f) 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 SPV has received a letter from GoHP dated September 4, 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The Company's exposure towards the said project includes investment and loans and advances of ₹ 6,787.12 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

e. We invite attention to Note no 33 (g) 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 Company in the SPV is ₹ 10,828.57 lacs.

f. We invite attention to Note no 35 of the Consolidated Ind AS Financial Statements, wherein during the previous 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.

## Key Audit Matters

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

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

## Other Information

The Holding Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the Report of the Board of Directors, Corporate Information, Company at a Glance, Message from Chairman, Management Discussion and Analysis, Report on Corporate Governance and other Information and data required by the provisions of Companies Act but does not include the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

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

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

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities is responsible for assessing the ability of the Group and of its Associates and Jointly Controlled Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are also responsible for overseeing the financial reporting process of the Group and of its Associates and Jointly Controlled Entities.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Other Matters

a. We did not audit the financial statements / financial information of 26 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 5,08,610.90 lacs as at 31st March, 2019, total revenues of ₹ 53,478.61 lacs and net cash flows amounting to ₹ 466.74 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 include the Group's share of net profit/loss of ₹ 19.55 Lacs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 1 jointly controlled entity and 1 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a. We / the other auditors whose reports have relied upon have sought obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

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

d. In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f. The matters described in paragraphs under the Basis for Qualified Opinion and Material Uncertainty Relating to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Group.

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

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 32 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses. The Group has not entered into any derivative contracts;

iii. 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 companies, associate companies and jointly controlled companies incorporated in India.

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

**K.N. Padmanabhan**
Partner
M. No. 36410
Mumbai, Dated: May 29, 2019

# Annexure A To Auditor's 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")**

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Gammon Infrastructure Projects Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries, joint venture and associate, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding 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 internal financial controls with reference to financial statements of the Holding Company, Subsidiaries, Associates and Jointly controlled entities, which are companies incorporated in India, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 Financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company, its subsidiaries, associates and jointly controlled entities, 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, 2019, based on the internal control over financial reporting criteria established by the Holding 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 with reference to financial statements in so far as it relates to financial statements of 26 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

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

**K.N. Padmanabhan**
Partner
M. No. 36410
Mumbai, Dated: May 29, 2019

# Consolidated Balance Sheet
## as at March 31, 2019

(₹ in lacs)

| Particulars | | | Note Ref | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **Non-Current Assets** | | | | |
| | (a) | Property, Plant and Equipment | 2 | 22,312.04 | 23,800.18 |
| | (b) | Capital Work in progress | 3 | 8,936.86 | 8,957.91 |
| | (c) | Goodwill on consolidation | 4 | 2,131.48 | 4,533.79 |
| | (d) | Intangible Assets | 5 | 1,83,150.42 | 2,58,602.43 |
| | (e) | Intangible Assets under development | 6 | 93,600.82 | 91,974.52 |
| | (f) | Financial Assets | 7 | | |
| | | (i) Investments | 7.1 | 155.94 | 0.50 |
| | | (ii) Trade Receivables | 7.2 | - | - |
| | | (iii) Loans | 7.3 | 392.16 | 417.56 |
| | | (iv) Others | 7.4 | 98,646.70 | 1,06,142.54 |
| | (g) | Deferred Tax assets (net) | 8 | 4,398.60 | 3,819.74 |
| | (h) | Other Non Current Assets | 9 | 11,324.43 | 8,255.87 |
| **Total Non - Current Assets (A)** | | | | **4,25,049.45** | **5,06,505.04** |
| **(2)** | **Current Assets** | | | | |
| | (a) | Inventories | 10 | 729.67 | 658.01 |
| | (b) | Financial Assets | 7 | | |
| | | (i) Investments | 7.1 | 4,370.13 | 4,515.86 |
| | | (ii) Trade Receivables | 7.2 | 26,092.29 | 18,521.41 |
| | | (iii) Cash and cash equivalents | 9.5 | 1,116.83 | 5,008.87 |
| | | (iv) Bank balance other than above | 9.6 | 3,817.05 | 39.74 |
| | | (v) Loans | 7.3 | 473.09 | 372.66 |
| | | (vi) Others | 7.4 | 21,079.62 | 21,761.23 |
| | (c) | Other Current Assets | 11 | 2,278.71 | 7,808.12 |
| | (d) | Assets Held For Sale | 11 | 18.00 | - |
| **Total Current Assets (B)** | | | | **59,975.39** | **58,685.90** |
| **Total Assets (A+B)** | | | | **4,85,024.84** | **5,65,190.94** |
| | | **EQUITY AND LIABILITIES** | | | |
| **(1)** | **Equity** | | | | |
| | (a) | Equity Share capital | 12 | 18,917.64 | 18,917.64 |
| | (b) | Other Equity | 13 | 16,519.40 | 31,925.45 |
| **Equity attributable to equity holders of the parent** | | | | **35,437.04** | **50,843.09** |
| | (c) | Non-Controlling interests | | (4,015.47) | 1,428.85 |
| **Total Equity (A)** | | | | **31,421.57** | **52,271.94** |
| **(2)** | **Non-Current Liabilities** | | | | |
| | (a) | Financial Liabilities | 14 | | |
| | | (i) Borrowings | 14 | 1,45,796.00 | 2,41,960.31 |
| | | (ii) Other Financial Liabilities | 14.2 | 5,232.77 | 77,905.81 |
| | (b) | Provisions | 15 | 4,260.40 | 3,467.71 |
| | (c) | Deferred Tax Liabilities (Net) | 16 | 708.82 | 6,366.32 |
| | (d) | Other Non-Current Liabilities | 17 | 45,066.95 | 46,075.93 |
| **Total Non-Current Liabilities (B)** | | | | **2,01,064.94** | **3,75,776.08** |
| **(3)** | **Current Liabilities** | | | | |
| | (a) | Financial Liabilities | 14 | | |
| | | (i) Borrowings | 14.3 | 7,398.98 | 7,653.16 |
| | | (ii) Trade Payables | | | |
| | | Total outstandng dues of Micro & Small Enterprise | | - | - |
| | | Total outstandng dues of creditors other than Micro & Small Enterprise | 14.4 | 18,947.74 | 16,837.35 |
| | | (iii) Other Financial Liabilities | 14.2 | 2,19,806.41 | 1,07,858.34 |
| | (b) | Provisions | 15 | 520.59 | 382.65 |
| | (c) | Current tax liabilities | 18 | 2,217.63 | 2,316.29 |
| | (d) | Other Current Liabilities | 17 | 3,646.98 | 2,095.13 |
| | **Total Current Liabilities (C)** | | | **2,52,538.33** | **1,37,142.92** |
| | Significant Accounting policies and Other related Notes | | 1 | | |
| **TOTAL EQUITY AND LIABILITIES (A+B+C)** | | | | **4,85,024.84** | **5,65,190.94** |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Consolidated Statement of Profit & Loss

## for year ended March 31, 2019

(₹ in lacs)

| | Particulars | Note Ref | 2018-19 | 2017-18 |
|---|---|---|---|---|
| I | **Revenue from Operations** | 19 | 49,671.80 | 62,474.27 |
| II | **Other Income:** | 20 | 3,003.39 | 1,827.61 |
| III | **Total Income (I +II )** | | **52,675.19** | **64,301.88** |
| IV | **Expenses:** | | | |
| | Project expenses | 21 | 17,025.69 | 27,971.19 |
| | Purchase of traded goods | | - | 144.20 |
| | Changes in inventory | 22 | 2,421.24 | 2,289.55 |
| | Employee benefit expenses | 23 | 2,321.93 | 2,206.53 |
| | Depreciation & amortization | 24 | 10,874.67 | 8,724.22 |
| | Finance Costs | 25 | 36,128.43 | 33,992.90 |
| | Other expenses | 26 | 7,991.21 | 5,419.71 |
| | **Total Expenses** | | **76,763.17** | **80,748.30** |
| V | **Profit / (Loss) before share of profit / (loss) of an associate / a joint venture and exceptional Items (III-IV)** | | (24,087.98) | (16,446.42) |
| VI | Share of profit / (loss) of an associate and joint venture | | 19.55 | - |
| VII | **Profit / (Loss) before exceptional Item and tax (V+VI)** | | **(24,068.43)** | **(16,446.42)** |
| VIII | **Exceptional items Income / (Expense)** | 27 | (2,402.31) | (520.00) |
| IX | **Profit /(loss) before tax (VII+VIII)** | | **(26,470.74)** | **(16,966.42)** |
| X | Tax expenses | 28 | - | 176.75 |
| | *Current Tax* | | 784.00 | 1,315.64 |
| | **Taxation for earlier years** | | (24.66) | 633.84 |
| | **Deferred Tax Liability / (asset)** | | (6,236.35) | (362.09) |
| | **Total tax expenses** | | **(5,477.01)** | **1,587.39** |
| XI | **Profit/(Loss) for the period** | | **(20,993.73)** | **(18,553.81)** |
| XII | Other Comprehensive Income | | | |
| | **Items that will not be reclassified subsequently to profit or loss** | | | |
| | **Remeasurement of defined benefit plans** | | 6.96 | (14.51) |
| | **Tax impact thereon** | | - | 2.87 |
| | **Other comprehensive income /(loss) for the period** | | **6.96** | **(11.64)** |
| XIII | **Total Comprehensive income/(loss) for the period (XI+XII)** | | **(20,986.77)** | **(18,565.45)** |
| | Profit/(Loss) attributable to: | | | |
| | Owners of the Company | | (15,549.95) | (14,567.53) |
| | Non-Controlling Interest | | (5,443.77) | (3,986.28) |
| | Other Comprehensive Income attributable to: | | | |
| | Owners of the Company | | 7.51 | (11.98) |
| | Non-Controlling Interest | | (0.55) | 0.34 |
| | Earnings per equity share [nominal value of share ₹ 2/-] | 29 | | |
| | Basic (₹) | | (1.65) | (1.55) |
| | Diluted (₹) | | (1.65) | (1.55) |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Consolidated Cash Flow Statement

**for year ended March 31, 2019**

(All figures are in Lakhs unless otherwise stated)

| | Particulars | For the Financial Year ended March 31, 2019 | For the Financial Year ended March 31, 2018 |
|---|---|---|---|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | **Net profit before tax as per statement of profit and loss** | -26,470.72 | -16,966.42 |
| | **Adjusted for:** | | |
| | Share of (Profit) / Loss of Associates and Joint Ventures | -19.55 | 0.00 |
| | Provision for loans and advances | 1,196.89 | 1,000.00 |
| | Employee Stock Option Outstanding | | 0.72 |
| | Remeasurement gain/(loss) on defined benefit plans | 6.96 | -11.98 |
| | Depreciation | 10,874.67 | 8,724.22 |
| | Finance Income | -10,195.27 | -11,924.09 |
| | Interest Income | -318.28 | -683.33 |
| | Fair value/profit on investment | -262.92 | -239.64 |
| | Provision for periodic/operation and maintenance exp | | 890.21 |
| | Profit on Sale of Assets | -1.36 | -1.18 |
| | Gain on Mutual Fund investment | -78.10 | -139.81 |
| | Sundry Balances Write Back | -1,482.13 | -43.20 |
| | Project expenses pending settlement written off | 845.32 | |
| | Net loss on termination of SCA | 1,376.59 | |
| | Finance Cost | 36,128.43 | 33,992.91 |
| | Impairment of goodwill | 2,402.31 | 0.00 |
| | Loss on sale of investments | | 19.35 |
| | Operating Profit before Working Capital Changes | 14,002.83 | 14,617.75 |
| | **Adjusted for:** | | |
| | Trade and Other Receivables | 10,796.69 | 15,044.41 |
| | Inventories | -71.66 | 622.65 |
| | Trade and Other Payables | 4,334.37 | 8,799.94 |
| | Cash Generated from operations | 29,062.23 | 39,084.75 |
| | Tax Paid (Net) | -1,264.54 | -1,681.32 |
| | Net Cash flow from Operating Activities | 27,797.68 | 37,403.43 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Tangible and Intangible Assets | -3,529.16 | -16,271.90 |
| | Proceeds from sale of property, plant and equipment | **875.28** | **23.66** |
| | Purchase of Current Investment | **0.00** | **-6,389.46** |
| | Payment for further Investment in subsidiary | 0.00 | -15.52 |

| Particulars | For the Financial Year ended March 31, 2018 | For the Financial Year ended March 31, 2017 |
|---|---|---|
| Proceeds from sale of Current Investments | 486.74 | 15,389.70 |
| Sales proceeds from divestment of subsidiary | 0.00 | 0.40 |
| Movement in Other Bank Balances | -4,227.74 | -79.43 |
| Interest Received | 362.69 | 905.09 |
| Net Cash Flow (Used in) Investing Activities | -6,032.20 | -6,437.46 |
| **C CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Share Application Money | 0.00 | -1,500.00 |
| Proceeds from Long Term Borrowings | **5,140.17** | **4,605.67** |
| Repayment of Long Term Borrowings | **-6,390.39** | **-6,322.12** |
| Short Term Borrowings net | -254.18 | 531.76 |
| Interest Paid | -24,163.15 | -27,909.56 |
| Net Cash Flow from/(Used in) financing activities | -25,667.55 | -30,594.26 |
| Net (decrease )in Cash and Cash equivalents | -3,892.07 | 371.71 |
| Opening balance of Cash and Cash equivalents | **5,008.87** | **3,018.87** |
| Cash balance acquisition during the year | **0.00** | **1,618.29** |
| Closing balance of Cash and Cash equivalents | **1,116.83** | **5,008.87** |
| Components of Cash and Cash Equivalents | | |
| Cash on hand | 36.60 | 29.06 |
| cash with bank | **1,080.23** | **4,979.81** |
| | **1,116.83** | **5,008.87** |

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

Place : Mumbai
Dated ; May 29, 2019

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

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

# Notes to Financial Statements
**for year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

## Statement of changes in equity
### A Equity

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | 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 | 94,18,30,724 | 18,836.61 |
| Changes in equity share capital during the year | | | | |
| - issued during the reporting period | - | - | - | - |
| | **94,18,30,724** | **18,836.61** | **94,18,30,724** | **18,836.61** |
| **Add:** | | | | |
| Shares forfeited | **1,62,050** | **81.03** | **1,62,050** | **81.03** |
| **Balance at the end of Reporting period** | **94,19,92,774.00** | **18,917.64** | **94,19,92,774.00** | **18,917.64** |

### B Other Equity

| Particulars | Retained Earnings | General Reserve | Security Premium Reserve | Employee Stock Option Outstanding | Total | Non Controling interest |
|---|---|---|---|---|---|---|
| **Balance as at 31 March 2017** | **(10,029.54)** | **23.95** | **56,369.47** | **10.80** | **46,374.68** | **4,943.04** |
| Profit for the year | (14,567.53) | | | | (14,567.53) | (3,986.28) |
| Adjustment: | | | | | - | |
| Opening reserves effects | | | | | - | |
| Remeasurement gain/(loss) on defined benefit plans | (11.98) | | | | (11.98) | 0.34 |
| Charge for the period | | | | 0.72 | 0.72 | |
| On acquisition of subsidiary | 129.56 | | | | 129.56 | 471.75 |
| **Balance as at 31 March 2018** | **(24,479.49)** | **23.95** | **56,369.47** | **11.52** | **31,925.45** | **1,428.85** |
| Profit for the year | (15,549.95) | | | | (15,549.95) | (5,443.77) |
| Share of profit of Associates of earlier years now accounted on receipt of financials | 136.39 | | | | 136.39 | |
| **Adjustment:** | | | | | | |
| Preaquisition reserve | - | | | | - | |
| Remeasurement gain/(loss) on defined benefit plans net of tax | 7.51 | | | | 7.51 | (0.55) |
| Charge for the period | | | | - | - | |
| **Balance as at 31 March 2019** | **(39,885.54)** | **23.95** | **56,369.47** | **11.52** | **16,519.40** | **(4,015.47)** |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

## Note 1 : Significant Accounting policies and Other Related Disclosures

### 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.

The financial statements were authorised for issue in accordance with the resolution passed at the meeting of the board of directors on May 29, 2019.

### B Recent accounting pronouncements

#### I Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

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

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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

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

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

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

- **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:"**

  On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

  The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

  The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

  The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- **Amendment to Ind AS 12 – Income taxes:**

  On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

  The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

  Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**III Amendment to Ind AS 19 Plan amendment, curtailment or settlement"**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and"
2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling."

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**IV Ind AS 109 – Prepayment Features with Negative Compensation**

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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



### V Ind AS 23 – Borrowing Costs

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

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

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

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

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

## C 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 Lakhs, 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

### Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2019.

### 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.

(All figures are in Lakhs unless otherwise stated)

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.

**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, 2019 | As on March 31, 2018 |
| 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% |
| 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% |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| Sr No | Name of the Entity | Relationship | Proportion of ownership interest either directly or indirectly | |
|---|---|---|---|---|
| | | | As on March 31, 2019 | As on March 31, 2018 |
| 11 | Marine Project Services Limited ('MPSL') | Subsidiary | 100.00% | 100.00% |
| 12 | Patna Highway Projects Limited ('PHPL') | Subsidiary | 100.00% | 100.00% |
| 13 | Rajahmundry Godavari Bridge Limited ('RGBL') | Subsidiary | 71.43% | 71.43% |
| 14 | Sidhi Singrauli Road Project Limited ('SSRPL') | Subsidiary | 100.00% | 100.00% |
| 15 | Tada Infrastructure Development Company Limited ('TIDCL') | Subsidiary | 100.00% | 100.00% |
| 16 | Tidong Hydro Power Limited ('THPL') | Subsidiary | 51.00% | 51.00% |
| 17 | Vizag Seaport Private Limited ('VSPL') | Subsidiary | 73.76% | 73.76% |
| 18 | Yamunanagar Panchkula Highway Private Limited ('YPHPL') | Subsidiary | 100.00% | 100.00% |
| 19 | Youngthang Power Ventures Limited ('YPVL') | Subsidiary | 100.00% | 100.00% |
| 20 | Vijayawada Gundugolanu Road Project Private Limited ('VGRPPL') | Subsidiary | 100.00% | 100.00% |
| 21 | Pravara Renewable Energy Limited ('PREL') | Subsidiary | 100.00% | 100.00% |
| 22 | Sikkim Hydro Power Ventures Limited ('SHPVL') | Subsidiary | 100.00% | 100.00% |
| 23 | Indira Container Terminal Private Limited ('ICTPL') | Subsidiary | 74.00% | 74.00% |
| 24 | Ras Cities and Townships Private Limited ('RCTPL') | Step-down subsidiary | 100.00% | 100.00% |
| 25 | Chitoor Infrastructure Company Private Limited ('CICPL') | Step-down subsidiary | 100.00% | 100.00% |
| 26 | Earthlink Infrastructure Projects Private Limited ('EIPPL') | Step-down subsidiary | 100.00% | 100.00% |
| 27 | Segue Infrastructure Projects Private Limited ('SIPPL') | Step-down subsidiary | 100.00% | 100.00% |
| 28 | Eversun Sparkle Maritimes Services Private Limited ('ESMSPL') | Associate | 30.90% | 30.90% |
| 29 | 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.

(All figures are in Lakhs unless otherwise stated)

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

| Sr. No. | Particulars | As at 31-03-2019 | | | As at 31-03-2018 | | |
|---|---|---|---|---|---|---|---|
| | | Equity shares Nos. | Amount paid | Beneficial interest % | Equity shares Nos. | Amount paid | Beneficial interest % |
| 1 | CICPL | 10,000 | 1,00,000 | 100% | 10,000 | 1,00,000 | 100% |
| 2 | EIPPL | 10,000 | 1,00,000 | 100% | 10,000 | 1,00,000 | 100% |
| 3 | SIPPL | 10,000 | 1,00,000 | 100% | 10,000 | 1,00,000 | 100% |
| 4 | THPL | 25,500 | 2,55,000 | 51% | 25,500 | 2,55,000 | 51% |

(vi) 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.

## D Use of judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

## E Summary of significant accounting policies

### I 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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## II Revenue Recognition

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative catch up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

### 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.

### ii) Operation and Maintenance 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.

### iii) Service Concession Arrangements

In accordance with the principal laid down in Appendix C to the Ind AS 115, revenue from Construction service are recognized in exchange for grant of tolling rights, accounted at the fair value of service rendered.

### iv) Tolling Income

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

### v) Annuity Income

The Group has recorded the project on “”annuity basis”” in accordance with the requirement of Appendix C of service concession arrangements of Ind AS 115.

For Recognition of Revenue , the Group has identified its performance obligation as Construction Services activity, Operations and maintenance and Major maintenance .

The Group is in the Contruction Phase and the Construction income is recognised over time based on the progess of the work i.e., cost incurred during the period and margin on the  Construction Activity.

Maintenance after COD date till the tenure of the Project will be recognised  over time proportionately over the concession period on the basis of the allocation of the transaction price over this performance obligation.

Finance income is recognised on the basis of the IRR considered in the project.

The Group has recognized “”Contract Asset”” as  financial asset as per Service Concession Agreement.

**vi) Developer fees & other advisory services:**

Revenue on Developer Fees is recognized on an accrual basis.

**vii) Revenue from power projects**

Revenue is recognised at point in time when the performance obligation with respect to Sale of Electricity and steam is being rendered to the Customers which is the point in time when the customer receives the service. Revenue from Sale of Electricity is recognized on output basis when the generated units are wheeled to the user and the metered units are billed at the contracted rates.

The billing schedules agreed with customers include periodic performance-based payments. Invoices are payable within contractually agreed credit period.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

**viii) Revenue from Port Operations**

Revenue is recognised at point in time when the performance obligation with respect to RORO operations is being rendered to the Customers which is the point in time when the customer receives the service. Revenue from cargo handling service is recognized on output basis measured from cargo discharge to dispatch cycle.

**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**

GrantAs 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:**

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.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**xiii) Financial guarantee income**

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

**d) Property, Plant and Equipment (PPE)**

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

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

iii) Borrowing costs on Property, Plant and 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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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.

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.

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.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**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.

**w) Financial instruments**

**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.

**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.

**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.

**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 statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**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.

(All figures are in Lakhs unless otherwise stated)

## 2 Property Plant and Equipment

| Particulars | Free-hold Land | Lease-hold Land | Build-ings | "Plant & Machin-ery" | Furni-ture & Fix-tures | Office Equip-ment's | Com-puters | Motor Vehi-cles | Lease-hol im-prove-ments | Con-tainer yard | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost or valuation | | | | | | | | | | | |
| **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 (including Acquisition) | 5.80 | - | 357.45 | 488.97 | 27.31 | 63.69 | 80.45 | 164.82 | - | 135.57 | 1,324.05 |
| 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** | **98.13** | **203.70** | **321.84** | **270.88** | **86.83** | **135.57** | **28,213.61** |
| Additions | - | - | - | - | 0.55 | 10.94 | 16.50 | 27.96 | - | | 55.96 |
| Sales/Disposals/Adjustments | - | - | - | - | 3.30 | 18.68 | 58.55 | 10.37 | - | | 90.91 |
| Transferred to Asset Held For Sale | | | | 79.94 | | | | | | | 79.94 |
| **As at March 31, 2019** | **497.04** | **1,891.78** | **4,572.45** | **20,055.45** | **95.38** | **195.96** | **279.78** | **288.47** | **86.83** | **135.57** | **28,098.72** |
| Depreciation | | | | | | | | | | | |
| **As at March 31, 2017** | - | - | 261.90 | 1,516.02 | 35.24 | 68.00 | 235.42 | 127.99 | 86.83 | - | 2,331.40 |
| Charge for the period (including Acquisition) | - | - | 537.11 | 1,198.87 | 34.99 | 67.97 | 86.42 | 45.96 | - | 135.57 | 2,106.89 |
| 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** | **4,413.42** |
| Charge for the period | - | - | 203.54 | 1,265.61 | 6.12 | 11.79 | 9.98 | 25.15 | - | - | 1,522.20 |
| Sales/Disposals/Adjustments | - | - | - | - | 3.30 | 18.68 | 58.55 | 6.47 | - | - | 87.00 |
| Transferred to Asset Held For Sale | | | | 61.94 | - | - | - | - | - | - | 61.94 |
| **As at March 31, 2019** | **-** | **-** | **1,002.55** | **3,918.56** | **71.09** | **125.37** | **273.26** | **173.44** | **86.83** | **135.57** | **5,786.68** |
| Net Block Value | | | | | | | | | | | |
| **At 31st March 2019** | **497.04** | **1,891.78** | **3,569.90** | **16,136.90** | **24.30** | **70.59** | **6.52** | **115.03** | **0.00** | **-** | **22,312.04** |
| **At 31st March 2018** | **497.04** | **1,891.78** | **3,773.43** | **17,420.50** | **29.86** | **71.44** | **0.00** | **116.13** | **0.00** | **-** | **23,800.18** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



## 3 Capital Work in progress

| | As at | |
|---|---|---|
| | **March 31, 2019** | **March 31, 2018** |
| Engineering, Procurement and Construction costs | 4,259.16 | 4,277.79 |
| Financial Costs | 1,764.74 | 1,766.78 |
| Depreciation | 28.46 | 28.46 |
| Other Expenses | 2,884.50 | 2,884.88 |
| **Total capital work-in-progress** | **8,936.86** | **8,957.91** |

## 4 Goodwill on consolidation

| | As at | |
|---|---|---|
| | **March 31, 2019** | **March 31, 2018** |
| Goodwill on consolidation | 4,533.79 | 3,274.42 |
| Add : Goodwill on acquisition | - | 1,259.37 |
| Less : Impairment of Goodwill | (2,402.31) | - |
| Total | **2,131.48** | **4,533.79** |

## 5 Intangible assets

| **Particulars** | **Toll conces-sion rights"** | **Computer software** | **Port Rights** | **Total** |
|---|---|---|---|---|
| Cost or valuation | | | | |
| **As at 31 March 2017** | **1,75,393.04** | **22.50** | **23,797.18** | **1,99,212.72** |
| Additions/Acquistion during the year | - | 48.65 | 76,726.06 | 76,774.71 |
| Sales/disposals/adjustments | - | - | - | - |
| **As at March 31, 2018** | **1,75,393.04** | **71.16** | **1,00,523.24** | **2,75,987.43** |
| Additions | - | - | 917.60 | 917.60 |
| Sales/disposals/adjustments | - | - | 846.92 | 846.92 |
| **As at March 31, 2019** | **1,75,393.04** | **71.16** | **1,00,593.92** | **2,76,058.11** |
| Amortisation | | | | |
| **As at 31 March 2017** | **4,134.40** | **20.54** | **3,248.62** | **7,403.55** |
| Charge for the period | 2,018.70 | 50.61 | 7,912.14 | 9,981.44 |
| On sale/disposals/adjustments | - | - | - | - |
| As at March 31, 2018 | 6,153.09 | 71.16 | 11,160.75 | 17,385.00 |
| Charge for the period | 4,110.05 | - | 5,242.43 | 9,352.48 |
| Balance written off (refer note a(ii)) | 66,170.22 | - | - | 66,170.22 |
| On sale/disposals/adjustments | | | | - |

(All figures are in Lakhs unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **As at March 31, 2019** | **76,433.36** | **71.16** | **16,403.18** | **92,907.70** |
| Net Block | | | | |
| **At 31st March 2019** | **98,959.68** | **-** | **84,190.74** | **1,83,150.42** |
| **At 31st March 2018** | **1,69,239.95** | **-** | **89,362.49** | **2,58,602.43** |

**a. 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. On account of the termination of VGRPPL and in consideration of the full and final settlement with NHAI, the company has written off the toll collection rights during the year.

**b. Port Rights**

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

## 6 Intangible Assets under development

| Intangible Assets under development | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Contract expenditure - Engineering, Procurement & Construction ('EPC') | 70,394.75 | 71,575.10 |
| Developer's fees | 1,657.41 | 3,930.72 |
| Borrowing Cost | 19,865.05 | 14,506.02 |
| Depreciation | 12.92 | 13.43 |
| Other Expenses | 1,670.69 | 1,949.25 |
| **Total** | **93,600.82** | **91,974.52** |

The amount of borrowing costs capitalised during the period is Nil (2018: Nil).

### 7.1 Financial Assets - Investments

| | | As at | |
|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** |
| **A.** | **Non Current Investments** | | |
| | **Equity Instrument of Subsidiaries** | | |
| | **Beneficial Interest in Equity Shares of Subsidiaries** | | |
| | Equity instruments of Joint Venture Companies | 307.08 | 307.08 |
| | Equity instruments of Associate Companies | 160.83 | 167.73 |
| | Less: Provision for diminution in value of Investment | (311.97) | (474.82) |
| | Other Investment | 0.50 | 0.50 |
| | Less: Provision for diminution in value of Investment | (0.50) | - |
| | **Total** | **155.94** | **0.50** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| **B.** | **Current Investments** | | |
| | Investment in Mutual fund | 4,370.13 | 4,515.86 |
| | | **4,370.13** | **4,515.86** |
| | **Aggregate value of investments** | | |
| | Aggregate book value of unquoted investments | 155.94 | 0.50 |
| | Aggregate amount of quoted investments | 4,370.13 | 4,515.86 |
| | Market Value of Quoted Investment | 4,370.13 | 4,515.86 |

**Details of Non-current Investments**

| Name of body corporate | Extent of Holding | March 31, 2019 | | March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | | (%) | 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% | 30,51,808 | 305.18 | 30,51,808 | 305.18 |
| SEZ Adityapur Limited | | 38.00% | 19,000 | 1.90 | 19,000 | 1.90 |
| | | | | **307.08** | | **307.08** |
| **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 | 2.45 | 24,450 | 1.60 |
| Eversun Sparkle Maritimes Services Private Limited | | 30.90% | 21,43,950 | 155.94 | 21,43,950 | 164.47 |
| Modern Tollroads Limited | | 49% | 24,470 | 2.45 | 24,470 | 1.66 |
| | | | | **160.83** | | **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** |

(All figures are in Lakhs unless otherwise stated)

| Name of body corporate | Extent of Holding | March 31, 2019 | | March 31, 2018 | | |
|---|---|---|---|---|---|---|
| | | (%) | Nos | Amount | Nos | Amount |
| **Associates Companies** | | | | | | |
| ATSL Infrastructure Projects Limited | | | | 2.45 | | 1.60 |
| Eversun Sparkle Maritimes Services Private Limited | | | | - | | 164.47 |
| Modern Tollroads Limited | | | | 2.45 | | 1.66 |
| | | | | **4.89** | | **167.73** |

| Particulars | ATSL Infra | | ESMSPL | | Modern Tollroads Limited | |
|---|---|---|---|---|---|---|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| 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) | (78.01) | (49.92) | (0.79) | (0.79) |
| Add : Profit/(Losses) during the period | | - | 19.55 | | - | - |
| Add : Adjustments during the period | - | - | - | - | - | - |
| Closing balance of accumulated losses | **(0.85)** | **(0.85)** | **(58.46)** | **(49.92)** | **(0.79)** | **(0.79)** |
| Carrying amount of investment | **1.60** | **1.60** | **155.94** | **164.48** | **1.66** | **1.66** |

### B Details of Current Investments

| Particulars | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| Quoted | | | | |
| Investments carried at fair value through Profit and Loss | | | | |
| Canara Robeco savings plus fund - regular Growth | 1,49,49,706 | 4,370.13 | 1,66,10,968 | 4,506 |
| **Total** | **1,49,49,706** | **4,370** | **1,66,10,968** | **4,506** |

### 7.2 Trade Receivables

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| | (Unsecured, at amortised cost) | | | | |
| i) | Considered good ( refer note (b) below ) | - | - | 26,092.29 | 18,521.41 |
| ii) | Considered doubtful | - | - | 11.07 | 11.07 |
| | Less:- Allowance for credit loss | - | - | (11.07) | (11.07) |
| | **Total** | **-** | **-** | **26,092.29** | **18,521.41** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



a) **Expected Credit Loss:**

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Life time credit loss write off arises more out of the disputes or charges rather than credit impairment.

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

b) In case of one of the SPV of the Group ,during the year NHAI has withheld an amount of ₹ 5790.26 Lakhs on account of cost of balance work to be executed in the next six months including damages there on. The same forms part of trade receivable. However the company has not accrued financial income on the same. The fifth annuity which has become due in March 19 has not been received till date. The company is following up with NHAI for release of the said funds.

## 7.3 Loans and Advances (at amortised cost)

| Particulars | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **Security Deposit** | | | | |
| **(Unsecured, Considered good )** | | | | |
| Leave and license | 67.00 | 59.70 | - | - |
| Others | 248.47 | 246.04 | 114.95 | 114.52 |
| **Total (A)** | **315.47** | **305.74** | **114.95** | **114.52** |
| Other loans and advances | | | | |
| Entity having Significant influence | - | - | 258.14 | 258.14 |
| Others | 76.69 | 95.46 | 100.00 | - |
| **Total (B)** | **76.69** | **95.46** | **358.14** | **258.14** |
| **Intercorporate Deposits** | | | | |
| Entity having Significant influence | | | | |
| Unsecured, Considered good | 16.36 | 16.36 | - | - |
| Less: Provision | (16.36) | - | - | - |
| **Others** | | | | |
| Unsecured, Considered doubtful | 39.02 | 38.92 | 400.00 | 1,000.00 |
| Less: Provision for doubtful ICD's | (39.02) | (38.92) | (400.00) | (1,000.00) |
| **Total (C)** | **-** | **16.36** | **-** | **-** |
| **Total** | **392.16** | **417.56** | **473.09** | **372.66** |

(All figures are in Lakhs unless otherwise stated)

### 7.4 Other Financial Assets

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | **Unsecured, Considered Good** | | | | |
| | Financial assets (Contract assets) (refer note (d) below) | 90,445.02 | 96,587.70 | 18,920.00 | 18,920.00 |
| | | **90,445.02** | **96,587.70** | **18,920.00** | **18,920.00** |
| ii) | **Advance recoverable in cash or in kind** | | | | |
| | **Unsecured, Considered Good** | | | | |
| | Dues from entitiy having significant influence | - | - | 49.28 | 49.28 |
| | Dues from Joint Ventures | - | - | 36.78 | - |
| | Unsecured, Considered doubtful | - | - | | - |
| | Dues from Associates | - | - | 0.48 | 0.48 |
| | Dues from Joint Ventures | - | - | 24.97 | 24.58 |
| | | - | - | 111.51 | 74.35 |
| iii) | **Others:** | | | | |
| | Considered good | - | - | 1,561.09 | 2,420.77 |
| | Considered doubtful | - | - | 541.30 | 545.19 |
| | | - | - | 2,102.39 | 2,965.96 |
| iv) | **Less: Impairment of doubtful assets** | - | - | (566.75) | (570.25) |
| | **(A)** | - | - | 1,647.15 | 2,470.05 |
| v) | **Interest accrued receivable** | | | | |
| | From entity having significant influence, considered good | - | - | 4.48 | 4.05 |
| | From Banks, considered good | - | - | 80.92 | 59.17 |
| | From others, considered Good | 1.83 | 1.83 | 17.71 | 84.30 |
| | From others, considered doubtful | - | - | 6.92 | 6.92 |
| | Less: Provision for doubtful Interest accrued receivable | - | - | (6.92) | (6.92) |
| | **(B)** | 1.83 | 1.83 | 103.12 | 147.52 |
| vi) | **Advance for purchase of shares (refer note (c ) below)** | 4,906.51 | 4,906.51 | - | - |
| | **(C)** | 4,906.51 | 4,906.51 | - | - |
| vii) | **Share application money paid** | | | | |
| | Related parties | 129.95 | 129.95 | - | - |
| | **(D)** | 129.95 | 129.95 | - | - |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| viii) | **Unbilled Revenue** | - | - | 409.36 | 223.66 |
| | **(E)** | - | - | 409.36 | 223.66 |
| ix) | **Other bank balances** | | | | |
| | Transferred from Cash and Bank Balance (Refer note 9.5 (vi)) | 3,132.89 | 4,487.46 | - | - |
| | Deposit with Scheduled Bank (including interest) | 30.50 | 29.10 | - | - |
| | **(F)** | 3,163.39 | 4,516.56 | - | - |
| | **Total (A+B+C+D+E+F)** | 98,646.70 | 1,06,142.54 | 21,079.62 | 21,761.23 |

(a) Others considered good includes ₹ 1,514.01 Lakhs 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 39

(b) Other consideration good includes : 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. Pending the outcome of the legal proceeding, no adjustments have been made in the financial statements.

(c) "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 Lakhs 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 ₹ 4,884.10 Lakhs 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 ₹ 320.38 Lakhs. During the year Company had paid ₹ 200.00 Lakhs as part payment."

(d) The viability of the project (PHPL) and the impairment assessment is dependent upon fructification of a claim for delay days which is attributable to NHAI. This amount will be treated as a separate receivable from NHAI based on the certification of delay period attributable to NHAI as certified by the Independent Engineer. The amount of claim on this account is expected to be ₹ 25,072 Lakhs which is supported by an opinion from an independent techno legal consultant based on the documentation and facts of delay and reasons for delay. This cost overrun is being considered as a separate source which will be credited to the financial asset on receipt. On a conservative basis, the company has not accrued any financial income on the same.

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

| | As at | |
|---|---|---|
| | **March 31, 2019** | **March 31, 2018** |
| **Unsecured, Considered good** | | |
| **Dues from entity having significant influence** | | |
| Gammon India Ltd | 49.28 | 49.28 |
| | **49.28** | **49.28** |
| **Unsecured, Considered good** | | |
| **Dues from Joint Venture entities** | | |
| GIPL GECPL JV | 36.78 | - |
| | **36.78** | **-** |
| **Unsecured, Considered doubtful** | | |
| **Dues from Joint Venture entities** | | |
| GIPL GIL JV | 24.97 | 24.58 |
| | **24.97** | **24.58** |
| **Unsecured, Considered doubtful** | | |
| **Dues from Associates** | 0.48 | 0.48 |
| Modern TollRoads Ltd | **0.48** | **0.48** |
| | **111.51** | **74.35** |

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

| | **Company Name** | As at | |
|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** |
| i) | Modern Toll Roads Limited | 129.95 | 29.95 |
| | **Total** | **129.95** | **129.95** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**c) Break-up of interest accrued receivable from entity having significant influence is as follows:**

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| i) | Gammon India Ltd | 4.48 | 4.05 |
| | | **4.48** | **4.05** |

## 8 Deferred Tax Assets

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| **a)** | **Deferred Tax Liability on account of :** | | |
| | Depreciation due to timing difference | (2,707.47) | (3,427.67) |
| | Remeasurement gain/(loss) on defined benefit plans | - | (0.48) |
| | Unrealised Gain on Mutual Fund | (91.87) | (83.74) |
| **b)** | **Deferred Tax Asset on account of :** | | |
| | Depreciation due to timing difference | 24.64 | 27.47 |
| | Employee benefits | 88.21 | 107.04 |
| | Unabsorbed depreciation | 604.47 | 1,631.66 |
| | Provision for replacement cost | 635.83 | 629.82 |
| | Mat Credit Entitlement | 5,844.79 | 4,935.64 |
| | **Deferred Tax Asset, net** | **4,398.60** | **3,819.74** |

## 9 Other Assets

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | Advance to contractor | | | | |
| | Entity having significant influence | 123.54 | 98.54 | - | - |
| | Others | 4,354.55 | 596.63 | - | 6,530.41 |
| ii) | Prepaid expenses | 66.09 | 49.01 | 211.42 | 292.70 |
| iii) | Statutory and other receivables | 331.74 | 266.93 | 574.72 | 717.62 |
| iv) | Advance Income Tax (Net of Provision for Taxation) | 4,155.90 | 3,749.35 | - | - |
| v) | Capital advances | 1,326.95 | 1,358.67 | - | - |
| vi) | Prepaid Upfront Fees | 963.46 | 1,152.13 | 169.33 | 159.18 |
| vii) | Other advances | 2.20 | 984.61 | 1,323.24 | 108.21 |
| | **Total** | **11,324.43** | **8,255.87** | **2,278.71** | **7,808.12** |

(All figures are in Lakhs unless otherwise stated)

### 9.5 Cash and Bank Balances

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| **A** | **Cash and cash equivalents** | | | | |
| **i)** | Balances with banks | - | - | 1,080.23 | 4,979.81 |
| ii) | Cash on hand | - | - | 36.60 | 29.06 |
| | **Total** | **-** | **-** | **1,116.83** | **5,008.87** |
| **B** | **Other bank balances** | | | | |
| i) | Bank Balances (*) | - | - | 3,782.06 | 29.75 |
| ii) | Debt service reserve account | - | - | 9.99 | 9.99 |
| iii) | Fixed Deposit with Banks | - | - | 25.00 | - |
| iv) | Fixed Deposit as margin for BG issued | 2,117.42 | 1,978.23 | - | - |
| v) | Fixed Deposit under lien | 1,015.48 | 2,509.22 | - | - |
| vi) | Less : Transferred to Other Financial Assets (Refer note 8.5 (vii)) | (3,132.90) | (4,487.45) | - | - |
| | **Total** | **-** | **-** | **3,817.05** | **39.74** |
| | **Grand Total** | **-** | **-** | **4,933.88** | **5,048.61** |

### 10 Inventories

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Valued at Lower of cost and net realisable value on Weighted Average method | | |
| Stores and Consumables | 408.08 | 459.81 |
| Stock-in-trade | - | 144.20 |
| Raw materials | 321.59 | 54.00 |
| | **729.67** | **658.01** |

### 11 Assets Held For Sale

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Plant & Machinery | 18.00 | - |
| **Total** | **18.00** | **-** |

**The disclosure in terms of Ind AS 105 " Non- Current Assets held for Sale and Discontinued Operations**

# Notes to Financial statements
**for the year ended March 31, 2019**
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The project has been terminated by NHAI vide its letter dated 27.12.2018. The company does not have any other activity and there are no plans envisaged. All balances are at realisable value subject to actual realisation and payments. Therefore, the plant & machinery at the site has been disclosed as Held for Sale. The carrying amount is equal to the residual value..

## 12 Equity Share capital

| | | As at | |
|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** |
| **i)** | **Authorised shares :** | | |
| | March 31, 2019: 1,25,00,00,000 Equity shares of ₹ 2/- each<br>March 31, 2018 : 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, 2019: 94,26,40,974 Equity shares of ₹ 2/- each<br>March 31, 2018: 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, 2019: 94,18,30,724 Equity shares of ₹ 2/- each<br>March 31, 2018: 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** |

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

| **Particulars** | **As at** | | **As at** | |
|---|---|---|---|---|
| | **March 31, 2019** | **March 31, 2018** | **March 31, 2019** | **March 31, 2018** |
| | **Number** | **Amount** | **Number** | **Amount** |
| Balance, beginning of the period | 94,18,30,724 | 18,836.61 | 94,18,30,724 | 18,836.61 |
| Issued during the period | - | - | - | - |
| **Balance, end of the period** | **94,18,30,724** | **18,836.61** | **94,18,30,724** | **18,836.61** |

(All figures are in Lakhs unless otherwise stated)

**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:

| Particulars | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Number | Amount | Number | Amount |
| Equity shares of ₹ 2/- each fully paid up | | | | |
| Gammon Power Limited | 19,39,99,800 | 3,880.00 | 36,29,99,700 | 7,259.99 |
| | **19,39,99,800** | **3,880.00** | **36,29,99,700** | **7,259.99** |

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

| | March 31, 2019 | March 31, 2019 | March 31, 2018 | March 31, 2018 |
|---|---|---|---|---|
| | Number | % | Number | % |
| Gammon Power Limited | 19,39,99,800 | 20.60 | 36,29,99,700 | 38.54 |
| ICICI Bank Ltd | 16,89,99,900 | 17.94 | - | - |
| HDFC Trustee Company Limited - HDFC Infrastructure Fund | - | - | 8,30,84,353 | 8.82 |
| | **36,29,99,700** | **38.54** | **44,60,84,053** | **47.36** |

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 in the Company thereby reducing its shareholding to 20.60%.

g) Shares reserved under options to be given.

60,000 equity shares (March 31, 2018 : 60,000 equity shares ) have been reserved for issue as Employee Stock Options. For details refer Note 14A.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



## 13 Other Equity

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| i) | Retained Earnings | (39,885.54) | (24,479.49) |
| ii) | General Reserve | 23.95 | 23.95 |
| iii) | Security Premium Reserve | 56,369.47 | 56,369.47 |
| iv) | Employee Stock Option Outstanding | 11.52 | 11.52 |
| | | **16,519.40** | **31,925.45** |

### 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'19 | Year ended Mar'18 |
|---|---|---|
| Grant Date | 23-Sep-13 | 23-Sep-13 |
| Market Price considered (₹) | 6.80 | 6.80 |
| Exercise Price of Options granted during the period (₹) | 2.00 | 2.00 |
| Options outstanding at the beginning of the period | 60,000 | 1,20,000 |
| Options granted during the period | - | - |
| Options lapsed /forfeited during the period | - | 60,000 |
| Options vested during the period | - | - |
| **Options granted and vesting outstanding at the end of the period** | **60,000** | **60,000** |

Of the aforesaid vested options of Nil ( March 18: 1,20,000 option) , Nil options (March 18: 60,000 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'19 | Year ended Mar'18 |
|---|---|---|
| Net loss as reported | (15,549.95) | (14,567.53) |
| Add: Stock based compensation expense included in the reported income | - | 0.76 |
| Less: Stock based compensation expenses determined using fair value of options | - | 0.76 |
| **Net profit / (loss) (adjusted)** | **(15,549.95)** | **(14,567.53)** |

(All figures are in Lakhs unless otherwise stated)

| Particulars | Year ended Mar'19 | Year ended Mar'18 |
|---|---|---|
| Basic earnings per share as reported | (1.65) | (1.55) |
| Basic earnings per share (adjusted) | (1.65) | (1.55) |
| Diluted earnings per share as reported | (1.65) | (1.55) |
| Diluted earnings per share (adjusted)* | (1.65) | (1.55) |
| Weighted average number of equity shares at the end of the period | 94,18,30,724 | 94,18,30,724 |
| Weighted average number of shares considered for diluted earnings per share | 94,18,48,371 | 94,18,48,371 |

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 |

## 14 Financial Liabilities (at amortised cost)

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| | **Long term Borrowings** | | | | |
| **I** | **Term Loans (secured)** | | | | |
| i) | Indian rupee loans from banks | 1,06,062.50 | 2,28,228.37 | 8,295.19 | 64,523.88 |
| ii) | Term loan from Financial Institutions | 14,981.60 | 13,563.83 | 19.18 | 8.12 |
| iii) | Term loan from Others | 24,593.51 | - | 2,114.04 | - |
| iv) | Vehicle Loan from Bank | 58.39 | 68.10 | 9.90 | 9.15 |
| **II** | **Term Loans (unsecured)** | | | | |
| i) | Loan from entity having significant influence | 100.00 | 100.00 | - | - |
| | | 1,45,796.00 | 2,41,960.31 | 10,438.31 | 64,541.15 |
| | Less: disclosed in Other Current Liabilities | - | - | (10,438.31) | (64,541.15) |
| | | 1,45,796.00 | 2,41,960.31 | - | - |

a) Term Loans

# Notes to Financial statements
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(All figures are in Lakhs unless otherwise stated)



**I 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 favor 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 8.90 to 9.05 % (previous year 8.90 to 9.05 %).

g) During the year two lenders namely, Yes Bank & Federal Bank have resigned as the lender's agents and assigned the outstanding principle and interest dues along with the underlying securities in favour of Phoenix ARC Pvt Ltd. Vide deed of assignment dated March 22, 2019, and February 26, 2019 respectively. Accordingly the company has substituted the borrowing in the name of new lender.

h) On account of the company being marked as non performing assets by the lenders no interest has been charged by some of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.

i) 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 on March 31, 2018 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, continued to classify their debt as NPA as on March 31, 2018 During the year, PHPL has submitted restructuring/resolution plans to the Banks/Lenders under the Reserve Bank of India's ("RBI") restructuring schemes from time to time, but the Consortium Lenders/Banks have not approved the same. Consequently, PHPL's loan account has been declared as Non-Performing Asset ("NPA") on March 31, 2019 due to non-servicing of debt obligations. PHPL has submitted a proposal for One-Time Settlement ("OTS") of loans along with change of management at SPV and GIPL level to the Consortium Banks/Lenders and they have approved the proposal for an OTS amount of ₹ 665 crores. The OTS proposal is yet to be implemented by PHPL.

j) As at March 31, 2019, out of total consortium lenders, Company was able to obtain balance confirmations from only 1 lender.

**II VSPL**

**Loans from Bank and Financial Institution**

Term loan from bank and financial institution 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

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 11.2% p.a. at March 31, 2019 (previous year: EIR 10.50% p.a. as at March 31, 2018).

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 ₹ 125000/- per month. Vehicle loans is secured against the same vehicle for which loan is taken.

**III 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 plus an interest spread of 295 basis points oer annum.

SSPRL has not been regular in meeting its debt service obligations during the financial year and the Lenders have fully utilised the Debt Service Reserve Account (DSRA) created to meet the debt service obligations upto November 2018. SSRPL has not been able to service its debt service obligations from December 2018 onwards, due to delay in receipt of certain funds within the envisaged timelines. The debt has been tagged as Non-Performing Asset (NPA) as on March 31, 2019. SSRPL has received since the Balance Sheet date, funds of ₹ 25.83 crores in the Trust & Retention/Escrow Account towards its insurance claim for damages due to floods, and the same has been partially utilised by the Lenders to clear its interest outstanding. As detailed above the NPA status will change only on the project progressing and reaching Pre-COD or fund infusion to regularize the debt. The bankers have however not recalled the debt as of March 31, 2019 and hence the above classification is as per the terms of sanction.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



The company has not received Bank Confirmations for the year ended March 31,2019. Therefore the above bank balances are subject to confirmation and consequent reconciliation, if any.

**IV 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: ₹ 9,329.23 lakhs, previous year: 9,839.26 lakhs carries an interest of MCLR (1 year) plus spread of 295 basis points.

Term loan from Corporation Bank (outstanding current year: ₹ 6,182.69 lakhs, previous year: 6,574.32 lakhs) 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. From current year , PREL has entered into an agreement with Karkhana from November 2018 to October 2019 for operation & maintenance of the power plant and Minimum Guaranteed Amount of ₹ 48 Crores (net) has been agreed towards the modified arrangement, which is payable to PREL by Karkhana in its Trust & Retention Account/Escrow account maintained with Central Bank of India including the waterfall mechanism to be adhered to during the period of aforesaid modified arrangement with Karkhana. The modified arrangement proposal is submitted to the Lenders' and the same is pending for approval. However, Karkhana has started operating the plant since 1st November 2018 and PREL has done billing of 42.35 crores to MSEDCL upto March 31, 2019. The first two instalments under the agreement are made available towards repayment of the bankers' loans. The facility has been marked as NPA with holding on operations in place, thus the same is classified as per the terms of the sanction. The management is of the view that the present arrangement will ensure that the plant will be utilized optimally and will ensure sufficient cash flows to service the debt.

**V 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 holding company.

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 interest rate charged by consortium bankers.

**VI ICTPL**

**a) The above term loan is secured by:**

i) first mortgage and charge by way of English mortgage on the immovable property, both present and future;

ii) first charge by way of hypothecation on all tangible movable assets, both present and future;

iii) a first floating charge on receivables;

iv) first charge on all intangible assets, both present and future;

v) pledge of equity share of the company aggregating to 16.24% of the paid up and voting equity share capital.

b) The interest rate applicable to the Company is the highest of the rates individually determined by each member of the lenders consortium. All lenders determine the interest rate at their respective Bank Prime Lending rate less 100-125 basis points. The interest rate as on the date of these financials was 13.25% p.a. (PY - 13.25% p.a.)

c) On account of the company being marked as non performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.

d) The lenders have charged penal interest amounting to ₹ 9265.64 Lakhs till March 31, 2019 (₹ 1664.88 lakhs till March 31, 2018), which the company has disputed and not accounted. The same is disclosed in contingent liabilities.

e) The facility is marked as a Non-Performing Asset (NPA) on December 3, 2013. The Company is defaulting in repayment of term loan to the banks and financial institutions. The company has also received a recall notice from the lenders. Therefore the loan is treated as current shown as credit facility recalled in current financial liablities.

f) Subsequently, the Lenders have issued a notice of financial default to the SPV in terms of Substitution Agreement under intimation to MbPT. Post issue of the notice of financial default, the SPV has filed a writ petition before Hon'ble Delhi High Court in July 2018 seeking implementation of rebid decision taken in

# Notes to Financial statements
**for the year ended March 31, 2019**
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Niti Aayog meeting held on 20th March 2018. The captioned writ Petition was filed against the Ministry of Shipping (MoS), the Government of India, MbPT and others wherein lenders were also made party defendant(s). The Court has passed an order on 14th August 2018 in the aforesaid writ petition, permitting the SPV to make detailed representation in this matter within 10 days with a direction to MbPT & MoS to consider the SPV's representation in this regard and take an informed decision and dispose-off the same within a period of 4 (four) weeks thereafter. In the meanwhile, the Court directed the Lenders not to implement the notice dated 26th July 2018 issued to the SPV for a period of 6 (six) weeks. The SPV had made a detailed representation on the proposal of settlement (the proposal) to MbPT & MoS, as per the directives of the Court. However, MbPT vide their letter dated 27th September 2018 have not acceded to the representation on the revival proposal made by the SPV and the draft settlement agreement was rejected. The Parent Company and the SPV is in discussions with MbPT & MoS to reconsider the above matter and find a solution given the significant efforts put in by the Parent Company and the SPV in reviving the Project over the past 3 years.

On expiry of 6 (six) weeks from the date of the court order, the Lenders have sent a notice vide their letter dated 09th October 2018 to MbPT with a copy to the SPV, intimating about initiation of substitution process and request for appointment of internationally approved valuer under the LA. The Lenders' request for appointment of internationally approved valuer under the LA is pending with MbPT.

The SPV has issued a Dispute Notice for the Licensor's Event of Default against MbPT and called upon the Licensor to refer the disputes for amicable settlement under the LA. Based on the foregoing, the SPV has requested MbPT to initiate the arbitration process and has nominated its arbitrator, MbPT is yet to appoint their arbitrator.

The Parent Company has received notice dated December 24, 2018 from the Security Trustee on behalf of the Lenders of SPV to invoke pledged shares of SPV to the extent of 51% on account of the default under the Common Loan Agreement, against which Parent Company is in active discussions with banks.

One Time Settlement (OTS) proposal of ₹ 477.11 crores was submitted to the Consortium of Lenders on November 29, 2018. The Lenders in the consortium meeting held on March 19, 2019 have agreed to take the OTS proposal to their respective sanctioning authority, upon the SPV complying with the following:

(i) Details of the investors and the sources of funds, who would be supporting the OTS proposal submitted to the Lenders

(ii) Deposit 10% of the OTS amount in no-lien account with the Lead Bank.

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

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Instalments payable within 1 year | | |
| Credit Facilities Recalled | 1,73,569.66 | - |
| Overdue Installment | 4,817.54 | |
| Current Maturities | 10,438.32 | 64,541.15 |
| Instalments payable between 2 to 5 years | 43,365.75 | 62,552.77 |
| Instalments payable beyond 5 years | 1,02,430.26 | 1,79,407.55 |
| **Total** | **3,34,621.54** | **3,06,501.46** |

( Note: Above repayment schedule includes Long term borrowings , Current maturities, overdue principal and credit facilities recalled by the lenders)

(All figures are in Lakhs unless otherwise stated)

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, 2019 | March, 2018 |
| BBHPL | 10.00 | 2,600 | 2,600 |
| CBICL | 10.00 | 16,64,019 | 16,64,019 |
| ICTPL | 10.00 | 1,65,00,000 | 1,65,00,000 |
| PHPL | 10.00 | 59,40,000 | 59,40,000 |
| RGBL | 10.00 | 3,65,00,000 | 14,05,19,039 |
| SHPVL | 10.00 | 3,19,95,331 | 3,19,95,331 |
| SSRPL | 10.00 | 11,93,06,600 | 11,93,06,600 |
| VSPL | 10.00 | 6,37,70,015 | 6,37,70,015 |

The change in the balances between March 31, 2019 & March 31, 2018 represent additional / reduction of pledge during the period ended March 31, 2019.

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

| As at March 31, 2019 | Facilities Recalled | 1 to 90 days | 91 to 180 days | 181 to 365 days | 365 days & above |
|---|---|---|---|---|---|
| PREL | | 360.00 | 360.00 | 462.19 | - |
| PHPL | 31,559.10 | 2,414.56 | - | 2,402.84 | - |
| ICTPL | 47,711.25 | - | - | - | - |
| RGBL | 64,929.00 | | | | |

| As at March 31, 2018 | Facilities Recalled | 1 - 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 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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

| As at March 31, 2019 | 1 - 90 days | 91 to 180 days | 181 to 365 days | 365 days & above |
|---|---|---|---|---|
| PREL - Interest | | 963.23 | 1,291.75 | 331.78 |
| SSRPL - Interest | | 3,463.74 | 287.42 | 140.06 |
| VSPL - Principal | | 2.03 | - | - |
| VSPL - Interest | | 0.76 | - | - |

| As at March 31, 2018 | 1 - 90 days | 91 to 180 days | 181 to 365 days | 365 days & above |
|---|---|---|---|---|
| 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 | - | - |

### 14.2 Other Financial Liabilities (at amortised cost)

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | Current maturity of long term borrowings | | | | |
| | to banks and financial institutions | - | - | 8,314.37 | 64,541.15 |
| | to others | - | - | 2,123.94 | - |
| ii) | Credit facility recalled by lenders of SPV's | - | - | 1,73,569.66 | - |
| iii) | Overdue Installment | | | 4,817.55 | - |
| iv) | Interest accrued | | | | |
| | to related parties | | | - | -0.00 |
| | to banks and financial institutions | - | - | 22,551.99 | 37,020.60 |
| | to others | - | - | 2,582.79 | 158.13 |
| v) | Liabilities towards capital expenditure ( including capital advance) | 1,500.00 | 1,500.00 | 99.89 | 111.11 |
| vi) | Other dues - related parties | - | - | 26.70 | 28.21 |
| vii) | Advance received for sale of equity shares | - | - | 265.20 | 265.20 |
| viii) | Deferred Payment liability (Additional Concession fees) | - | 72,875.76 | - | - |

(All figures are in Lakhs unless otherwise stated)

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| ix) | Other Liabilities (including retention) | 3,732.77 | 3,530.05 | 4,953.32 | 5,733.95 |
| x) | Security Advance from Kharkana | - | - | 501.00 | - |
| | **Total** | **5,232.77** | **77,905.81** | **2,19,806.41** | **1,07,858.34** |

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

| As at March 31, 2019 | Facilities Recalled | 1 to 90 days | 91 to 180 days | 181 to 365 days | 365 days & above |
|---|---|---|---|---|---|
| PREL | - | 169.71 | - | - | - |
| PHPL | 2,569.89 | 1,791.26 | 1,706.34 | 1,654.18 | 633.55 |
| ICTPL | 26,800.43 | - | - | - | - |
| RGBL | 16,687.60 | - | - | - | - |
| SSRPL | - | 1,938.93 | - | 11.56 | - |

| As at March 31, 2019 | Facilities Recalled | 1 to 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 |

### 14.3 Short Term Borrowings (at amortised cost)

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Bank overdraft (repayable on demand) | 6,358.50 | 6,532.68 |
| Loan from Others | 1,040.48 | 1,120.48 |
| **Total** | **7,398.98** | **7,653.16** |
| **The above amount includes** | | |
| Secured borrowings | 4,874.17 | 5,074.64 |
| Unsecured borrowings | 2,524.81 | 2,578.52 |
| | **7,398.98** | **7,653.16** |

# Notes to Financial statements
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(I) Pravara Renewable Energy Limited

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

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

Bank of India has sanctioned facility of ₹ 8,000 Lakhs to Gammon Infrastructure Projects Limited (GIPL). This involves ₹ 2500 Lakhs of overdraft facility and ₹ 5,500 Lakhs 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.However the creation of charge on the PHPL assets is pending as on date.

(III) Others

Company has taken interest free loan from RCTPL, SHPVL and EIPPL (subsidiary) for short term purposes repayable within next one year.

(iv) Details of continuing defaults are as under:

As at March 31, 2019

During the year incase of PREL : Central Bank of India has debited the cash credit facility account by ₹ 4.66 crores.The company In the absense of any information on the apportionment of debit by the bank has apportioned this debit against the interest payment for the entire year and hence the same is not shown as a default.

| As at March 31, 2018 | 1 - 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, 2019 | 1 to 90 days | 91 to 180 days | 181 to 365 days | 365 days & above |
|---|---|---|---|---|
| GIPL - Interest | | 292.12 | - | - |
| PREL - Interest | | 80.52 | 23.21 | - |

| 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 | - | - |

### 14.4 Trade Payables (at amortised cost)

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| i) | Trade payables - Micro, small and medium enterprises | - | - |
| ii) | Trade payables - Others | 18,947.74 | 16,837.35 |
| | **Total** | **18,947.74** | **16,837.35** |

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.

## 15 Long Term Provisions

| | Particulars | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| **i)** | **Provision for employee benefits :** | | | | |
| | Leave Encashment | 130.84 | 155.21 | 116.16 | 97.97 |
| | Gratuity | 112.50 | 95.42 | 32.03 | 30.14 |
| **ii)** | **Other provision** | | | | |
| | Provision for periodic maintenance | 1,812.42 | 1,395.62 | - | - |
| | Provision for Project Obligations | 2,204.64 | 1,821.46 | 113.73 | 113.73 |
| | Provision for demurrage charges | - | - | 258.67 | 140.81 |
| | **Total** | **4,260.40** | **3,467.71** | **520.59** | **382.65** |

a) Provision for Project Obligations

**The above includes:**

Current 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.

In accordance with PDA entered by one of the SPV (PREL) 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 Lakhs. Accordingly, the subsidiary has created provision for the said expenditure to be incurred in future in accordance with Ind AS 16 " Property Plant and Equipment.

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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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

| Particulars | Opening | Addition | Finance Cost on out-standing provision | Utilisation | Closing |
|---|---|---|---|---|---|
| **Provision for Project Obligations** | | | | | |
| Current Year (as at March 2019) | 1,935.19 | - | 383.18 | | 2,318.37 |
| Previous Year ( as at March 2018) | 1,607.32 | - | 327.87 | - | 1,935.19 |
| **Provision for periodic maintenance** | | | | | |
| Current Year (as at March 2019) | 1,395.62 | 206.94 | 209.86 | - | 1,812.42 |
| Previous Year ( as at March 2018) | 388.40 | 891.52 | 115.70 | - | 1,395.62 |
| **Provision for demurage charges** | | | | | |
| Current Year (as at March 2019) | 140.81 | 135.59 | - | 17.73 | 258.67 |
| Previous Year ( as at March 2018) | 40.93 | 109.58 | - | 9.71 | 140.81 |

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, 2019 " | As on March 31, 2018 " |
|---|---|---|---|
| **(a)** | **Reconciliation of opening and closing balances of Defined benefit Obligation** | | |
| | Defined Benefit obligation at the beginning of the year | 125.56 | 99.35 |
| | Current Service Cost | 18.61 | 18.80 |
| | Interest Cost | 11.59 | 8.01 |
| | Actuarial (Gain) /Loss | (6.96) | 14.87 |
| | Benefits paid | (4.28) | (15.47) |
| | **Defined Benefit obligation at the year end** | **144.52** | **125.55** |

(All figures are in Lakhs unless otherwise stated)

| (b) | Expenses recognized during the year ( Under the head " Employees Benefit Expenses ) | | |
|---|---|---|---|
| | Current Service Cost | 18.61 | 18.80 |
| | Interest Cost | 11.59 | 8.01 |
| | Actuarial (Gain)/Loss | (6.96) | 14.87 |
| | **Net Cost** | **23.24** | **41.68** |

ii) Actuarial assumptions

| Particulars | As on March 31, 2019 " | As on March 31, 2018 " |
|---|---|---|
| Mortality Table (LIC) | Indian Assured Lives 2006-08 | |
| Discount rate (per annum) | 7.50%-7.75% | 7.50%-8.00% |
| Expected rate of return on Plan assets (per annum) | NA | NA |
| Rate of escalation in salary (per annum) | 6.00% | 5%-7% |
| Withdrawal rate: | | |
| - upto age of 34 | 3% | 2%-5% |
| - upto age of 35-44 | 2% | 2% |
| - upto age 45 & above | 1% | 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.

## 16 Deferred Tax Liabilities (Net)

| Particulars | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **Deferred Tax Liability on account of :** | | | | |
| - Depreciation | 713.67 | 6,369.13 | - | - |
| **Deferred Tax Asset on account of :** | | | | |
| - Tax Disallowances -u/s 43B | (4.85) | (2.81) | - | - |
| - Unabsorbed losses | - | - | | |
| **Total** | **708.82** | **6,366.32** | **-** | **-** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



One of the SPVof the Group has decided not to claim accelerated depreciation before the tax authorities on its assets related to Power Generation.Accordingly it has made suitable changes to its claim before the Tax Authorities and modified its Written Down Value as per Tax Books.On account of the same, the Company has reversed the Deferred Tax Liability recognised earlier due to the accelerated claim of depreciation. The reversal on this account is ₹ 5,657.50 lakhs out of the cummulative movement of ₹ 6,369.13 lakhs as on March 31,2018.

## 17 Other Liabilities

| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | Mobilization Advance - MPRDC -NCL | 399.90 | 500.00 | - | - |
| ii) | Duties and Taxes payable | - | - | 210.92 | 416.26 |
| iii) | Government grants | 44,628.55 | 45,537.43 | 782.77 | 665.36 |
| iv) | Unearned revenue | - | - | 75.41 | 48.19 |
| v) | Advance from customers | - | - | 549.64 | 456.32 |
| vi) | Other Payables | 38.50 | 38.50 | 558.24 | 509.00 |
| vii) | Award received from NHAI (refer note (a) below) | - | - | 1,470.00 | - |
| | **Total** | **45,066.95** | **46,075.93** | **3,646.98** | **2,095.13** |

(a) Patna Buxar Highways Limited ("PBHL"), erstwhile a wholly owned non-material unlisted subsidiary of the Company which was sold on March 31, 2016 with the Company's rights to future claims pending under arbitration, has received an amount of ₹ 1470 Lakhs on September 14, 2018 from the National Highways Authority of India ("NHAI") in compliance of the order passed by the Hon'ble Delhi High Court. Since the matter is not decided in favour of the Company the same has been shown as liability.

## 18 Liabilities for current tax (net)

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Provision for taxation, net of advance tax | 2,217.63 | 2,316.29 |
| **Total** | **2,217.63** | **2,316.29** |

## 19 Revenue from Operations

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| i) | Construction contract revenue | 5,789.08 | 17,927.27 |
| ii) | Operating and Maintenance Income | 762.46 | 740.25 |
| iii) | Toll revenue | 5,336.65 | 5,674.39 |
| iv) | Revenue from power projects | 6,296.38 | 5,658.42 |
| v) | Revenue from port operations refer note (i) below | 20,327.49 | 19,553.74 |
| | **Total Operating Revenue** | **38,512.06** | **49,554.07** |
| | **Other Operating Revenue** | | |
| i) | Finance Income - Annuity Arrangement | 10,195.27 | 11,924.09 |
| ii) | Scrap sales | 527.20 | 904.53 |
| iii) | Other miscellaneous income | 437.27 | 91.58 |
| | Total Other Operating Revenue | 11,159.74 | 12,920.20 |
| | **Total** | **49,671.80** | **62,474.27** |

i) ICTPL has entered into a revenue sharing agreement with Mumbai Port Trust (MbPT) wherein it is required to share 55% of the revenue earned during the year with MbPT and retain the balance 45% of the revenue share. Accordingly, the revenue of 4,009.69 lakhs (P.Y. 4,451.03 lakhs) booked during the year is after netting out the revenue share of 4900.74 lakhs (P.Y. 5,440.14 lakhs) payable to MbPT.

ii) Disclosures as required by Appendix D of Ind AS 115 relating to “Service Concession Arrangements: Disclosures

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

**SSRPL**

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.

Obligations of Operations and maintenance - Since the Construction of the Road is under progress there is no current Obligation of Operation and Maintenance of the Road. However as per Concession Agreement with MPRDC the Company is required to carry out operations and maintenance on the road annually with an obligation to carry out Period maintenance in terms of the Concession at regular intervals after the Completion of Construction activity and receipt of Commercial Operation Date Certificate

Changes to the Concession during the period - No changes in the arrangement have occurred during the accounting period.

Classification of the Concession - The Company has applied the principles enumerated in Appendix “C” of IND AS 115 and has classified the arrangement as a tolling arrangement resulting in recognition of an Intangible Asset.

**PHPL**

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 C to Ind AS 115, titled “Service Concession

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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 C to Ind AS 115

**Obligations of Operations and maintenance -** The Company is required to carry out operations and maintenance on the road annually with an obligation to carry out periodic maintenance in terms of the Concession at regular intervals.

Changes to the Concession during the period - Patna Highway Projects Limited ('PHPL') is domiciled in India and having its registered office at second floor, Plot No.360, Block B, Sector 19, Dwarka, New Delhi, South West Delhi, 110075, incorporated under the Companies Act, 1956, on December 22, 2009, as a subsidiary of Gammon Infrastructure Projects Limited ('GIPL'). The Company entered into a Concession Agreement ('the Contract') with the National Highways Authority of India ('NHAI') for the development, maintenance and operation of road from Patna (Hajipur) to Muzaffarpur in the state of Bihar on Build Operate and Transfer ('BOT') Annuity basis. The project has obtained pre-COD on September 1, 2016. In respect of the project on annuity basis of the Company, The Company has recorded the project in accordance with the requirement of Ind AS 115. 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. 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. 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.

**Classification of the Concession -** The Company has applied the principles enumerated in IND AS 115 and 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.

**VSPL**

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.

**Obligations of Operations and maintenance -** The Company is required to handover the vacant and peaceful possession of project berths at the end of the license period and transfer all its rights, titles and interests in the assets comprised in the project facilities and services as specified in the license agreement to VPT at terminal value specified in the agreement.

The Company at its own cost has to replace the equipment well ahead of the due dates as per the equipment replacement plan given at the Agreement. The Company at its own cost, promptly and diligently repair, replace or restore any of the project facilities and services or part thereof which may be lost, damaged or destroyed.

**Changes to the Concession during the period -** There are no changes to the concession agreement during the year

(All figures are in Lakhs unless otherwise stated)

**Classification of the Concession -** The Company is entitled to collect the revenues from operating and maintenance of the project berths from user during the licensing period. The Company is required to pay the royalty to VPT at 17.111% of certain gross revenues on monthly basis during the licensing period. Having regard to the terms of the arrangement, the right to receive the revenues has been classified as an intangible assets/intangible assets under development (i.e. "Service concession assets") under the head intangible assets. The Company has recognized the following service concession revenue and development costs for increase in capacity.

**ICTPL**

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.

Obligations of Operations and maintenance - The Company is required to carry out operations and maintenance on the berth annually with an obligation to carry out Periodic maintenance in terms of the Concession at regular intervals.

Changes to the Concession during the period - During the previous year, the Company has 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.

Classification of the Concession - The Company has applied the principles enumerated in Appendix C of Ind Ind AS 115 and has classified the arrangement as a OCT 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.

iii) Recognition of Construction services revenue and costs:

| | 2018-19 | 2017-18 |
|---|---|---|
| Revenue recognised | 6,551.54 | 18,667.52 |
| Cost incurred during the period | 5,451.16 | 16,520.96 |

iv) Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation

| | | 2018-19 | 2017-18 |
|---|---|---|---|
| **(i)** | **Major Service Type** | 6,551.54 | 18,667.52 |
| | Construction activity | 5,336.65 | 5,674.39 |
| | Toll revenue | 6,296.38 | 5,658.42 |
| | Power generation | 20,327.49 | 19,553.74 |
| | Port related services | | |
| | | **38,512.06** | **49,554.07** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| | | 2018-19 | 2017-18 |
|---|---|---|---|
| **(ii)** | **Customer Type** | | |
| | Government Undertakings | 11,948.69 | 23,158.70 |
| | Non Government Undertakings | 26,563.37 | 26,395.37 |
| | | **38,512.06** | **49,554.07** |

| | | 2018-19 | 2017-18 |
|---|---|---|---|
| **(iii)** | **Geographical regions** | | |
| | In India | 38,512.06 | 49,554.07 |
| | Outside India | - | - |
| | | **38,512.06** | **49,554.07** |

b) Movement in Contract Balances

| Particulars | Opening | Billed for the Financial Year | Addition during the year | Closing |
|---|---|---|---|---|
| **Advance from customer** | | | | |
| March 2019 | | 456.32 | 410.22 | 503.53 |
| March 2018 | | 579.68 | 571.92 | 448.56 |

| Particulars | Opening | Converted in to Billing | Addition during the year | Closing |
|---|---|---|---|---|
| **Financial Asset** | | | | |
| March 2019 | 1,15,507.70 | 18,920.00 | 12,777.32 | 1,09,365.02 |
| March 2018 | 1,19,262.97 | 18,920.00 | 15,164.72 | 1,15,507.69 |

c) During the year the opening unbilled revenue has been converted into trade receivable on invoices being raised.

d) In case of PHPL : the aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in relation to EPC contract of annuity project including cost overrun is ₹ 27,000.00 Lakhs. (P.Y. 21037.00 Lakhs)

In case of SSRPL : The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in relation to EPC contract of BOT project including cost overrun is ₹ 28,034.85 Lakhs. (28,721.01 Lakhs)

e) Performance to be done in next year is uncertain based on the uncertainity of the project as detailed in note no. 36 below.

(All figures are in Lakhs unless otherwise stated)

## 20 Other Income

| | | 2018-19 | 2017-18 |
|---|---|---|---|
| i) | Rent income | - | 164.33 |
| ii) | Claim for Stoppage | - | 165.69 |
| iii) | Interest Income | | |
| | On Fixed Deposits with Banks | 269.23 | 359.40 |
| | On Income Tax Refund | 6.35 | 214.84 |
| | Others | 42.71 | 109.09 |
| iv) | Net gain on financial asset through FVTPL | 262.92 | 239.64 |
| v) | Profit on Sale of Assets | 1.36 | 1.18 |
| vi) | Profit on sale of mutual fund investments | 78.10 | 139.81 |
| vii) | Write back of balances | 1,482.13 | 43.20 |
| viii) | Miscellaneous Income | 19.10 | 0.24 |
| ix) | Amortisation of capital grant | 791.48 | 390.19 |
| x) | Foreign Exchange Gain | 50.01 | - |
| | **Total** | **3,003.39** | **1,827.61** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



## 21 Project expenses

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | EPC Cost | 4,706.00 | 14,769.48 |
| ii) | Operation and Maintenance expenses | 952.10 | 2,662.63 |
| iii) | Cargo related expenses | 11,367.59 | 10,539.09 |
| | **Total** | **17,025.69** | **27,971.19** |
| | | | |
| | Purchase of coal | - | 144.20 |
| | **Total** | **-** | **144.20** |

## 22 Changes in inventory of consumables

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Opening stock of raw materials | 49.10 | 863.13 |
| Add: Purchase | 2,547.28 | 1,619.72 |
| Less : Closing stock of materials | 319.33 | 49.10 |
| Opening stock of traded goods | 144.20 | - |
| Less : Closing stock of traded goods | - | 144.20 |
| **Total** | **2,421.25** | **2,289.55** |

## 23 Employee benefit expenses

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | Salaries, wages and bonus | 2,141.76 | 1,987.65 |
| ii) | Contributions to Provident Fund | 72.90 | 75.02 |
| iii) | Gratuity and Leave Encashment expense | 40.58 | 81.79 |
| iv) | Staff Welfare Expenses | 66.69 | 57.72 |
| v) | Employees 'ESOP' compensation cost (net of reversal) | - | 0.72 |
| vi) | Other expenses | - | 3.63 |
| | **Total** | **2,321.93** | **2,206.53** |

a) The Central Government vide its Notification No.S.O.4823(E) dated 12/09/2018 has notified Sections 66 to 70 of the Companies (Amendment) Act, 2017 whereby requirement of obtaining Central Government's approval for waiver of excess remuneration paid to the Managerial Personnel has been replaced by approval of the Company by a Special Resolution.

Accordingly, Ministry of Corporate Affairs (MCA) vide its order dated 9th October, 2018 has intimated the Company that an application made seeking approval for waiver of recovery of excess remuneration paid to Mr. Kishore Kumar Mohanty, Managing Director, for the period commencing from 01/04/2016 to 31/03/2017 has been closed with noting for onus for the compliance with the amended provisions of the Companies Act, 2013 as aforesaid on the Company. In view of this, representations made to MCA for waiver of excess remuneration paid to Managerial Personnel for prior periods also stands closed.

The Company has already obtained approvals of the Shareholders by way of special resolutions for waiver of recovery of excess remuneration paid to Managerial Personnel of the Company, for the periods referred to hereinabove at its Annual General Meetings held on 30/09/0216 and 19/12/2017 respectively. These approvals thus take care of compliance with the relevant amended provisions of the Companies Act, 2013 amended by the Companies (Amendment) Act, 2017 as aforesaid.

(All figures are in Lakhs unless otherwise stated)

## 24 Depreciation & amortization

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Depreciation | 1,522.20 | 1,514.37 |
| Amortisation | 9,352.48 | 7,209.86 |
| **Total** | **10,874.68** | **8,724.22** |

## 25 Finance Costs:

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Interest Paid On : | | |
| Interest expenses on Financial liability at amortised cost | 35,488.35 | 33,646.43 |
| Interest on Income Tax | 115.68 | 23.11 |
| Other finance costs | 524.40 | 323.36 |
| **Total** | **36,128.43** | **33,992.90** |

a) Wherever the credit facility of the SPV's is classified as NPA and the lenders have stopped charging interest, the group has accrued interest cost on the basis of last agreed terms.

## 26 Other expenses

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Professional, Legal and Consultancy Fees | 526.85 | 662.07 |
| Repair and maintenance | 626.92 | 581.34 |
| Power & Fuel | 626.34 | 326.35 |
| Travelling, Motor Car and conveyance expenses | 220.63 | 229.80 |
| Communication expenses | 25.16 | 26.06 |
| Insurance charges | 158.51 | 155.36 |
| Remuneration to Auditors | 24.85 | 22.00 |
| Remuneration to Component Auditors | 36.27 | 43.04 |
| Bank Charges | 4.66 | 4.72 |
| Directors Fees & Commission | 48.00 | 44.50 |
| Guarantee Bond Commission | 216.84 | 340.64 |
| Liquidated Damages to NHAI | 994.90 | 374.88 |
| Project expenses pending settlement written off | 845.32 | - |
| Net loss on termination of SCA (Refer Note 36 (h)) | 1,376.23 | - |
| Provision for replacement cost | - | 326.02 |
| Provision for doubtful advances | 1,196.89 | 208.07 |
| CSR Expenses | 23.00 | - |
| Loss on sale of investments | - | 19.35 |
| Loss on sale of assets | - | 5.23 |
| Miscellaneous Expenses | 876.97 | 1,862.43 |
| **Total** | **7,991.21** | **5,419.71** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



a) **Payment to auditors**

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| | Audit fee including limited review fee | 24.00 | 22.00 |
| | Certifications & other services | 0.60 | - |
| | Reimbursement of expenses | 0.25 | - |
| | **Total payments to auditors** | **24.85** | **22.00** |
| **b)** | **Other auditors:** | | |
| | Other components' auditors fees | 36.27 | 43.04 |
| | | 36.27 | 43.04 |
| | **Total (a+b)** | **61.12** | **65.04** |

## 27 Exceptional items

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | Impairment of goodwill | 2,402.31 | - |
| ii) | Provision for Insurance Claim | - | 520.00 |
| | **Total** | **2,402.31** | **520.00** |

## 28 Tax Expense

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| **a)** | **Income tax expense in the statement of profit and loss consists of:** | | |
| | Current Tax | 784.00 | 1,315.64 |
| | Short Provision for Tax | (24.66) | 633.84 |
| | Deferred Tax Liability / (asset) | (6,236.35) | (362.09) |
| | **Income tax recognised in statement of profit or loss** | **(5,477.01)** | **1,587.39** |

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, 2019 | For year ended March 31, 2018 |
|---|---|---|
| **Current Tax** | | |
| Accounting profit before income tax | (26,470.74) | (16,966.42) |
| Less: Non Taxable Profit/(loss) ( difference between) | (19627.18) | (19,799.25) |
| Taxable Profit/(loss) | (6,843.56) | 2,832.83 |
| **Accounting profit before income tax** | | |
| Enacted tax rates in India (%) | 20.35% | 21.34% |
| Computed expected tax expenses | (1,392.66) | 604.57 |
| Effect of non- deductible expenses | 1,604.89 | 118.70 |
| Effect of Ind-AS impact | 558.49 | 572.04 |
| Others | 13.28 | 20.33 |
| **Income tax expenses - Net** | **784.00** | **1,315.64** |

(All figures are in Lakhs unless otherwise stated)

## 29 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, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Net Profit / (Loss) as per Statement of Profit and Loss | (15,549.95) | (14,567.53) |
| 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 | 94,18,30,724 |
| Weighted average Number of Shares outstanding during the period - Diluted | 94,18,48,371 | 94,18,48,371 |
| Earnings per Share - Basic (₹) | (1.65) | (1.55) |
| Earnings per Share - Diluted (₹) * | (1.65) | (1.55) |

* 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 | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| 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 | 94,18,30,724 | 94,18,30,724 |
| Add : Issue of Equity Shares | - | - |
| 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 | 94,18,30,724 |
| For Dilutive EPS : | | |
| Weighted average number of shares used in calculating basic EPS | 94,18,30,724 | 94,18,30,724 |
| Add : Equity shares arising on grant of stock options under ESOP | 17,647 | 17,647 |
| Weighted average number of equity shares used in calculating diluted EPS | 94,18,48,371 | 94,18,48,371 |

## 30 Details of Joint Ventures

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

| | % of Interest as at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) * | 10% | 10% |
| 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%.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



## 31 Commitments

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Capital Commitments: (*) | 38,852.88 | 85,009.94 |
| Export obligations | - | 2,289.67 |
| Other Commitments: | | |
| - Share of equity commitment in SPV's | 12,232.62 | 45,506.62 |
| - Buyback / purchase of shares of subsidiaries | 3,800.00 | 3,800.00 |
| **Total** | **54,885.50** | **1,36,606.23** |

(*) Capital commitment amounts related to Service Concession Arrangement are now disclosed as balance performance obligation outstanding to completed as per IND AS 115.

## 32 Contingent Liabilities

a) **Guarantees:**

i) The Company has issued Corporate Guarantees as a security , amounting to ₹ 43,719.00 Lakhs (PY : ₹ 43,719.00 Lakhs)

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

b)

| | Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| i) | Disputed Tax demand against which the Company has preferred appeals | 26,135.62 | 24,410.22 |
| ii) | Tax paid and refunds adjusted against the same | 2,023.55 | 2,011.07 |
| iii) | Bank Guarantee | 2,66,653.74 | 268.24 |
| iv) | Claims against group not acknowledged as debt (refer note(c)(i) below) | 31,108.53 | 33,643.33 |
| v) | Others | 2,04,489.94 | 3,906.90 |

c) i) 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.

ii) The project of the Company is expected to get delayed in its Schedule Completion of the Construction Phase. The Company is putting in all the efforts to complete the project without much delay beyond the schedule completion. Although the concession Agreement provide for Stringent penalties in delayed completion , the Company is confident that considering the facts beyond its control for the delays, it will be able to get extension of time from the grantor of the Concession. the Liquidated Damages payable by the Company would be ₹ 2300 lakhs from the date of last extension granted by MPRDC i.e. October 19,2017 till 31st March 2019. However the amount is recoverable from the sub Contractor i.e. Techno Unique Infratech Pvt Ltd as per the terms of agreement.

## 33 Project related notes - In respect of the following projects/SPVs of the Group there are legal issues, arbitration proceedings or negotiations with the concession grantor for which the Management is taking necessary steps to resolve the matters.

a) The actual toll collections from the Toll Bridge project (the Project) at Rajahmundry-Godavari across the river Godavari are significantly lower than the forecasted revenue at the time of bid and growth thereafter too, resulting in inadequate cashflow 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 SPV had issued a cure period notice to Andhra Pradesh Road Development Corporation Limited (APRDC or the Client) on 26th February 2018 under the provisions of the Concession Agreement (CA) to cure the breaches by APRDC, which includes provision of Revenue Shortfall Loan along with other breaches. The Client had not cured the breaches under the CA, and the SPV has issued a letter dated 3rd July 2018 requesting for termination of the CA for which the SPV has received a letter dated 26th July 2018 from APRDC stating the letter dated 3rd July 2018 issued by the SPV for termination is not technically in accordance with the CA, as the notice intimating intent to terminate should precede the notice for termination of CA The SPV has responded to APRDC on 04th August 2018 communicating its intent to terminate the CA with all other terms of the letter dated 3rd July 2018 remaining the same.

In the event of termination of CA on account of the Client's Event of Default, the SPV is entitled to Termination payment from the Client in terms of the CA, which will adequately cover the outstanding debt dues to the Lenders and the equity investment made by Gammon Infrastructure Projects Limited (GIPL or the Company). The SPV has made a total claim towards termination payments of ₹ 1,12,337 Lakhs. The SPV has requested APRDC to initiate an arbitration process to amicably settle the breaches under the CA , the SPV has nominated their arbitrator and appointment of the arbitrator representing APRDC is pending.

One of the Consortium lenders for the Project has initiated and served notice under the Corporate Insolvency Resolution Process before the Hon'ble National Company Law Tribunal, Mumbai Branch ("NCLT") and the NCLT hearing is underway in the matter.

In terms of the Common Loan Agreement (CLA) dated 26th May 2009 executed between the SPV, the Senior Lenders, the Lenders' Agent and the Security Trustee to part finance the Toll Bridge Project, an agreement for pledge of shares dated 28th April 2011 was executed by the Company as the Pledgers in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the Secured Obligations by creation of pledge over 51.21% of paid-up and voting equity shares of the SPV. The SPV's loan account has been classified as "Non-Performing Asset" (NPA) on 31st March 2015 in terms of the guidelines laid down by the Reserve Bank of India (RBI). Accordingly, the Lenders' Agent had served a recall notice accelerating the loans and requesting the SPV to repay all the outstanding dues as sought in the recall notice within the timeframe provided therein.

In view of the continuing payment defaults by the SPV and no viable remedy being offered by the SPV/GIPL in terms of the recall notice, the SPV has committed an "Event of Default" within the meaning of the CLA and the Security Trustee has served a notice exercising its rights as available under the Pledge Agreement with respect to the Secured Obligations and have notified and instructed the Company and GIL vide their letter dated 20th October, 2018 (the Notice) to transfer the Pledged Shares as pledged by the Company and GIL constituting 51.21% of the issued, paid-up and voting equity share capital of the SPV immediately to the Depository Participant (DP) account of the Security Trustee. The Security Trustee has transferred 51% of equity shares of the SPV held by the Company into their DP account on 30th October 2018 on behalf of the Lenders'. The Company has written to the Lead Bank/Security Trustee for assigning a value to the pledged shares invoked, the Lead Bank has sent a response to the Company stating that the pledged shares of the Company invoked are currently held by the Security Trustee as collateral and the Lenders have not appropriated the pledged shares against outstanding dues nor have the pledged shares been sold to any third party for realising the outstanding dues. Given that the pledged shares are not transferred to the DP account of the Lenders or any third party, the beneficial ownership of the pledged shares currently vests with the Pledgors. Therefore, the valuation of the pledged shares may not be required and no impact of the same has been given in the above financial results.

The Lead Bank has sent a notice calling upon the Company to pay an amount of ₹ 78,052 Lakhs as per the Corporate Guarantee Agreement entered by the Company and the consortium of bankers and has instructed the Company to repay the aforesaid amount due from the SPV within 30 days of receipt of notice. The Company has not been able to pay the aforesaid amount, hence the Corporate Guarantee issued by the Company stands invoked for which the Company has given necessary effects.

In addition, the management also estimates reduction of the operating & finance costs. In the event of termination, the SPV is confident of recovery of compensation / payment of outstanding dues to Lenders from the Client in terms of the CA.

# Notes to Financial statements
**for the year ended March 31, 2019**
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Pending disposal of the matter by APRDC to determine the termination payments in favor of the SPV, the NCLT hearing, invocation of pledge of shares, invocation of Corporate Guarantee and the OTS proposal submitted to the Lenders' by the SPV, there exists material uncertainty with respect to the future of the Project and that casts significant uncertainty on the SPV's ability to continue as a going concern. The Auditors of the SPV have also highlighted the material uncertainty with regard to going concern issue in their audit report for the year ended 31st March 2019. The Management is also of the opinion that the Project will be viable post reaching a settlement with the Lenders/APRDC 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. Total exposure of the Group is ₹ 99,325.41 Lakhs.

b) Container terminal at Mumbai – The Project was delayed due to non-fulfilment of certain conditions by the Mumbai Port Trust (MbPT) under the License Agreement (LA) signed by the SPV with them. Pursuant to detailed negotiations with MbPT on the LA for the Offshore Container Terminal, the Parties had agreed in-principle to enter into a joint supplementary agreement between the Board of Trustees of MbPT, the SPV and the Lenders. The Project was proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and Roll-On-Roll-Off (RORO). The RORO operations which was allowed by MbPT as an interim measure for alternate use of the two berths is continuing. However, the same is inadequate for repayment of principal and interest of the Lenders.

Subsequently, the Lenders have issued a notice of financial default to the SPV in terms of Substitution Agreement under intimation to MbPT. Post issue of the notice of financial default, the SPV has filed a writ petition before Hon'ble Delhi High Court in July 2018 seeking implementation of rebid decision taken in Niti Aayog meeting held on 20th March 2018. The captioned writ Petition was filed against the Ministry of Shipping (MoS), the Government of India, MbPT and others wherein the Lenders were also made party defendant(s). The Court has passed an order on 14th August 2018 in the aforesaid writ petition, permitting the SPV to make detailed representation in this matter within 10 days, with a direction to MbPT and MoS to consider the SPV's representation in this regard and take an informed decision and dispose-off the same within a period of 4 (four) weeks thereafter. In the meanwhile, the Court directed the Lenders not to implement the notice dated 26th July 2018 issued to the SPV for a period of 6 (six) weeks.

The SPV had made a detailed representation on the proposal of settlement (the proposal) to MbPT and MoS, as per the directives of the Court. However, MbPT vide their letter dated 27th September 2018 have not acceded to the representation on the revival proposal made by the SPV and the draft settlement agreement was rejected. The Company and the SPV are in discussions with MbPT and MoS to reconsider the above matter and find a solution given the significant efforts put in by the Company and the SPV in reviving the Project over the past 3 years.

On expiry of 6 (six) weeks from the date of the Court order, the Lenders have sent a notice vide their letter dated 09th October 2018 to MbPT with a copy to the SPV, intimating about initiation of substitution process and request for appointment of internationally approved valuer under the LA. The SPV has issued a Dispute Notice for the Licensor's Event of Default against MbPT and called upon the Licensor to refer the disputes for amicable settlement under the LA and the matter is pending with MbPT, the Company has also received notice to invoke pledged shares to the extent of 51% against which the Company is in active discussions with banks. The Company has provided its response to the Security Trustee's (the Trustee) notice vide their letter dated January 11, 2019 updating the Trustee about the developments that have taken place with respect to amicable settlement with MbPT/the Lenders over the last quarter including a One-Time Settlement (OTS) proposal submitted by the SPV which is under consideration with the Lenders, and requested the Trustee not to proceed with the invocation of pledge of shares. In view of the foregoing, the Trustee has not acted upon the invocation of pledge of shares and the Company and the SPV has not received any further communication on the matter.

The SPV has lodged a claim of ₹ 904.04 crores along with interest at the rate of 18% p.a. in October 2018 with MbPT towards damages/losses on the Project. In addition to the above claim amount, the SPV has intimated MbPT that they shall be liable to release Termination payment in terms of the LA on account of the Licensor's Event of Default under the LA. Post lodging of claim by the SPV, MbPT has raised a counter claim of ₹ 1,850.78 crores on the SPV for the Licensee's Event of Default under the LA.

The SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders', with part payment of OTS amount on approval of the proposal by the Lenders and balance to be paid to the Lenders' over a period of 2 years from date of approval by the Lenders. The OTS proposal is under consideration with the consortium of Lenders'.

There exists material uncertainty relating to the revival of the Project in favour of the SPV. The Auditors of the SPV have highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2019. The Management is hopeful of amicable resolution in respect of the Project. The exposure of the Group in the SPV is ₹ 69,570.74 Lakhs (funded and non-funded).

c) One of the SPV of the Company had signed a Concession Agreement (CA) with Madhya Pradesh Road Development Corporation Limited (MPRDC) for up-gradation of existing Highway from Km 83/4 to Km 195/8 to four lane dual configurations in the state of Madhya Pradesh (the Project) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Concession granted was for a period of 30 years including construction period of 2 years. The Project was scheduled to commence operations from September 19, 2015. However, delays on account of MPRDC in providing the required clearances and the Right of Way (ROW), has resulted in the extension of the Commercial Operations Date (COD). These delays have also resulted in increase in project cost, primarily due to increase in interest during construction period resulting from the time overruns. As per the CA, the Project shall be awarded a Provisional COD Certificate on completion of 75% of the total length of the Project which will enable it to commence commercial operations.

In view of the discussions with MPRDC regarding extension of COD, the SPV 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 has been executed.

However, Payment for Construction activities in the last two quarters have been severely impacted due to delay in loan disbursements by the Lenders and Grant from the Government, delay in processing of payment against Insurance Claim/Change of scope work. The Progress of work has hence been slower than projected. Consequently, the SPV has received a cure period notice in March 2019 from MPRDC in terms of defaults under the CA for delay or no-project work and maintenance work being carried out at site, and to clear the defaults within a period of 30 days from the date of the cure period notice. The SPV has suitably responded to the cure period notice on 18th May 2019. Further, the SPV has not been able to meet its debt service obligations and the debt has been classified as Non-Performing Asset (NPA) as on March 31, 2019.

Recently, the SPV has received payment from the Insurance company against the insurance claim, which has been partially utilized to clear the debt obligations of the Lenders and the balance amount is to be utilized towards construction of the project. It is envisaged that the Provisional COD Certificate will be received by 30th June 2020 (revised), subject to the aforesaid cashflows are received by the SPV. The exposure of the Group in the SPV is ₹ 97,108.47 Lakhs (funded and non-funded).

There has been cost overrun in the project and the Company has not carried out fresh traffic study to asses viability and possible impairment of the project. The management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. The auditors of the SPV have qualified their report on their inability to assess Impairment in the absence of fresh traffic study and have highlighted Material Uncertainty Related to Going Concern in their Independent Auditors Report for the year ended March 31, 2019.

d) In respect of an Annuity Road project: The Project has achieved Provisional Commercial Operations Date (PCOD) on 01st September 2016. The SPV will have cost overrun on account of issues beyond the scope of the SPV and attributable to the Concession Grantor (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 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. However, this amount has been treated separately as receivable from the Grantor. The SPV has submitted a One-Time Settlement (OTS) proposal on 29th November 2018 to the consortium of Lenders and the same is under consideration of the

# Notes to Financial statements
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Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Group to the SPV is ₹ 1,24,618.78 Lakhs (funded and non-funded). The credit facility of the SPV is marked as Non - Performing Asset. the SPV also has issues of annuity being with held for specific performance which the SPV and management of the Company are addressing for amicable resolution.

The management is of the view that the matters would get resolved in favor of the company including the claim determination and settlement , the OTS approval by the lenders, descoping of certain part of the project and the project continuing as a going concern till the end of the concession period.

e) Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. Cochin Bridge Infrastructure Company Limited (SPV) has initiated arbitration / settlement process. The SPV has also in parallel filed a writ in the matter before the Hon'ble Kerala High Court for specific performance. However, the 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 the SPV has filed amended plaint. The said SPV pursuant to the Court proceedings filed a fresh writ for recovery of dues. The Banker of the said SPV have initiated action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (the SARFAESI Act) and have taken symbolic possession of the Property of the SPV. They have also initiated proceedings in the Debt Recovery Tribunal (DRT) against which the SPV is taking necessary legal steps. The SPV has filed for keeping the DRT proceedings on hold till the disposal of the matter before the Hon'ble Kerala High Court. The SPV has made payment of ₹ 648.97 Lakhs during the quarter ended 31st March 2019 against the One- Time Settlement (OTS) of dues to the Lender, which has been approved by their competent authority and has been implemented by issue of sanction letter and no-due certificate. The Lender has also initiated the process for withdrawal of proceeding under SARFAESI and DRT, which shall be completed shortly.

f) Hydro power project at Himachal Pradesh - the Project is stalled due to local agitation relating to environment issues. The matter with the State Government of Himachal Pradesh (GoHP) is under active negotiation to restart the Project or reimburse the costs incurred. Youngthang Power Ventures Limited (SPV) has received letter from GoHP, to discuss the matter mutually towards amicable resolution. The SPV has invoked arbitration on 19th February 2018, the SPV has received a letter from GoHP dated 4th September 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The SPV has appointed its arbitrator in the matter. 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 Lakhs.

g) The Company has incorporated a SPV for developing Rangit-II Hydroelectric Power Project in Sikkim on Build, Own, Operate and Transfer (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 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 the Ministry of Environment & Forests (MoEF) and all major contracts for the Project have been awarded, Power Purchase Agreement (PPA) is yet to be signed. Over a period of time, the scenario in power sector has changed substantially and in the 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 SPV is hopeful that PPA would be signed under the new policy which will also enable to achieve the financial closure for the Project. The 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 SPV is ₹ 10,828.57 Lakhs.

**34** The Company has not been able to fulfill its obligation under the One-Time Settlement (OTS) with IFCI Limited (IFCI). The Company was required to pay the entire outstanding liability by 30th September 2017. The Company has been unable to discharge the liability in full and has made part payment of ₹ 2 crores on 15th January, 2019 against the OTS amount of ₹ 35 crores with a request to IFCI to grant further extension for the payment of the balance outstanding amount and the same is under consideration with IFCI. In terms of the original arrangement and pending the approval from IFCI for extension of time, the benefits received under the OTS of

₹ 4,884.10 Lakhs is yet 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 31st March 2019 is ₹ 320.38 Lakhs.

**35** Other Financial Assets includes ₹ 1,514.01 Lakhs 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 prevoius year ended March 2018. Western Coalfields Limited (WCL) had encashed Bank Guarantee amounting ₹ 1,514.01 Lakhs 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.

**36** Material Uncertainty related to Going Concern There is a continuing mismatch of cash flows including the dues to the subsidiary which are due for repayment pursuant to negotiation by 31st March 2020. The current liabilities are in excess of current assets by ₹1,92,562.94 Lakhs as at 31st March 2019. Further various projects of the Company as stated in note 33 above 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 the notes 33 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 - Rajahmundry Godavari Bridge Limited - Sidhi Singrauli Raod Project Limited The Management however is confident that the going concern assumption and the carrying values of the assets and liabilities in these Consolidated Financial Statements are appropriate. Accordingly, the financial statements do not include any adjustments that may result from these uncertainties.

**37** The Company 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 the Investor 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 had made a consent application for “mutual exit” from the project. Subsequently, NHAI terminated the project vide settlement agreement dated 27.12.2018. As per the said agreement the Company has paid ₹ 18.05 crores to NHAI as full and final settlement. NHAI has released the bank guarantee given by the Company.

**38** 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.

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## 39 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, 2019 (₹) | As on March 31, 2018 (₹) |
|---|---|---|
| Payable not later than one year | - | 133.20 |
| Payable between one to five years | - | - |
| Payable after five years | - | - |
| **Total** | **-** | **133.20** |

## 40 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) 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.

(b) Maharashtra State Electricity Development Corporation Limited (MSEDCL) from whom more than 10% of the business of the Group is carried out in the form of Power Project.

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

Details are given in Annexure -1

## 42 Disclosure related to interest in other entities as per IND AS 112

Details are given in Annexure -2

## 43 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2019 and March 31, 2018. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2019 and March 31, 2018.

## 44 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.

(All figures are in Lakhs unless otherwise stated)

**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.

## 45 Financial Instruments

**i) The carrying value and fair value of financial instruments by categories as at March 31, 2019 & March 31, 2018 is as follows:**

| | | Carrying Value | | Fair Value | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| a) | **Financial Assets** | | | | |
| | **Amortised Cost** | | | | |
| | Loans | 865.24 | 790.22 | 865.24 | 790.22 |
| | Others | 1,19,726.31 | 1,27,903.77 | 1,19,726.31 | 1,27,903.77 |
| | Trade receivables | 26,092.29 | 18,521.41 | 26,092.29 | 18,521.41 |
| | Cash and cash equivalents | 1,116.83 | 5,008.87 | 1,116.83 | 5,008.87 |
| | Bank balance other than above | 3,817.05 | 39.74 | 3,817.05 | 39.74 |
| | Investment in equity | 155.94 | 0.50 | 155.94 | 0.50 |
| | FVTPL | | | | |
| | Mutual Funds | 4,370.13 | 4,515.86 | 4,370.13 | 4,515.86 |
| | **Total Financial Assets** | **1,56,143.79** | **1,56,780.37** | **1,56,143.79** | **1,56,780.37** |
| b) | **Financial liabilities** | | | | |
| | **Amortised Cost** | | | | |
| | Borrowings | 3,42,020.50 | 3,14,154.61 | 3,42,020.50 | 3,14,154.61 |
| | Trade payables | 18,947.74 | 16,837.35 | 18,947.74 | 16,837.35 |
| | Others | 36,213.66 | 1,21,223.00 | 36,213.66 | 1,21,223.00 |
| | **Total Financial Liabilities** | **3,97,181.90** | **4,52,214.96** | **3,97,181.90** | **4,52,214.96** |

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.

## 46 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.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**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, 2019 & March 31, 2018.

| Particulars | Date of Valuation | Fair Value measurement using: 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-19 | 4,370.13 | - | - |
| **Total financial assets** | | **4,370.13** | **-** | **-** |
| **'Financial assets measured at fair value** | | | | |
| Mutual funds - Growth plan | 31-Mar-18 | 4,515.86 | - | - |
| **Total financial assets** | | **4,515.86** | **-** | **-** |

## 47 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. 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.

**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, 2019 | +100 | (3,671.55) |
| | -100 | 3,671.55 |
| March 31, 2018 | +100 | (3,513.33) |
| | -100 | 3,513.33 |

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 ₹ 26092.29 Lakhs as at March 31, 2019 and ₹ 18521.41 Lakhs as at March 31, 2018.

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.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**(v) Liquidity risk**

The Group principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.

The Group has outstanding borrowings of ₹ 3,67,155.29 Lakhs as at March 31, 2019 and ₹ 3,51,334.34 Lakhs as at March 31, 2018.

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 192562.89 Lakhs as at March 31, 2019. 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, 2019 | March 31, 2018 |
|---|---|---|
| Cash and Cash Equivalent | 1,116.83 | 5,008.87 |
| Bank Balance | 3,817.05 | 39.74 |
| Investments in mutual Funds | 4,370.13 | 4,515.86 |
| **Total** | **9,304.01** | **9,564.47** |

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

| Particulars | Less than 1 year |
|---|---|
| **As at March 31, 2019** | |
| Borrowings | 3,42,020.50 |
| Trade Payables | 18,947.74 |
| Other Financial Liabilities | 36,213.66 |
| Other Liabilities | 48,713.93 |
| **Total** | **4,45,895.84** |
| **As at March 31, 2018** | |
| Borrowings | 3,14,154.61 |
| Trade Payables | 16,837.35 |
| Other Financial Liabilities | 1,21,223.00 |
| Other Liabilities | 48,171.07 |
| **Total** | **5,00,386.02** |

**(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.

(All figures are in Lakhs unless otherwise stated)

**(viii) Exchange risk**

Since the operations of the group are within the country the group is not exposed to any exchange risk directly. The group also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal. However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

**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, 2019 | March 31, 2018 |
|---|---|---|
| Borrowings | 3,42,020.50 | 3,14,154.61 |
| Less: | | |
| Cash and Cash Equivalent | (1,116.83) | (5,008.87) |
| Investment in mutual funds | (4,370.13) | (4,515.86) |
| **Net debt** | **3,36,533.54** | **3,04,629.88** |
| **Total Equity** | **35,437.04** | **50,843.09** |
| **Gearing ratio** | **9.50** | **5.99** |

## 49 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 III attached.

**50** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2019.

As per our report of even date

**For Nayan Parikh & Co.**
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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

**Annexure I (Refer note 41)**

**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 - a subsidiary of the Ultimate Holding Company

**Joint Ventures:**

1 Blue Water Iron Ore Terminal Private Limited
2 Indira Container Terminal Private Limited
3 SEZ Adityapur Limited
4 GIPL - GIL JV
5 GIPL - GECPL JV

**Associates:**

1 Eversun Sparkle Maritime Services Limited
2 ATSL Infrastructure Projects Limited
3 Modern Tollroads Limited

**Key Management Personnel:**

| | | |
|---|---|---|
| 1 | Kishore Kumar Mohanty | Managing Director |
| 2 | Naresh Chandra(Upto 09/07/2017) | Chairman |
| 3 | Chandrahas Charandas Dayal (Upto 29/09/2017) | Independent Director |
| 4 | Sushil Chandra Tripathi | Independent Director |
| 5 | Sushil Chandra Tripathi (W.e.f 14/02/2018) | Chairman & Non Executive Director |
| 6 | Homai A Daruwalla | Independent Director |
| 7 | Abhijit Rajan (Upto 07/05/2018) | Non Executive Director |
| 8 | Sanjay Sachdev (W.e.f. 09/11/2017) | Independent Director |
| 9 | Vardhan Dharkar (W.e.f. 20/11/2017) | Non Executive Director |
| 10 | Chayan Bhattachajee (W.e.f. 13/06/2018 ) | Non Executive Director |
| 11 | C. S. Sangitrao | Director |

(All figures are in Lakhs unless otherwise stated)

## b) Details of related parties transactions for the period ended on March 31, 2019

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Subsidiary of Ultimate holding company | Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| **Expenses paid on behalf of** | | **-** | **-** | **36.78** | **-** | **-** | **36.78** |
| | | **-** | **-** | **-** | **-** | **-** | **-** |
| - GIPL GECPL JV | | - | - | 36.78 | - | - | **36.78** |
| (Previous Year) | | - | - | - | - | - | **-** |
| **Advance paid against EPC contracts to** | **25.00** | | **-** | **-** | **-** | **-** | **25.00** |
| | **-** | **-76.73** | **-** | **-** | **-** | **-** | **-76.73** |
| - Gammon India Ltd | 25.00 | | - | - | - | - | **25.00** |
| (Previous Year) | - | -76.73 | - | - | - | - | **-76.73** |
| **Managerial Remuneration** | | **-** | **-** | **-** | **-** | **288.28** | **288.28** |
| | | **-** | **-** | **-** | **-** | **-264.28** | **-264.28** |
| - Mr. K. K. Mohanty | | - | - | - | - | 264.28 | 264.28 |
| (Previous Year) | | - | - | - | - | -264.28 | -264.28 |
| | | | | | | | |
| - Mr. C. S. Sangitrao | | | | | | 24.00 | 24.00 |
| (Previous Year) | | | | | | -24.00 | -24.00 |

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Subsidiary of Ultimate holding company | Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| **Director Sitting fees and Commission** | | **-** | **-** | **-** | **-** | **24.00** | **24.00** |
| | | - | - | - | - | -20.50 | -20.50 |
| - C.C Dayal | | - | - | - | - | | - |
| **(Previous Year)** | | **-** | **-** | **-** | **-** | **-3.50** | **-3.50** |
| **- Chayan Bhattachajee** | | | | | | **3.00** | **3.00** |
| (Previous Year) | | | | | | - | - |
| - Homai A Daruwala | | - | - | - | - | 7.00 | 7.00 |
| **(Previous Year)** | | **-** | **-** | **-** | **-** | **-6.50** | **-6.50** |
| **- Sushil Chandra Tripathi** | | **-** | **-** | **-** | **-** | **8.00** | **8.00** |
| (Previous Year) | | - | - | - | - | -4.00 | -4.00 |
| - Mahendra Kumar Agarwal | | | | | | 1.00 | 1.00 |
| (Previous Year) | | | | | | - | - |
| - Naresh Chandra | | - | - | - | - | - | - |
| (Previous Year) | | - | - | - | - | -1.50 | -1.50 |
| - Abhijit Rajan | | - | - | - | - | - | - |
| (Previous Year) | | - | - | - | - | -3.00 | -3.00 |
| - Vardhan Vasant Dharkar | | - | - | - | - | 1.50 | 1.50 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Subsidiary of Ultimate holding company | Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| (Previous Year) | | - | - | - | - | -0.50 | -0.50 |
| - Sanjay Sachdeva | | - | - | - | - | 3.50 | 3.50 |
| (Previous Year) | | - | - | - | - | -1.50 | -1.50 |
| | | | | | | | |
| Outstanding Balances Receivable : | 435.44 | - | 129.95 | 24.96 | - | - | 627.13 |
| | -426.37 | - | -129.95 | -24.58 | - | - | -580.90 |
| | | | | | | | |
| **- Gammon India Ltd** | **435.44** | **-** | **-** | **-** | **-** | **-** | **435.44** |
| (Previous Year) | -426.37 | - | - | - | - | - | -426.37 |
| - Modern Tollroads Limited | | - | 129.95 | - | - | - | 129.95 |
| (Previous Year) | | - | -129.95 | - | - | - | -129.95 |
| - GIPL GECPL JV | | | | 36.78 | | | 36.78 |
| (Previous Year) | | | | - | | | - |
| - GIPL-GIL JV | | - | - | 24.96 | - | - | 24.96 |
| **(Previous Year)** | | **-** | **-** | **-24.58** | **-** | **-** | **-24.58** |
| | | | | | | | |
| Outstanding Balances Payable: | 109.36 | - | 265.20 | - | 1,500.00 | - | 1,874.56 |
| | -109.36 | - | - | - | -1,500.00 | - | -1,609.36 |
| | | | | | | | |
| - Gammon India Ltd | 109.36 | - | - | - | - | - | 109.36 |
| (Previous Year) | -109.36 | - | - | - | - | - | -109.36 |
| - Modern Tollroads Limited | | - | 265.20 | - | - | - | 265.20 |
| (Previous Year) | | - | -265.20 | - | - | - | -265.20 |
| - Ansaldo Caldie Boilers India Private Limited | | - | - | | 1,500.00 | - | 1,500.00 |
| (Previous Year) | | - | - | - | -1,500.00 | - | -1,500.00 |

(All figures are in Lakhs 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, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Non-current assets | 99,612.12 | 1,06,031.20 | 20,806.46 | 21,904.32 | 68,024.49 | 71,758.11 |
| Current assets | 230.86 | 1,923.69 | 16,775.76 | 14,584.47 | 2,430.98 | 3,213.32 |
| Non-current liabilities | -20128.67 | -84314.77 | -19,433.01 | -20,740.17 | -35.13 | -15.55 |
| Current liabilities | -83,137.98 | -14,446.09 | -6,754.44 | -5,728.93 | -83,838.72 | -78,068.12 |
| Capital Contributions | -5,438.28 | -5,438.28 | | | -3722.47 | -3722.47 |
| **Net assets** | **-8,861.96** | **3,755.76** | **11,394.77** | **10,019.69** | **-17,140.85** | **-6,834.71** |
| **Net assets attributable to NCI** | **-2,526.92** | **592.18** | **2,990.48** | **2,628.75** | **-4,456.48** | **-1,777.09** |
| Contingent Liabilities | - | - | 5,094.58 | 5,886.92 | 2,00,400.63 | 5,657.88 |
| Revenue | 5,336.65 | 5,788.96 | 17,255.68 | 16,250.86 | 4,009.69 | 4,451.03 |
| Profit for the year | -12,620.00 | -7,907.63 | 1,382.45 | 844.21 | -10,309.21 | -8,649.38 |
| **Profit/(Loss) allocated to NCI** | **-3,119.66** | **-1,954.77** | **362.73** | **221.51** | **-2,680.39** | **-2,248.84** |
| Other comprehensive income | 2.29 | 0.18 | -7.32 | 0.90 | 3.08 | 0.24 |
| | | | | | | |
| OCI allocated to NCI | 0.57 | 0.04 | -1.92 | 0.23 | 0.80 | 0.06 |
| | | | | | | |
| "Cash flow from operating activities" | 4,970.98 | 5,107.08 | 3,079.28 | 4,435.38 | 4,337.54 | 4,337.54 |
| "Cash flow from investing activities" | -0.42 | -21.03 | 4,273.66 | 1,017.89 | 18.87 | 18.87 |
| "Cash flow from financing activities" | -5,525.85 | -4,952.61 | -3,632.98 | -5,404.40 | -3,562.31 | -3,562.31 |
| "Net increase/ (decrease) in cash and cash equivalents" | -555.29 | 133.44 | 640.68 | 48.88 | 794.11 | 794.11 |

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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



### Annexure III - Disclosure as required under schedule III of the Companies Act, 2013 (Refer Note 49)

| Sr. No. | Particulars | As at March 31, 2019 | | | | As at March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 276.94% | 1,00,471.62 | 38.48% | -5,980.53 | 204.52% | 1,03,982.26 | 92.10% | -13,416.10 |
| | **Subsidiaries** | | | | | | | | |
| 1 | BBHPL | -3.08% | -1,092.99 | 0.00% | -0.43 | -2.15% | -1,092.57 | 0.02% | -3.34 |
| 2 | CBICL | -2.23% | -789.63 | 1.63% | -253.63 | -1.05% | -536.00 | 1.04% | -150.88 |
| 3 | CICPL | -0.02% | -6.20 | 0.00% | -0.16 | -0.01% | -6.04 | 0.01% | -1.27 |
| 4 | EIPPL | -1.03% | -366.66 | 0.00% | -0.14 | -0.72% | -366.52 | 0.00% | -0.15 |
| 5 | GLL | -2.71% | -960.66 | 0.02% | -2.56 | -1.88% | -958.09 | 0.00% | -0.23 |
| 6 | GPDL | -0.23% | -82.60 | 0.03% | -4.10 | -0.15% | -78.50 | 0.13% | -18.88 |
| 7 | GREIL | -0.47% | -167.30 | 0.11% | -17.50 | -0.29% | -149.81 | 0.01% | -1.44 |
| 8 | GRIL | -0.86% | -303.99 | 0.00% | -0.58 | -0.60% | -303.41 | 0.00% | -0.13 |
| 9 | GSIL | -0.01% | -4.45 | 0.01% | -1.81 | -0.01% | -2.64 | 0.00% | -0.13 |
| 10 | GREPL | 0.00% | | 0.00% | | 0.00% | 0.00 | 0.00% | -0.22 |
| 11 | HBPL | -0.38% | -134.56 | 0.00% | -0.18 | -0.26% | -134.38 | 0.00% | -0.23 |
| 12 | JPDL | -0.01% | -5.00 | 0.02% | -3.29 | 0.00% | -1.71 | 0.00% | -0.21 |
| 13 | LIDL | 0.00% | | 0.00% | | 0.00% | 0.00 | 0.01% | -1.67 |
| 14 | MPSL | 0.02% | 6.01 | 0.05% | -7.39 | 0.03% | 13.40 | 0.01% | -1.70 |
| 15 | PHPL | 4.56% | 1,614.32 | 0.37% | -57.71 | 3.29% | 1,672.03 | -14.21% | 2,070.17 |
| 16 | PREL | -21.48% | -7,612.19 | -28.71% | 4,462.62 | -23.75% | -12,074.81 | 17.74% | -2,583.59 |
| 17 | RCTPL | -0.12% | -43.65 | 0.00% | -0.16 | -0.09% | -43.49 | 0.08% | -12.25 |
| 18 | RGBL | -60.36% | -21,390.61 | 46.62% | -7,245.65 | -27.82% | -14,144.96 | 38.64% | -5,629.22 |
| 19 | SREPL | 0.00% | | 0.00% | | 0.00% | 0.00 | -0.15% | 21.23 |
| 20 | SHPVL | -1.38% | -488.87 | -3.69% | 574.20 | -2.09% | -1,063.07 | 6.87% | -1,000.59 |
| 21 | SIPPL | -0.03% | -12.39 | 0.00% | -0.50 | -0.02% | -11.89 | 0.01% | -1.17 |
| 22 | SSRPL | 7.50% | 323.13 | -14.74% | 2,291.49 | 0.72% | 365.13 | -92.70% | 13,503.44 |
| 23 | TIDCL | -0.05% | -18.95 | 0.00% | -0.16 | -0.04% | -18.78 | 0.00% | -0.14 |
| 24 | TREPL | 0.00% | | 0.00% | | 0.00% | 0.00 | 0.00% | 0.40 |
| 25 | THPL | -0.08% | -27.00 | 0.00% | -0.36 | -0.05% | -26.64 | 0.00% | -0.64 |
| 26 | VGRPPL | -18.66% | -6,613.34 | 8.41% | -1,307.45 | -10.44% | -5,305.89 | 1.84% | -267.91 |
| 27 | VSPL | 2.64% | 935.25 | 2.04% | -316.79 | 2.46% | 1,252.04 | 4.48% | -652.66 |
| 28 | YMMPL | 0.00% | | 0.00% | | 0.00% | 0.00 | 0.00% | -0.10 |
| 29 | YPHPL | -7.95% | -2,817.66 | 0.12% | -18.69 | -5.51% | -2,798.97 | 0.00% | -0.10 |
| 30 | YPVL | -0.99% | -350.76 | 0.12% | -18.47 | -0.65% | -332.28 | 0.08% | -11.25 |
| 31 | **ICTPL** | -69.49% | -24,623.83 | 49.11% | -7,632.52 | -33.42% | -16,991.32 | 43.98% | -6,406.55 |
| | **Joint Venture** | | | | | | | | |
| 1 | GIPL-GIL JV | 0.00% | 0.00 | 0.00% | 0.00 | 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** |
| | | | | | | | | | |
| | | **100.00%** | **35,437.04** | **100.00%** | **-15,542.44** | **100.00%** | **50,843.09** | **100.00%** | **-14,567.53** |

# Independent Auditor's Report

**To**
**The Members of**
**Gammon Infrastructure Projects Limited**

**Report on the Audit of the Standalone Financial Statements**

## Qualified Opinion

We have audited the Standalone Financial Statements of Gammon Infrastructure Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, 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, 2019, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

## Basis of Qualified Opinion

a) Attention is invited to Note 28(a) to the Standalone Ind AS Financial Statements in respect of tolling bridge project in Andhra Pradesh in the SPV Rajahmundry Godavari Bridge Limited where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of ₹ 1,12,337 lacs as termination payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Company is ₹ 1,08,696.56 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders and other matters as aforesaid, we are unable to comment on the possible impairment required against the exposure of the Company.

b) Attention is invited to Note 28(b) to the Standalone Ind AS Financial Statements, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the company in the SPV/project is ₹ 13,488.27 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.

c) Attention is invited to Note no. 29 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 ₹ 4,884.10 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 ₹ 320.38 lacs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

## Material Uncertainty relating to Going Concern.

We invite attention to Note 28 of the Standalone Ind AS Financial Statements for the year ended March 31, 2019, wherein status of various SPV projects which are stressed due to delay in completion, cost overrun, liquidity crunch and have legal issues, arbitration proceedings or negotiations. The successful progress and completion depend on favourable decisions on outstanding litigations being received by the Management. We also invite attention to Note 31 of the Standalone Ind AS Financial Statements where the Company has stated that as of March 31, 2019 the Company's current liabilities exceeded current assets by ₹ 39,211.70 lacs. There is a continuing mismatch including defaults in payment of its financial obligations to its subsidiary Company. These conditions, along with the fact of the Auditors' Report of some of the SPV carrying a separate paragraph on Material Uncertainty related to Going Concern referred to in Note 31 of the Standalone Ind AS Financial Statements, indicate the existence of Material Uncertainty which may impact 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) Attention is invited to Note 28 (c) of the Statement, relating to slow progress of work for one of the road project at Madhya Pradesh. These delays have resulted in increase in project cost resulting in cost overrun in the project. The SPV has also received the cure period notice from MPRDC in terms of defaults under the Concession Agreement for delay, no-project work and maintenance work being carried out at site, and to clear the defaults against which the company has submitted their response. The credit facility of the SPV has been marked as NPA by the lenders. Total exposure of the Company is the SPV/Project is ₹ 74,578.94 lacs. The Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. We have relied on the management assertion on this matter. The management also believes that the project would achieve PCOD in a short time.

b) We invite attention to Note 28 (d) 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 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 SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company in the SPV is ₹ 1,30,052.41 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

c) We invite attention to Note 28 (e) 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 ₹ 2,389.34 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

d) We invite attention to Note 28(f) 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 SPV has received a letter from GoHP dated September 4, 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The Company's exposure towards the said project includes investment and loans and advances of ₹ 7,126.01 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

e) We invite attention to Note no 28(g) 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 ₹ 9,428.08 lacs.

f) We invite attention to Note no 30 of the Standalone Ind AS Financial Statements, wherein during the previous 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.

## Key Audit Matters

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

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

## Other Information

The Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the Report of the Board of Directors, Corporate Information, Company at a Glance, Message from Chairman, Management Discussion and Analysis, Report on Corporate Governance and other Information and data required by the provisions of Companies Act but does not include the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

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

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

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

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

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

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

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion 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 Statement 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the standalone 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.

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

**K.N. Padmanabhan**
Partner
M. No. 36410
Kolkata, Dated: May 29, 2019

# Annexure A To Auditor's Report

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

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its PPE.

(b) PPE 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, 2019 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 underu/s 153A | 2163.32 | A.Y. 2007-08 to A.Y. 2011-12 & A.Y. 2015-16 to 2016-17 | Commissioner of Income-Tax (Appeals) |
| | Demand of Penaltyu/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 during the year defaulted in repayment of interest to bank as mentioned in Note 11(c) to the Financial Statements, the same were made good as on March 31, 2019 and there were no outstanding dues as on March 31, 2019, The Company did not have any dues to Government and debenture holders during the year.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments) during the 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) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

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

(xiii) 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
M. No. 36410
Kolkata, Dated: May 29, 2019

# Annexure B To Auditor's 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 Financial Statements of Gammon Infrastructure Projects Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 Financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**K.N. Padmanabhan**
Partner
M. No. 36410
Kolkata, Dated: May 29, 2019

# Balance Sheet
## as at March 31, 2019

(₹ in lacs)

| Particulars | | | Note Ref | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **Non-current assets** | | | | |
| | (a) | Property, Plant and Equipment | 2 | 392.77 | 461.76 |
| | (b) | Financial Assets | 3 | | |
| | | (i) Investments in Subsidiaries , Joint Ventures and Associates | 3.1 | 1,10,043.44 | 1,17,504.72 |
| | | (ii) Trade receivables | 3.2 | 5,088.46 | 5,030.81 |
| | | (iii) Loans | 3.4 | 2,838.79 | 2,621.89 |
| | | (iv) Other Financial Assets | 3.5 | 8,169.36 | 8,073.91 |
| | (c) | Deferred Tax Asset, Net | 4 | 2,655.75 | 2,473.53 |
| | (d) | Other non current assets | 5 | 5,878.30 | 1,822.96 |
| | | | | **1,35,066.87** | **1,37,989.58** |
| **(2)** | **Current Assets** | | | | |
| | (a) | Inventories | | - | - |
| | (b) | Financial Assets | 3 | | |
| | | (i) Investments in Subsidiaries , Joint Ventures and Associates | 3.1 | - | - |
| | | (ii) Other Investments | 3.1 | 4,370.13 | 4,515.86 |
| | | (iii) Trade receivables | 3.2 | 310.94 | 105.54 |
| | | (iv) Cash and cash equivalents | 3.3 | 32.44 | 706.99 |
| | | (v) Bank balances | 3.3 | 10.65 | 39.74 |
| | | (vi) Loans | 3.4 | 74.10 | 75.00 |
| | | (vii) Others Financial Assets | 3.5 | 82,033.96 | 3,359.43 |
| | (c) | Other current assets | 5 | 266.66 | 5,744.01 |
| | | | | **87,098.88** | **14,546.57** |
| **Total Assets** | | | | **2,22,165.75** | **1,52,536.15** |
| **EQUITY & LIABILITIES** | | | | | |
| **Equity** | | | | | |
| | (a) | Equity Share capital | 6 | 18,917.64 | 18,917.64 |
| | (b) | Other Equity | 7 | 67,015.18 | 74,351.25 |
| | | | | **85,932.82** | **93,268.89** |
| **Liabilities** | | | | | |
| **Non-current liabilities** | | | | | |
| | (a) | Financial Liabilities | 8 | | |
| | | (i) Borrowings | 8.1 | - | - |
| | | (ii) Other financial liabilities | 8.2 | 3,832.77 | 3,630.05 |
| | (b) | Provisions | 9 | 27.88 | 74.83 |
| | (c) | Other Non-current liabilities | 10 | 6,061.70 | 9,118.10 |
| | | | | **9,922.35** | **12,822.98** |
| **Current liabilities** | | | | | |
| | (a) | Financial Liabilities | 8 | | |
| | | (i) Borrowings | 11 | 3,894.86 | 3,522.31 |
| | | (ii) Trade payables | | | |
| | | Total outstandng dues of Micro & Small Enterprise | | - | - |
| | | Total outstandng dues of creditors other than Micro & Small Enterprise | 12 | 2,049.43 | 3,254.92 |
| | | (iii) Other financial liabilities | 8.2 | 92,668.93 | 12,516.07 |
| | (b) | Provisions | 9 | 190.24 | 191.41 |
| | (c) | Current tax liability | 13 | 2,107.35 | 2,165.92 |
| | (d) | Other current liabilities | 10 | 25,399.77 | 24,793.65 |
| | | | | **1,26,310.58** | **46,444.28** |
| | | Significant Accounting policies and other Related Notes | 1 | | |
| **Total Equity and Liabilities** | | | | **2,22,165.75** | **1,52,536.15** |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Statement of Profit & Loss
## for year ended March 31, 2019

(₹ in lacs)

| | Particulars | Note Ref | 2018-19 | 2017-18 |
|---|---|---|---|---|
| I | **Revenue from Operations** | 14 | 2,289.04 | 15,078.88 |
| II | **Other Income** | 15 | 3,598.80 | 2,590.50 |
| III | **Total Income (I +II)** | | **5,887.84** | **17,669.38** |
| IV | **Expenses:** | | | |
| | Construction expenses | 16 | 1,978.76 | 11,983.94 |
| | Employee benefit expenses | 17 | 810.05 | 829.66 |
| | Finance Costs | 18 | 2,231.53 | 2,239.88 |
| | Depreciation & amortization | 19 | 68.99 | 60.85 |
| | Other expenses | 20 | 450.92 | 1,163.25 |
| | **Total Expenses** | | **5,540.25** | **16,277.58** |
| V | **Profit before exceptional Item and tax (iv-iii)** | | **347.59** | **1,391.80** |
| VI | Exceptional items | 21 | 7,661.00 | - |
| VII | **Profit before tax** | | **(7,313.41)** | **1,391.80** |
| VIII | **Tax expenses** | 22 | **27.78** | **247.33** |
| | Current Tax | | 210.00 | 520.00 |
| | Taxation for earlier years | | - | 176.75 |
| | *Deferred Tax Liability / (asset)* | | (182.22) | (449.42) |
| IX | **Profit for the period from continuing operations** | | **(7,341.19)** | **1,144.47** |
| | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified subsequently to profit or loss** | | | |
| | Remeasurement of defined benefit plans | | 5.12 | (15.68) |
| | Tax effect thereon | | - | 3.35 |
| X | **Other Comprehensive Income for the period, net of tax** | | **5.12** | **(12.33)** |
| | | | | |
| XI | **Total comprehensive income for the period** | | **(7,336.07)** | **1,132.13** |
| | **Earnings per equity share** | | | |
| | **Earnings per equity share [nominal value of share ₹ 2/-]** | 23 | | |
| | Basic | | (0.78) | 0.12 |
| | Diluted | | (0.78) | 0.12 |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Cash Flow Statement

**for year ended March 31, 2019**

(All figures are in Lakhs unless otherwise stated)

| Particulars | For the Financial Year ended March 31, 2019 | | For the Financial Year ended March 31, 2018 | |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit /(loss) before tax | | (7,313.41) | | 1,391.80 |
| **Adjustments:** | | | | |
| Depreciation & amortization | 68.99 | | 60.85 | |
| Employees Compensation Expenses | - | | 0.72 | |
| Gurantee Commission | (3,059.09) | | (1,097.19) | |
| Interest received on FD & Banks | (169.01) | | (131.30) | |
| Interest Income-Ind-AS impact | - | | (361.88) | |
| Remesurement gain on loans given to Group Companies | - | | (130.08) | |
| Profit on sale of current investment | (78.10) | | (139.81) | |
| Net gain on financial asset through FVTPL | (262.92) | | (239.64) | |
| Write back of provision for advances | (16.00) | | (110.97) | |
| Sundry Balances W/back | (7.20) | | (0.27) | |
| Interest expenses on Financial liabilities at amortised cost | 1,735.15 | | 1,683.78 | |
| Banks Interest | 370.18 | | 475.89 | |
| Remeasurement Loss | - | | 35.04 | |
| Provision for doubtful advance | 1.99 | | - | |
| Sundry balances written off | 12.68 | | 73.00 | |
| Write off of investments | 10.00 | | - | |
| Provision for Diminution in Value of Investments of subsidiaries | 87.66 | | 527.52 | |
| Exceptional items | 7,661.00 | 6,355.33 | - | 645.66 |
| **Operating cash flows before working capital changes and other assets** | | **(958.08)** | | **2,037.46** |
| Decrease/ (increase) in trade receivables | (263.06) | | 1,375.40 | |
| Decrease/ (increase) in financial Assets | (1,244.82) | | 941.93 | |
| Decrease/ (increase) in Other assets | 1,415.15 | | (3,380.43) | |
| (Decrease) / increase in financial liabilities | (402.36) | | 2,621.25 | |
| (Decrease) / increase in Non- financial liabilities | 613.28 | | (14,357.23) | |
| (Decrease) / increase in provisions | (43.00) | 75.19 | 12.43 | (12,786.65) |
| **Cash generated from operations** | | **(882.89)** | | **(10,749.18)** |
| Income taxes refund / (paid), net | | 274.38 | | 161.48 |
| **Net cash generated from in operating activities** | | **(1,157.27)** | | **(10,910.66)** |

| Particulars | For the Financial Year ended March 31, 2019 | | For the Financial Year ended March 31, 2018 | |
|---|---|---|---|---|
| **Cash flows from investing activities** | | | | |
| Purchase of property, plant and equipment | - | | (487.36) | |
| Investment in Subsidiaries | - | | 1,622.95 | |
| Movement in Other Bank Balances | (95.44) | | (50.33) | |
| Purchase of Mutual Funds | (1,325.00) | | (6,404.98) | |
| Proceeds from Sale of Mutual Funds | 1,811.75 | | 9,350.74 | |
| Intercorporate loan | 100.01 | | (3,865.41) | |
| Refund of Loans | - | | 11,743.44 | |
| Interest received | 191.92 | | 454.58 | |
| | | **683.24** | | **12,363.64** |
| **Cash flows from financing activities** | | | | |
| Net Proceed from Short term borrowings | 372.55 | | (96.97) | |
| Proceeds from long-term borrowings | - | | 151.63 | |
| Repayment of long-term borrowings | - | | (261.59) | |
| Interest paid | (602.16) | | (2,181.04) | |
| **Net cash used in financing activities** | | **(229.61)** | | **(2,387.97)** |
| **Net increase / decrease in cash and cash** | | **(703.64)** | | **(935.00)** |
| Cash and cash equivalents at the beginning of the period | | 746.73 | | 1,681.74 |
| Cash and cash equivalents at the end of the period | | 43.09 | | 746.73 |
| | | **(703.64)** | | **(935.00)** |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Notes to Financial Statements
**for year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

## Statement of changes in equity

### A Equity

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number of Shares | ₹. in lacs | Number of Shares | ₹. in lacs |
| **Equity shares of ₹ 2 each issued, subscribed and fully paid** | | | | |
| Balance at the beginning of the reporting period | 94,18,30,724 | 18,836.61 | 94,18,30,724 | 18,836.61 |
| Changes in equity share capital during the year<br>- issued during the reporting period | - | | - | - |
| **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 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** |
| Profit for the year | (7,341.19) | | | | (7,341.19) |
| Deferred Employee Stock : Charge for the period | | | | | - |
| Remeasurement gain/(loss) on defined benefit plans (Net of tax) | 5.12 | | | | 5.12 |
| **Balance as at 31 March 2019** | **10,610.24** | **23.96** | **56,369.47** | **11.52** | **67,015.18** |

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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

## Note : 1 - Significant Accounting policies and Other Related Notes

### 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 May 29, 2019.

### B Recent accounting pronouncements

**I Ind AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

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

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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

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

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

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

- **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- **Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**III Amendment to Ind AS 19 Plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**IV Ind AS 109 – Prepayment Features with Negative Compensation**

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

**V Ind AS 23 – Borrowing Costs**

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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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

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

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

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

## C 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 Lakhs, 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.

## D 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.

## E 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.
An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

**b) Revenue Recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

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

**i) Contract revenue (construction contracts)**

The company has single performance obligation of construction activity, income is recognised over time based on the progess of the work i.e., cost incurred during the period and margin on the Construction Activity.

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.

**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) 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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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.

**iv) Dividend income:**

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

**v) Finance and Other Income ( including remeasurement Income)**

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

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

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

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

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

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

**d) Intangible assets**

i) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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.

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.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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.

**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 statements
**for the year ended March 31, 2019**
(All figures are in Lakhs 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.

**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.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**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.

**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.

(All figures are in Lakhs unless otherwise stated)

## 2 Property Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block - Asset class wise for 2018-19

| Particulars | Plant and Machinery | Furniture & Fixtures | Office Equip-ment's | Computers | Motor Vehicles | Leasehold improve-ments | Total |
|---|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | | |
| **As at April 1, 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** |
| Additions | | | | | | | |
| Sales/Disposals/Adjustments | | (2.85) | (15.96) | (56.01) | | | (74.82) |
| **As at March 31, 2019** | **467.16** | **27.24** | **34.69** | **0.96** | **56.52** | **86.83** | **673.41** |
| | | | | | | | |
| **Depreciation** | | | | | | | |
| As at April 1, 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 |
| Charge for the period | 58.48 | 2.89 | 2.39 | 0.24 | 4.98 | | 68.99 |
| **Sales/Disposals/Adjustments** | | **(2.85)** | **(15.96)** | **(56.01)** | | | **(74.82)** |
| **As at March 31, 2019** | **104.74** | **15.39** | **33.36** | **0.64** | **39.69** | **86.83** | **280.63** |
| | | | | | | | |
| **Net Block Value** | | | | | | | |
| **As at March 31, 2018** | **420.90** | **14.75** | **3.73** | **0.56** | **21.82** | **0.00** | **461.76** |
| **As at March 31, 2019** | **362.42** | **11.86** | **1.33** | **0.32** | **16.83** | **0.00** | **392.77** |

1 Estimated useful life of the following 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 |

2 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 statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



## 3 Financial Assets

| | | | As at | | As at | |
|---|---|---|---|---|---|---|
| | | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | | Non- Current | | Current | |
| **3.1** | **A** | **Investments in Subsidiaries, Joint Ventures and Associates (At Cost)** | | | | |
| | i) | Equity Instrument of Subsidiaries | 88,287.08 | 80,637.08 | - | - |
| | 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 | (11,156.12) | (3,417.45) | - | - |
| | vi) | Quasi Equity | 29,671.21 | 37,043.81 | - | - |
| **Total** | | | **1,10,043.44** | **1,17,504.72** | **-** | **-** |
| | **B** | **Other Investments (At Fair value through P&L)** | | | | |
| | i) | Liquid Mutual Funds | - | - | 4,370.13 | 4,515.86 |
| | | | | | | |
| | | **Total** | **-** | **-** | **4,370.13** | **4,515.86** |
| | | | | | | |
| | | **Disclosure:** | | | | |
| | **i)** | **Investment Carried at Cost** | **1,10,043.44** | **1,17,504.72** | **-** | **-** |
| | **ii)** | **Investments carried at fair value through Profit and Loss** | **-** | **-** | **4,370.13** | **4,515.86** |

## I Details of Investments

| | Particulars | Face Value In ₹ | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|---|
| | | | 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 |

(All figures are in Lakhs unless otherwise stated)

| Particulars | Face Value In ₹ | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|
| | | Nos | Amount | Nos | Amount |
| 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 |
| Gammon Seaport Infrastructure Limited | 10 | 50,000 | 5.00 | 50,000 | 5.00 |
| Haryana Biomass Power Limited | 10 | 12,83,510 | 269.35 | 12,83,510 | 269.35 |
| Indira Container Terminal Private Limited | 10 | 4,87,51,680 | 3,937.58 | 4,87,51,680 | 3,937.58 |
| Jaguar Projects Developers Limited | 10 | - | - | 50,000 | 5.00 |
| Lilac Infra Projects Developers Limited | 10 | - | - | 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 | 6,708.35 |
| Rajahmundry Godavari Bridge Limited | 10 | 15,35,37,650 | 19,722.24 | 15,35,37,650 | 19,722.24 |
| Sidhi Singrauli Road Projects Limited | 10 | 17,04,10,000 | 20,394.87 | 17,04,10,000 | 20,394.87 |
| 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 | 7,66,10,000 | 7,661.00 | 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** | | | **88,287.08** | | **80,637.08** |
| **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** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| Particulars | Face Value In ₹ | As at March 31, 2019 Nos | As at March 31, 2019 Amount | As at March 31, 2018 Nos | As at March 31, 2018 Amount |
|---|---|---|---|---|---|
| **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** |
| **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 | | 367.54 |
| Haryana Biomass Power Limited | | | 269.35 | | 269.35 |
| Jaguar Projects Developers Limited | | | - | | 5.00 |
| Lilac Infra Projects Developers Limited | | | - | | 5.00 |
| Modern Tollroads Limited | | | 2.45 | | 2.45 |
| 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 |

(All figures are in Lakhs unless otherwise stated)

| Particulars | Face Value In ₹ | As at March 31, 2019 Nos | As at March 31, 2019 Amount | As at March 31, 2018 Nos | As at March 31, 2018 Amount |
|---|---|---|---|---|---|
| Vijayawada Gundugolanu Road Project Private Limited * | | | 7,661.00 | | - |
| Yamunanagar Panchkula Highway Pvt Ltd | | | 1,905.00 | | 1,905.00 |
| Gammon Road Infrastructure Limited | | | 92.67 | | 5.00 |
| Tidong Hydro Power Ltd | | | 71.18 | | 71.18 |
| **Total** | | | **11,156.12** | | **3,417.45** |
| **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 | | 3,722.47 |
| 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 | | | 3,108.96 | | 3,208.96 |
| Sidhi Singrauli Road Projects Limited | | | 3,527.16 | | 3,527.16 |
| Vijayawada Gundugolanu Road Project Pvt Limited | | | - | | 7,272.60 |
| Youngthang Power Ventures Limited | | | 5,734.58 | | 5,734.58 |
| **Total** | | | **29,671.21** | | **37,043.81** |
| **Less: Provision for Impairment of Quasi Equity** | | | - | | |
| | | | **29,671.21** | | |
| **Total non-current investments** | | | **1,10,043.44** | | **1,17,504.72** |

Refer notes 28 & 32 of notes to financial statements for the project notes of the SPVS.

**Movement in investment as at March 31, 2019 on account of IND AS Adjustments - NIL**

**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 | 20,394.88 |
| Pravara Renewable Energy Limited | 6,677.55 | 30.80 | - | 6,708.35 |
| **Total** | **26,621.61** | **30.80** | **450.82** | **27,103.23** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

**B Current Investments:-**

| Particulars | Face Value | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|---|
| | 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'19 - ₹ 29.2322, Mar'18 - ₹ 27.1378) | | 1,49,49,706 | 4,370.13 | 1,66,10,968 | 4,515.86 |
| **Total** | | | **4,370.13** | | **4,515.86** |
| **Total current investments** | | | **4,370.13** | | **4,515.86** |
| **Total Investments** | | | **1,14,413.57** | | **1,22,020.58** |
| Aggregate amount of quoted investments | | | **4,370.13** | | **4,515.86** |
| Market Value of quoted investments | | | **4,370.13** | | **4,515.86** |
| Aggregate amount of unquoted investments | | | **1,10,043.44** | | **1,17,504.72** |

Canara Bank has issued the Bank Guarantee to National Highways Authority of India (NHAI) on behalf of Vijayawada Gundugolanu Road Projects Private Limited ( VGRPPL), a wholly owned subsidiary of Gammon Infrastructure Projects Limited. The value of the BG is Nil (PY ₹ 8400.00 Lakhs). The mutual fund of ₹ 4500.00 Lakhs held with canara Robecco is marked as lien against the said BG facility. The said BG was released during the year on account of mutual settlement.

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

| Name of Party | Nature | Relation | Purpose | Period ended (Amount in ₹) March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|---|
| Vijayawada Gundugolanu Road Project Pvt Limited | Investment | Subsidiary | Increase in equity interest | 7,661.00 | - |
| Indira Container Terminal Pvt Limited | Investment | Subsidiary | | - | 1,500.00 |
| Haryana Biomass Powe Limited | Investment | Subsidiary | | - | 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, 2019 | March 31, 2018 |
|---|---|---|---|
| **Pledge of shares of SPV's which are being held as on March 31, 2019** | | | |
| Sidhi Singrauli Road Project Limited | 10/- | 11,93,06,600 | 11,93,06,600 |
| Rajahmundry Godavari Bridge Limited | 10/- | 3,65,00,000 | 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 |

(All figures are in Lakhs unless otherwise stated)

The change in the balances between March 31, 2019 & March 31, 2018 represent additional / reduction of pledge during the period ended March 31, 2019.

| | | | As at | | As at | |
|---|---|---|---|---|---|---|
| | | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | | Non- Current | | | Current |
| **3.2** | **Trade Receivables** | | | | | |
| | **(Unsecured, at amortised cost)** | | | | | |
| | i) | Considered good | - | - | 310.94 | 105.54 |
| | ii) | Considered doubtful | - | - | 487.67 | 487.67 |
| | | Less:- Allowance for credit loss | - | - | (487.67) | (487.67) |
| | iii) | Other Receivable- Retentions | 5,088.46 | 5,030.81 | - | - |
| | | **Total** | **5,088.46** | **5,030.81** | **310.94** | **105.54** |

| | As at | |
|---|---|---|
| Note: Receivables from related parties are as follows: | March 31, 2019 | March 31, 2018 |
| **Subsidiaries:** | | |
| Sidhi Singrauli Road Projects Ltd | 5,340.27 | 5,077.22 |
| Birmitrapur Barkote Highway Pvt Ltd (fully provided) | 487.67 | 487.67 |
| Less : Allowance for credit loss | (487.67) | (487.67) |
| **Total** | **5,340.27** | **5,077.22** |

**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.

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

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| | | | As at | | As at | |
|---|---|---|---|---|---|---|
| | | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | | Non- Current | | Current | |
| 3.3 | **Cash and Bank Balances** | | | | | |
| | **A** | **Cash and cash equivalents** | | | | |
| | i) | Balances with banks | - | - | 31.19 | 699.15 |
| | ii) | Cash on hand | - | - | 1.25 | 7.84 |
| | | **Total** | **-** | **-** | **32.44** | **706.99** |
| | **B** | **Bank balances** | | | | |
| | i) | Balances in escrow account | - | - | 0.66 | 29.75 |
| | ii) | Debt service reserve account | - | - | 9.99 | 9.99 |
| | iii) | Fixed Deposit as margin for BG issued | 2,117.42 | 1,978.23 | - | - |
| | iv) | Fixed Deposit under lein (refer note 12) | 1,015.48 | 1,059.22 | - | - |
| | v) | Less : Transferred to Other Financial Assets (refer note 4.5(vii) | (3,132.90) | (3,037.45) | - | - |
| | | **Total** | **-** | **-** | **10.65** | **39.74** |
| | | **Grand Total** | **-** | **-** | **43.09** | **746.73** |

| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| **3.4** | **Loans (at amortised cost)** | | | | |
| | **Security Deposit** | | | | |
| | **(Unsecured, Considered good )** | | | | |
| | Leave and license | 10.00 | 10.00 | - | - |
| | Others | 0.88 | 0.71 | - | - |
| | **(A)** | **10.88** | **10.71** | **-** | **-** |
| | **Intercorporate Deposits** | | | | |
| | **Related parties** | | | | |
| | Unsecured, Considered good | 2,827.91 | 2,611.18 | 74.10 | 75.00 |
| | Unsecured, Considered doubtful | 2,062.25 | 2,067.86 | - | - |
| | Others | | | | |
| | Unsecured, Considered good | - | - | - | - |
| | Unsecured, Considered doubtful | 39.02 | 38.92 | - | - |
| | Less: Impairment of ICDs | (2,101.27) | (2,106.78) | - | - |
| | **(B)** | **2,827.91** | **2,611.18** | **74.10** | **75.00** |
| | **Total (A+B)** | **2,838.79** | **2,621.89** | **74.10** | **75.00** |

(All figures are in Lakhs unless otherwise stated)

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

| Company Name | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Considered good** | | |
| Gammon Renewable Energy Infrastructure Limited | 329.33 | 129.20 |
| Gammon Seaport Infrastructure Limited | 74.10 | 75.00 |
| Pravara Renewable Energy Limited | 2,498.58 | 2,481.98 |
| **Total** | **2,902.01** | **2,686.18** |
| **Considered doubtful and provided for** | | |
| Gammon Logistics Limited | 159.61 | 159.46 |
| Gammon Road Infrastructure Limited | 132.19 | 132.19 |
| Birmitrapur Barkote Highway Pvt Limited | 605.18 | 605.18 |
| Earthlink Infrastructure Projects Pvt Limited | 1.82 | 5.07 |
| Yamunanagar Panchkula Highway Pvt Limited | 915.53 | 915.53 |
| Haryana Biomass Power Ltd | 0.07 | - |
| Chitoor Infra Company Private Limited | 9.11 | 8.99 |
| Segue Infrastructure Projects Pvt Limited | 2.50 | 2.50 |
| Gammon Projects Developers Limited | 78.79 | 81.54 |
| Tidong Hydro Power Ltd | 157.23 | 157.23 |
| Tada Infra Development Company Limited | 0.22 | 0.17 |
| **Total** | **2,062.25** | **2,067.86** |

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **3.5 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 (refer note no. 8.2(a)) | | - | 80,350.45 | 1,686.62 |
| Dues from Joint Ventures | - | - | 36.78 | - |
| **Unsecured, Considered doubtful** | | | | |
| Dues from Subsidiary Companies | - | - | 49.03 | 45.88 |
| Dues from Joint Ventures | - | - | 24.97 | 24.58 |
| Dues from Associates | - | - | 0.48 | 0.48 |
| | **-** | **-** | **80,510.99** | **1,806.84** |
| **ii) Others:** | | | | |
| Unsecured, Considered good(refer note 3.5 (a)) | - | - | 1,563.24 | 1,566.42 |
| Unsecured, Considered doubtful | - | - | 21.30 | 21.19 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| | | - | - | 1,584.54 | 1,587.61 |
| iii) | Less: Impairment of doubtful advance | - | - | (95.78) | (92.13) |
| | **(A)** | **-** | **-** | **81,999.75** | **3,302.32** |
| iv) | **Interest accrued receivable** | | | | |
| | From related parties, considered good | - | - | 17.47 | 17.47 |
| | From Banks, considered good | - | - | 16.74 | 39.64 |
| | From others, considered doubtful | - | - | 6.92 | 6.92 |
| | Less: Impairment of doubtful Interest | - | - | (6.92) | (6.92) |
| | **(B)** | **-** | **-** | **34.21** | **57.11** |
| v) | Advance for purchase of shares((refer note 3.5 (b)) | 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 | 3,132.90 | 3,037.45 | - | - |
| | **(E)** | **3,132.90** | **3,037.45** | **-** | **-** |
| | **Total (A+B+C+D+E)** | **8,169.36** | **8,073.91** | **82,033.96** | **3,359.43** |

(a) Others considered good includes ₹ 1,514.01 Lakhs 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. 31

(b) 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 Lakhs 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 ₹ 4,884.10 Lakhs 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 ₹ 320.38 Lakhs. During the year Company had paid ₹ 200.00 Lakhs as part payment.

(All figures are in Lakhs 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, 2019** | **March 31, 2018** |
| **Dues from Subsidiary companies : Unsecured, Considered good** | | |
| Pravara Renewable Energy Ltd | 1,038.61 | 906.33 |
| Cochin Bridge Infrastructure Company Ltd | 795.35 | 140.65 |
| Gammon Renewable Energy Infrastructure Ltd | 75.74 | 75.74 |
| Rajahmundry Godavari Bridge Ltd | 78,355.06 | 308.74 |
| Sikkim Hydro Power Ventures Ltd | 38.92 | 133.75 |
| Indira Container Terminal Pvt Ltd | - | 53.98 |
| Ras Cities and Townships Limited | 6.09 | 65.13 |
| Siddhi Singrauli Road Project Limited | 34.77 | |
| Gammon Seaport Infrastructure Ltd | 0.30 | 0.30 |
| Marine Projects Services Ltd | - | 2.00 |
| Tidong Hydro Power Ltd | 0.77 | - |
| Youngthang Power Ventures Ltd | 4.84 | - |
| | **80,350.45** | **1,686.62** |
| **Dues from Subsidiary companies : Unsecured, Considered doubtful** | | |
| Birmitrapur Barkote Highways Private Ltd | 0.14 | 0.02 |
| Chitoor Infra Energy Private Ltd | 1.43 | 1.39 |
| Gammon Logistics Ltd | 28.17 | 28.14 |
| Gammon Project Developers Ltd | 1.68 | 0.42 |
| Haryana Biomass Power Ltd | 0.03 | - |
| Jaguar Projects Developers Ltd | - | 0.28 |
| Tada Infra Development Company Ltd | 13.71 | 13.71 |
| Yamunanagar Panchkula Highways Private Ltd | 0.66 | 0.89 |
| Segue Infrastructure Projects Pvt Ltd | 1.03 | 1.03 |
| Satluj Renewable Energy Pvt Ltd | - | 0.02 |
| Gammon Road Infrastructure Ltd | 1.00 | - |
| Tidong Hydro Power Ltd | **1.16** | - |
| | **49.03** | **45.88** |
| **Dues from Joint Venture entities :Unsecured, Considered doubtful** | | |
| GIPL GIL JV | 24.97 | 24.58 |
| | **24.97** | **24.58** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| | As at | |
|---|---|---|
| | **March 31, 2019** | **March 31, 2018** |
| **Dues from Associates :Unsecured, Considered Doubtful** | | |
| Modern Toll Roads 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** |
| | **80,474.21** | **1,806.85** |

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

| | | As at | |
|---|---|---|---|
| | **Company Name** | **March 31, 2019** | **March 31, 2018** |
| i) | Modern Toll Roads Limited | 129.95 | 129.95 |
| | **Total** | **129.95** | **129.95** |

| | | As at | |
|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** |
| **c)** | **Break-up of interest accrued receivable from related parties is as follows:** | | |
| i) | Cochin Bridge Infrastructure Company Limited | 17.47 | 17.47 |
| | | **17.47** | **17.47** |

## 4 Deferred Tax Assets

| | | | As at | |
|---|---|---|---|---|
| | | | **March 31, 2019** | **March 31, 2018** |
| **a)** | **Deferred Tax Liability on account of :** | | | |
| | i) | Unrealised Gain on Mutual Fund | 91.87 | 83.74 |
| | ii) | Remeasurement gain/(loss) on defined benefit plans | - | - |
| **b)** | **Deferred Tax Asset on account of :** | | | |
| | i) | Depreciation due to timing difference | 24.64 | 27.47 |
| | ii) | Employee benefits | 36.48 | 49.95 |
| | iii | Remeasurement gain/(loss) on defined benefit plans | - | 3.35 |
| | iv) | Mat Credit Entitlement | 2,686.50 | 2,476.50 |
| | | **Deferred Tax Asset, net** | **2,655.75** | **2,473.53** |

(All figures are in Lakhs unless otherwise stated)

## 5 Other Assets

| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | Advance to sub-contractor | 4,064.68 | - | - | 5,362.79 |
| ii) | Capital Advance | - | 15.15 | - | - |
| iii) | Prepaid expenses | - | - | 7.78 | 61.03 |
| iv) | Statutory and other receivables | - | - | 258.88 | 320.19 |
| v) | Advance Income Tax (Net of Provision for Taxation) | 1,813.62 | 1,807.81 | - | - |
| | **Total** | **5,878.30** | **1,822.96** | **266.66** | **5,744.01** |

In view of the slow progress of the contract work being executed of one of the SPV refer note no. 28 (c) the advance to sub contractor has been re-classified as non current due to uncertainty relating to the execution.

## 6 Equity Share capital

| | | As at | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| **i)** | **Authorised shares :** | | |
| | March 31, 2019 : 1,25,00,00,000 Equity Shares of ₹ 2/each<br>March 31, 2018 : 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, 2019: 94,26,40,974 Equity shares of ₹ 2/- each<br>March 31, 2018 : 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, 2019: 94,18,30,724 Equity shares of ₹ 2/- each<br>March 31, 2018 : 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)** | **18917.64** | **18917.64** |

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

| | As at | | | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2019 | March 31, 2018 | March 31, 2018 |
| | Number | Amount | Number | Amount |
| Balance, beginning of the period | 94,18,30,724 | 18,836.61 | 94,18,30,724 | 18,836.61 |
| Issued during the period | - | - | - | - |
| **Balance, end of the period** | **94,18,30,724** | **18,836.61** | **94,18,30,724** | **18,836.61** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**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:

| | As at | | | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2019 | March 31, 2018 | March 31, 2018 |
| | Number | Amount | Number | Amount |
| **Equity shares of ₹ 2/- each fully paid up** | | | | |
| Gammon Power Limited, Holding Company (upto September 7, 2017) | 19,39,99,800 | 3,880.00 | 36,29,99,700 | 7,259.99 |
| | **19,39,99,800** | **3,880.00** | **36,29,99,700** | **7,259.99** |

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

| | As at | | | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2019 | March 31, 2018 | March 31, 2018 |
| | Number | % | Number | % |
| Gammon Power Limited | 19,39,99,800 | 20.60 | 36,29,99,700 | 38.54 |
| ICICI Bank Ltd | 16,89,99,900 | 17.94 | - | - |
| HDFC Trustee Company Limited - HDFC Infrastructure Fund | - | - | 8,30,84,353 | 8.82 |
| | **36,29,99,700** | **38.54** | **44,60,84,053** | **47.36** |

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 further sold its shares in the Company thereby reducing its shareholding to 20.60%.

**g) Shares reserved under options to be given.**

60,000 equity shares on March 31, 2019 (March 31, 2018 : 60,000 equity shares ) have been reserved for issue as Employee Stock Options. For details refer Note 8A .

(All figures are in Lakhs unless otherwise stated)

## 7 Other Equity

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| i) | Retained Earnings | 10,610.24 | 17,946.31 |
| ii) | General Reserve | 23.96 | 23.96 |
| iii) | Security Premium Reserve | 56,369.47 | 56,369.47 |
| iv) | Employee Stock Option Outstanding | 11.52 | 11.52 |
| | | **67,015.18** | **74,351.25** |

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

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

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

| Particulars | Period ended Mar'19 | Period ended Mar'18 |
|---|---|---|
| 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 | 60,000 | 1,20,000 |
| Options granted during the period | - | - |
| Options lapsed /forfeited during the period | - | 60,000 |
| Options vested during the period | - | - |
| Options granted and vested that are outstanding at the end of the period | **60,000** | **60,000** |

Of the aforesaid vested options of Nil ( March 18: 1,20,000 option) , Nil options (March 18: 60,000 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 | Period ended Mar'19 | Period ended Mar'18 |
|---|---|---|
| Net profit as reported | (7,341.19) | 1,144.47 |
| Add: Stock based compensation expense included in the reported income | - | 0.72 |
| Less: Stock based compensation expenses determined using fair value of options | - | 0.72 |
| **Net profit / (loss) (adjusted)** | **(7,341.19)** | **1,144.47** |
| Basic earnings per share as reported | (0.78) | 0.12 |
| Basic earnings per share (adjusted) | (0.78) | 0.12 |
| Diluted earnings per share as reported | (0.78) | 0.12 |
| Diluted earnings per share (adjusted) | (0.78) | 0.12 |
| Weighted average number of equity shares at the end of the period | 94,18,30,724 | 94,18,30,724 |
| Weighted average number of shares considered for diluted earnings per share | 94,18,48,371 | 94,18,48,371 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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 |

## 8 Financial Liabilities (at amortised cost)

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current Maturities | |
| **8.1 Long term Borrowings** | | | | |
| i) **Inter-corporate deposit (ICD) from subsidiaries (unsecured):** | | | | |
| Vizag Seaport Pvt Ltd (VSPL) | - | - | 10,977.41 | 10,976.97 |
| Less: disclosed in Other Financial Liabilities | - | - | (10,977.41) | (10,976.97) |
| | - | - | - | - |
| **The break-up of above:** | | | | |
| Secured | - | - | - | - |
| Unsecured | - | - | 10,977.41 | 10,976.97 |
| | **-** | **-** | **10,977.41** | **10,976.97** |

**a) Details of ICD from VSPL :**

Based on the revised terms with VSPL :- Moratorium in repayment of the principal and interest overdue outstanding of ₹ 10,976.97 Lakhs and ₹ 1596.31 Lakhs as on March 31, 2019 is granted for a period of 12 months from April 1, 2019 to the Company. Accordingly entire ICD outstanding shall be fully repaid on or before March 31, 2020. Accordingly the same is not shown as continuing default as at 31st March, 2019. 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. Current interest rate is 11.70% (PY 11.00%) pa

| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| **8.2** | **Other Financial Liabilities (at amortised cost)** | | | | |
| i) | Current maturity of long term borrowings | - | - | 10,977.41 | 10,976.97 |
| ii) | Credit facility recalled by lenders of SPV | - | - | 78,052.00 | - |
| iii) | Interest accrued but not due to related parties | - | - | 1,596.31 | 264.09 |
| iv) | Interest accrued and due to others | - | - | 325.78 | 158.13 |
| v) | Interest accrued but not due to others | - | - | 7.51 | 4.21 |
| vi) | Other dues - related parties | - | - | 823.06 | 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 | - | - | 621.66 | 493.95 |
| x) | Retention payable | 3,732.77 | 3,530.05 | - | - |
| | **Total** | **3,832.77** | **3,630.05** | **92,668.93** | **12,516.07** |

**(a) Details of Recall of credit facility covered under Corporate guarantee of RGBL**

During the year bankers to Rajahmundry Godavari Bridge Limited (SPV) have recalled loan facility and also written to Company for encashment of Corporate Guarantee issued towards loan availed by SPV. Company has disclosed liability towards bankers for amount of loan or CG whichever is lower and shown as receivable from the SPV.

(b) The interest on ICD from VSPL due on March 31, 2019 has since been renegotiated on May 10, 2019 and the entire interest as at March 31, 2019 of ₹ 1,596.31 Lakhs is due for payment on or before March 31, 2020. Accordingly the same is not shown as continuing default as at 31st March, 2019.

(c) Margin money received of 100 Lakhs (Previous year 100 Lakhs) 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.

## 9 Long Term Provisions

| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | Provision for employee benefits : | | | | |
| | Leave Encashment | 19.82 | 54.44 | 56.33 | 57.18 |
| | Gratuity | 8.06 | 20.39 | 20.18 | 20.50 |
| ii) | Provision for Project Obligations: | - | - | 113.73 | 113.73 |
| | **Total** | **27.88** | **74.83** | **190.24** | **191.41** |

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) | 113.73 | - | - | 113.73 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



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

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

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

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

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **(a)** | **Reconciliation of opening and closing balances of Defined benefit Obligation** | | |
| | Defined Benefit obligation at the beginning of the year | 40.89 | 24.89 |
| | Current Service Cost | 3.17 | 7.06 |
| | Interest Cost | 4.94 | 1.87 |
| | Actuarial (Gain) /Loss | (5.12) | 15.68 |
| | Liability transferred out on account of transfer of employees | (13.91) | - |
| | Benefits paid | (1.74) | (8.60) |
| | **Defined Benefit obligation at the year end** | **28.24** | **40.89** |
| **(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 | 28.24 | 40.89 |
| | **Liability recognized in Balance Sheet** | **28.24** | **40.89** |
| **(d)** | **Expenses recognized during the year ( Under the head " Employees Benefit Expenses )** | | |
| | Current Service Cost | 3.17 | 7.06 |
| | Interest Cost | 4.94 | 1.87 |
| | Expected Rate of return on Plan Assets | - | - |
| | Past employees Service | - | - |
| | Actuarial (Gain)/Loss | (5.12) | 15.68 |
| | **Net Cost** | **2.99** | **24.60** |

(All figures are in Lakhs unless otherwise stated)

### ii) Actuarial Assumptions

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Mortality Table (LIC) | Indian Assured Lives 2006-08 | |
| Discount rate (per annum) | 7.50% | 7.75% |
| Expected rate of return on Plan assets (per annum) | NA | NA |
| Rate of escalation in salary (per annum) | 6.0% | 5.5% |
| Withdrawal rate: | | |
| - upto age of 34 | 3% | 3% |
| - upto age of 35-44 | 2% | 2% |
| - upto age 45 & above | 1% | 1% |
| Retirement age | 60 years | 60 years |

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

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

### iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

| Particulars | Discount Rate | Salary Growth Rate |
|---|---|---|
| **Change in assumption** | | |
| March 31, 2019 | 1% | 1% |
| March 31, 2018 | 1% | 1% |
| **Increase in assumption** | | |
| March 31, 2019 | 0.85 | 1.00 |
| March 31, 2018 | 2.24 | 2.27 |
| **Decrease in assumption** | | |
| March 31, 2019 | (0.99) | (0.87) |
| March 31, 2018 | (1.91) | (1.97) |

### iv) Experience adjustment

| Particulars | As on March 31, 2019 | As on March 31, 2018 |
|---|---|---|
| Experience adjustment on Plan Liability | (4.22) | (15.27) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



## 10 Other Liabilities

| | | As at | | As at | |
|---|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | Non- Current | | Current | |
| i) | Mobilisation advance received from related parties | - | - | 927.76 | 1,536.44 |
| ii) | Duties and Taxes payable | - | - | 55.47 | 113.82 |
| iii) | Advance from customers - related parties | - | - | - | 460.60 |
| iv) | Due to EPC Customers -Related Parties | - | - | 22,151.81 | 21,885.37 |
| v) | Deferred Income -Guarantee Margin | 6,061.70 | 9,118.10 | 794.73 | 797.42 |
| vi) | Award received from NHAI (refer note below) | - | - | 1,470.00 | - |
| | **Total** | **6,061.70** | **9,118.10** | **25,399.77** | **24,793.65** |

Patna Buxar Highways Limited ("PBHL"), erstwhile a wholly owned non-material unlisted subsidiary of the Company which was sold on March 31, 2016 with the Company's rights to future claims pending under arbitration, has received an amount of ₹ 1470 Lakhs on September 14, 2018 from the National Highways Authority of India ("NHAI") in compliance of the order passed by the Hon'ble Delhi High Court. Since the matter is not decided in favour of the Company the same has been shown as liability.

## 11 Short Term Borrowings (at amortised cost)

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Inter-corporate deposit (ICD) from subsidiaries (unsecured):** | | |
| Ras Cities & Township Pvt Ltd (RCTPL) | 1,395.05 | 1,005.05 |
| **Bank loan :** | | |
| Bank overdraft (repayable on demand) | 2,499.81 | 2,517.26 |
| **Total** | **3,894.86** | **3,522.31** |
| **Bank Overdraft :-** | | |
| Secured (which is secured against fixed deposit under lien) | 1,015.48 | 1,059.22 |
| Unsecured (refer note (a) below) | 1,484.33 | 1,458.04 |
| Interest Rate | "MCLR + 5% ( presently 14.95%)" | "MCLR + 5% ( presently 13.30%)" |

a) Bank of India has sanctioned facility of ₹ 8,000 Lakhs to Gammon Infrastructure Projects Limited (GIPL). This involves ₹ 2500 Lakhs of overdratft facility and ₹ 5,500 Lakhs 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. However the creation of charge on the PHPL assets is pending as on date.

b) Company has taken interest free loan from Ras cities (subsidiary) for short term purposes repayable within next one year.

(All figures are in Lakhs unless otherwise stated)

### C) 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-18 | 32.19 | 22-Apr-18 | 08-May-18 | 16.00 |
| Jun-18 | 34.87 | 22-Jun-18 | 27-Jun-18 | 5.00 |
| Jul-18 | 25.10 | 22-Jul-18 | 01-Sep-18 | 41.00 |
| Aug-18 | 32.48 | 22-Aug-18 | 01-Sep-18 | 10.00 |
| Sep-18 | 31.32 | 22-Sep-18 | 29-Sep-18 | 7.00 |
| Oct-18 | 30.19 | 22-Oct-18 | 04-Dec-18 | 43.00 |
| Nov-18 | 31.95 | 22-Nov-18 | 04-Dec-18 | 12.00 |
| Dec-18 | 30.15 | 22-Dec-18 | 31-Dec-18 | 9.00 |
| Feb-19 | 13.23 | 22-Feb-19 | 05-Mar-19 | 11.00 |
| Mar-19 | 30.63 | 22-Mar-19 | 29-Mar-19 | 7.00 |

### d) List of principal defaults incurred during the previous 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 |

### e) List of interest defaults incurred during the previous 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 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**f) The continuing default is tabulated below:**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | Over due default | Over due default |
| Bank of India | - | 17.26 |

**g) Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:**

| Particulars | Non-current borrowings (Note 9) | Current borrowings (Note 12) | Current maturities including interest payable (Note 9.2) | Total |
|---|---|---|---|---|
| Opening balance | - | 3,522.31 | 10,976.97 | 14,499.29 |
| Interest accrued and payable | - | - | 2,532.19 | 2,532.19 |
| Changes from financing cash flows - | - | - | - | - |
| Net Procceds form short term borrowing | - | 372.55 | - | 372.55 |
| Interest paid | - | | (602.16) | (602.16) |
| **Closing balance** | | **3,894.86** | **12,907.01** | **16,801.87** |

## 12 Trade Payables (at amortised cost)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| i) Trade payables - Micro, small and medium enterprises | - | - |
| ii) Trade payables - Others | 2,049.43 | 3,254.92 |
| **Total** | **2,049.43** | **3,254.92** |

**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.

(All figures are in Lakhs unless otherwise stated)

### 13 Current tax liability

| | As at | |
|---|---|---|
| | **March 31, 2019** | **March 31, 2018** |
| Current tax liability net of taxes paid | 2,107.35 | 2,165.92 |
| **Total** | **2,107.35** | **2,165.92** |

### 14 Revenue from Operations

| | **For year ended March 31, 2019** | **For year ended March 31, 2018** |
|---|---|---|
| **Revenue from construction contracts** | | |
| i) Construction contract revenue | 1,873.86 | 13,535.96 |
| ii) Operating and Maintenance Income | 415.18 | 1,542.92 |
| **Total** | **2,289.04** | **15,078.88** |

**I Disclosure in accordance with Ind AS - 115 "Revenue Recognition", of the Companies ( Indian Accounting Standards) Rules, 2015**

**a)** 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

a) Revenue disaggregation based on Serivce Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

| **Major Service Type** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| EPC Contract | 1,873.86 | 13,535.96 |
| Operations and maintenance | 415.18 | 1,542.92 |
| **Total** | **2,289.04** | **15,078.88** |

(ii) Revenue disaggregation by geographical regions is as follows:

| | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| In India | 2,289.04 | 15,078.88 |
| Outside India | - | - |
| **Total** | **2,289.04** | **15,078.88** |

(iii) Revenue disaggregation by Customer Type is as follows:

| **Customer Type** | **March 31, 2019** | **March 31, 2018** |
|---|---|---|
| Government Companies | - | - |
| Non Government Companies (Other than group) | - | - |
| Group Companies | 2,289.04 | 15,078.88 |
| **Total** | **2,289.04** | **15,078.88** |

(iv) All contracts are fixed price contract and changes will result due to Force Majeure.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



b) Movement in Contract Balances

| Particulars | Opening | Billed for the Financial Year | Addition during the year | Closing |
|---|---|---|---|---|
| **(i) Advance from Customers** | | | | |
| March 2019 | 13,897.31 | 3,177.52 | 1,942.50 | 12,662.29 |
| March 2018 | 14,248.94 | 14,990.78 | 14,639.14 | 13,897.31 |

| Particulars | Opening | Billed for the Financial Year | Income Recognised for the Financial Year | Closing |
|---|---|---|---|---|
| **(ii) Movement of Deferred Revenue** | | | | |
| March 2019 | 9,957.64 | 2,333.50 | 1,873.86 | 10,417.28 |
| March 2018 | 10,389.49 | 13,036.31 | 13,468.16 | 9,957.64 |

| Particulars | Opening | Billed for the Financial Year | Addition during the year | Closing |
|---|---|---|---|---|
| **(iii) Retention from customer** | | | | |
| March 2019 | 5,030.81 | - | 57.66 | 5,088.46 |
| March 2018 | 4,182.31 | - | 848.50 | 5,030.81 |

**(iv) Performance obligation and remaining performance obligation**

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 24,800 Lakhs.

In view of the slow progress of work refer note no. 28 (c) the time period of completion is uncertain.

(v) Performance to be done in next one year is uncertain based on the uncertainty of the project as detailed in note no. 28 (c).

## 15 Other Income

| | Particulars | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | Rent income | - | 164.33 |
| ii) | Interest Income on Financial Assets at amortised cost | 169.68 | 493.18 |
| iii) | Remeasurement gain on loans given to Group Companies | - | 130.08 |
| iv) | Guarantee commission income (refer note (a) below) | 3,059.09 | 1,097.19 |
| v) | Profit on Sale of current Investments | 78.10 | 139.81 |
| vi) | Net gain on financial asset through FVTPL | 262.92 | 239.64 |
| vii) | Excess provision reversed | 16.00 | 110.97 |
| viii) | Miscellaneous Income | 0.27 | 2.02 |
| ix) | Sundry Balances W/back | 7.20 | 0.27 |
| x) | Interest on Income Tax Refund | 5.54 | 213.01 |
| xi) | Interest on Income Tax | 213.01 | 185.20 |
| | **Total** | **3,598.80** | **2,590.50** |

(All figures are in Lakhs unless otherwise stated)

(a) During the period the Company received recall notice from the bankers against corporate guarantee given towards loan of RGBL, The Company has accounted the liability in it's book and shown receivable from RGBL, on account of this the entire unamortised guarantee income has been recognised in profit and loss account.

## 16 Construction expenses

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | Sub-contractor expenses | 1,602.61 | 10,783.94 |
| ii) | Operation and Maintenance expenses | 376.15 | 1,200.00 |
| | **Total** | **1,978.76** | **11,983.94** |

## 17 Employee benefit expenses

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | Salaries, wages and bonus | 775.21 | 778.93 |
| ii) | Gratuity and Leave Encashment | 4.15 | 21.02 |
| iii) | Contributions to Provident Fund | 24.83 | 24.16 |
| iv) | Staff Welfare Expenses | 5.86 | 4.83 |
| v) | Employees 'ESOP' compensation cost (net of reversal) | - | 0.72 |
| | **Total** | **810.05** | **829.66** |

a) The Central Government vide its Notification No.S.O.4823(E) dated 12/09/2018 has notified Sections 66 to 70 of the Companies (Amendment) Act, 2017 whereby requirement of obtaining Central Government's approval for waiver of excess remuneration paid to the Managerial Personnel has been replaced by approval of the Company by a Special Resolution

Accordingly, Ministry of Corporate Affairs (MCA) vide its order dated 9thOctober, 2018 has intimated the Company that an application made seeking approval for waiver of recovery of excess remuneration paid to Mr. Kishore Kumar Mohanty, Managing Director, for the period commencing from 01/04/2016 to 31/03/2017 has been closed with noting for onus for the compliance with the amended provisions of the Companies Act, 2013 as aforesaid on the Company. In view of this, representations made to MCA for waiver of excess remuneration paid to Managerial Personnel for prior periods also stands closed.

The Company has already obtained approvals of the Shareholders by way of special resolutions for waiver of recovery of excess remuneration paid to Managerial Personnel of the Company, for the periods referred to hereinabove at its Annual General Meetings held on 30/09/0216 and 19/12/2017 respectively. These approvals thus take care of compliance with the relevant amended provisions of the Companies Act, 2013 amended by the Companies (Amendment) Act, 2017 as aforesaid.

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

## 18 Finance Costs:

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| i) | Interest expenses on Financial liabilities at amortised cost | 1,735.15 | 1,683.78 |
| ii) | Banks Interest | 370.18 | 475.89 |
| iii) | Interest on Margin Money Deposit | 6.00 | 6.00 |
| iv) | Other finance costs | 66.95 | 39.17 |
| v) | Interest on income tax | 48.60 | - |
| vi) | Interest on late payment of taxes | 4.65 | - |
| vil) | Remeasurement Loss | - | 35.04 |
| | **Total** | **2,231.53** | **2,239.88** |

## 19 Depreciation & amortization

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Depreciation | 68.99 | 60.85 |
| **Total** | **68.99** | **60.85** |

## 20 Other expenses

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Professional Fees | 51.89 | 95.72 |
| Rent | 67.81 | 70.44 |
| Power & Fuel | 18.23 | 20.03 |
| Travelling Expenses | 28.11 | 30.71 |
| Communication | 3.93 | 6.20 |
| Insurance | 7.98 | 2.64 |
| Remuneration to Auditors | 24.85 | 22.00 |
| Office Maintenance | 24.94 | 21.40 |
| Rates & Taxes | 0.80 | 4.04 |
| Bank Charges | 2.80 | 3.97 |
| Printing & Stationary | 1.70 | 1.71 |
| Postage & Courier | 1.97 | 3.02 |
| Motor Car Expenses | 4.66 | 4.37 |
| Directors Fees & Commission | 24.00 | 20.50 |
| Annual Report Expenses | 12.05 | 10.58 |
| Guarantee Bond Commission | 30.59 | 119.19 |
| Sundry Expenses | 32.28 | 126.21 |
| Provision for Doubtful Debts / Advances | 1.99 | - |
| Sundry balances written off | 12.68 | 73.00 |
| Write off of investments | 10.00 | - |
| Provision for Impairment of Investments in subsidiaries | 87.66 | 527.52 |
| **Total** | **450.92** | **1,163.25** |

(All figures are in Lakhs unless otherwise stated)

### a) Payment to auditors

| | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Audit fee including limited review fee | 24.00 | 22.00 |
| Certifications & other services | 0.60 | - |
| Reimbursement of expenses | 0.25 | - |
| Total payments to auditors | 24.85 | 22.00 |
| **Total payments to auditors** | **22.00** | **49.92** |

## 21 Exceptional items

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| (i) | Provision for Impairment of Investments in subsidiaries | 7,661.00 | - |
| | **Total** | **7,661.00** | **-** |

Provision for impairment of investment in subsidiaries is in respect of VGRPPL, one of the project of the Company which has been terminated during the year by mutual exit. Details of which have been given in note 28 (h).

## 22 Tax Expense

| | | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|---|
| **a)** | **Income tax expense in the statement of profit and loss consists of:** | | |
| | Current Tax | 210.00 | 520.00 |
| | Taxation for earlier years | - | 176.75 |
| | Deferred tax | (182.22) | (449.42) |
| | **Income tax recognised in statement of profit and loss** | **27.78** | **247.33** |

**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, 2019 | For year ended March 31, 2018 |
|---|---|---|---|---|
| A | **Current Tax** | | | |
| | Accounting profit before income tax for 12 months | | (7,313.41) | 1,391.80 |
| | Enacted tax rates in India (%) | | 26.000% | 34.608% |
| | Computed expected tax expenses | | (1,901.49) | 481.68 |
| | Effect of non- deductible expenses | | 20.12 | 237.92 |
| | Effects of deductible Expenses | | (909.67) | 34.22 |
| | Non Taxable effects | | 2,014.65 | (632.90) |
| | Set off of brought forward losses | | | (120.91) |
| | **Income tax expenses - Net** | A | - | - |
| | **Tax liability as per Minimum Alternate Tax on book profits** | | | |
| | Minimum Alternate Tax rate | | 20.587% | 21.342% |
| | Computed tax liability on book profits | | (1,505.60) | 297.03 |
| | **Tax effect on adjustments:** | | | |
| | 1/5 portion of Opening IND AS Reserve | | 109.53 | 112.58 |
| | Effect of non deductible expense | | 1,595.61 | 113.55 |
| | Others | | 10.46 | (3.17) |
| | **Minimum Alternate Tax on Book Profit** | B | **210.00** | **520.00** |
| | **Higher of A and B** | | 210.00 | 520.00 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



**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 | 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 |
| Property, Plant and Equipment | 27.47 | (2.83) | - | 24.64 |
| Employee benefits | 49.95 | (13.47) | - | 36.49 |
| Remeasurement gain/(loss) on defined benefit plans | 3.35 | (3.35) | - | - |
| Unrealised gain on MF | (83.74) | (8.13) | - | (91.87) |
| **MAT Credit Entitlement** | **2,476.50** | **210.00** | **-** | **2,686.50** |
| **As at March 31, 2019** | **2,473.53** | **182.22** | **-** | **2,655.75** |

## 23 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, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Net Profit / (Loss) as per Statement of Profit and Loss | (7,341.19) | 1,144.47 |
| 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 | 94,18,30,724 |
| Weighted average Number of Shares outstanding during the period - Diluted | 94,18,48,371 | 94,18,48,371 |
| Earnings per Share - Basic (₹) | (0.78) | 0.12 |
| Earnings per Share - Diluted (₹) * | (0.78) | 0.12 |

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

(All figures are in Lakhs unless otherwise stated)

**Reconciliation of weighted number of outstanding during the period:**

| Particulars | For year ended March 31, 2019 | For year ended March 31, 2018 |
|---|---|---|
| Nominal Value of Equity Shares (₹ per share) | 2 | 2 |
| **For Basic EPS :** | | |
| Total number of equity shares outstanding at the beginning of the period | 94,18,30,724 | 94,18,30,724 |
| Add : Issue of Equity Shares | - | - |
| 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 | 94,18,30,724 |
| **For Dilutive EPS :** | | |
| Weighted average number of shares used in calculating basic EPS | 94,18,30,724 | 94,18,30,724 |
| Add : Equity shares arising on grant of stock options under ESOP | 17,647 | 17,647 |
| Less : Equity shares arising on grant of stock options under ESOP forfeited /lapsed | - | - |
| Weighted average number of equity shares used in calculating diluted EPS | 94,18,48,371 | 94,18,48,371 |

## 24 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, 2019 | Maximum Amount Outstanding during the period | Balance as on March 31, 2018 | Maximum Amount Outstanding during the period |
|---|---|---|---|---|
| **Subsidiaries :** | | | | |
| Birmitrapur Barkote Highway Pvt Ltd | 605.18 | 605.18 | 605.18 | 608.18 |
| Cochin Bridge Infrastructure Co Limited | 922.25 | 922.25 | 922.25 | 922.25 |
| Chitoor Infrastructure Company Pvt Ltd | 9.11 | 9.11 | 8.99 | 9.88 |
| Earthlink Infrastructure Projects Pvt Ltd | 1.82 | 5.07 | 5.07 | 1,076.58 |
| Gammon Logistics Limited | 159.61 | 159.61 | 159.46 | 159.46 |
| Gammon Project Developers Limited | 78.79 | 81.54 | 81.54 | 81.54 |
| Gammon Renewable Energy Infrastructure Limited | 329.33 | 329.33 | 129.20 | 251.20 |
| Ghaggar Renewable Energy Private Limited | - | - | - | 8.09 |
| Gammon Road Infrastructure Limited | 132.19 | 132.19 | 151.75 | 155.14 |
| Gammon Seaport Infrastructure Limited | 74.10 | 75.00 | 75.00 | 75.00 |
| Hariyana Biomass Power Ltd | 0.07 | 0.07 | - | - |
| Indira Container Terminal Private Limited | 3,722.47 | 3,722.47 | 3,722.47 | 3,753.88 |
| Patna Highway Projects Limited | 10,460.50 | 10,460.50 | 10,460.50 | 10,462.50 |
| Pravara Renewable Energy Limited | 2,498.58 | 2,498.58 | 2,481.98 | 2,481.98 |
| Rajahmuny Godavari Bridge Limited | 2,212.75 | 2,212.75 | 2,212.75 | 2,212.75 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Particulars | Balance as on March 31, 2019 | Maximum Amount Outstanding during the period | Balance as on March 31, 2018 | Maximum Amount Outstanding during the period |
|---|---|---|---|---|
| Ras Cities and Townships Limited | - | - | 65.13 | 65.13 |
| Satluj Renewable Energy Private Limited | - | - | - | 45.90 |
| Segue Infrastructure Project Pvt Ltd | 2.50 | 2.50 | 2.50 | 2.50 |
| Sidhi Singrauli Road Projects Ltd | 3,527.16 | 3,527.16 | 3,527.16 | 3,527.16 |
| Sikkim Hydro Power Ventures Limited | 3,108.96 | 3,253.96 | 3,208.96 | 4,142.21 |
| Tidong Hydro Power Limited | 157.23 | 157.23 | 177.32 | 180.32 |
| Tada Infra development Co Ltd | 0.22 | 0.22 | 0.17 | 0.17 |
| Tangri Renewable energy Pvt Ltd | - | - | - | 0.23 |
| Viyayawada Gundugolanu Road Project Pvt Ltd | - | 7,272.60 | 7,272.60 | 17,617.09 |
| Yamunanagar Minor Mineral Pvt Ltd | - | - | - | 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 | 5,734.58 |

**b) Details of investments by loanees in the share of subsidiaries of the Company:**

| Loanee | Investment in Subsidiary | As on March 31, 2019 | As on March 31, 2018 |
|---|---|---|---|
| | | (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 |
| | Tangri Renewable Energy Pvt Ltd | - | 3,750 |
| | Yamuna Minor Minerals Pvt Ltd | - | 86,250 |
| Gammon Seaport Infrastructure Limited | Ghaggar Renewable Energy Pvt Ltd | - | 2,500 |
| | Tangri Renewable Energy Pvt Ltd | - | 2,500 |
| | Yamuna Minor Minerals Pvt Ltd | - | 2,500 |
| Gammon Renewable Energy Infrastructure Projects Limited | Ghaggar Renewable Energy Pvt Ltd | - | 3,750 |
| | Tangri Renewable Energy Pvt Ltd | - | 3,750 |
| | Yamuna Minor Minerals Pvt Ltd | - | 3,750 |

## 25 Details of Joint Ventures

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

| | % of Interest as at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) | 10.12% | 10.12% |
| Indira Container Terminal Private Ltd | 74.00% | 74.00% |
| SEZ Adityapur Ltd | 38.00% | 38.00% |
| GIPL - GIL JV | 95.00% | 95.00% |

All the above joint ventures entities are incorporated in India.

## 26 Commitments

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Other Commitments: | | |
| - Share of equity commitment in SPV's | 12,232.62 | 45,506.62 |
| - Buyback / purchase of shares of subsidiaries | 3,800.00 | 3,800.00 |
| **Total** | **16,032.62** | **49,306.62** |

## 27 Contingent Liabilities

**1 Guarantees:**

i) The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries, amounting to ₹ 266,392.00 Lakhs (previous period ₹ 331,320.00 Lakhs)

ii) Counter Guarantees given to the bankers for the guarantees given by them on our behalf ₹ 4,328.60 Lakhs (previous period ₹ 14,803.30 Lakhs).

**2 Other Contingent liability :**

| | Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| i) | Claims against the company not acknowledged as debts | 26,119.62 | 26,119.62 |
| ii) | Disputed Tax demand against which the Company has preferred appeals | 5,802.59 | 3,949.37 |
| iii) | Tax paid and refunds adjusted against the same | 1,923.87 | 1,923.87 |
| iv) | TDS demands under rectification | 40.65 | 40.98 |
| 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 | 19,202.40 |

**3** i) 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.

ii) The project of the Company is expected to get delayed in its Schedule Completion of the Construction Phase. The Company is putting in all the efforts to complete the project without much delay beyond the schedule completion. Although the concession Agreement provide for Stringent penalties in delayed completion , the Company is confident that considering the facts beyond its control for the delays, it will be able to get extension of time from the grantor of the Concession. the Liquidated Damages payable by the Company would be ₹ 2300 lakhs from the date of last extension granted by MPRDC i.e. October 19,2017 till 31st March 2019. However the amount is recoverable from the sub Contractor as per the terms of agreement.

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## 28 Project related notes - In respect of the following projects/SPVs of the Company there are legal issues, arbitration proceedings or negotiations with the concession grantor for which the Management is taking necessary steps to resolve the matters.

a) The actual toll collections from the Toll Bridge project (the Project) at Rajahmundry-Godavari across the river Godavari are significantly lower than the forecasted revenue at the time of bid and growth thereafter too, resulting in inadequate cashflow 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 SPV had issued a cure period notice to Andhra Pradesh Road Development Corporation Limited (APRDC or the Client) on 26th February 2018 under the provisions of the Concession Agreement (CA) to cure the breaches by APRDC, which includes provision of Revenue Shortfall Loan along with other breaches. The Client had not cured the breaches under the CA, and the SPV has issued a letter dated 3rd July 2018 requesting for termination of the CA for which the SPV has received a letter dated 26th July 2018 from APRDC stating the letter dated 3rd July 2018 issued by the SPV for termination is not technically in accordance with the CA, as the notice intimating intent to terminate should precede the notice for termination of CA The SPV has responded to APRDC on 04th August 2018 communicating its intent to terminate the CA with all other terms of the letter dated 3rd July 2018 remaining the same.

In the event of termination of CA on account of the Client's Event of Default, the SPV is entitled to Termination payment from the Client in terms of the CA, which will adequately cover the outstanding debt dues to the Lenders and the equity investment made by Gammon Infrastructure Projects Limited (GIPL or the Company). The SPV has made a total claim towards termination payments of ₹ 1,12,337 Lakhs. The SPV has requested APRDC to initiate an arbitration process to amicably settle the breaches under the CA , the SPV has nominated their arbitrator and appointment of the arbitrator representing APRDC is pending.

One of the Consortium lenders for the Project has initiated and served notice under the Corporate Insolvency Resolution Process before the Hon'ble National Company Law Tribunal, Mumbai Branch ("NCLT") and the NCLT hearing is underway in the matter.

In terms of the Common Loan Agreement (CLA) dated 26th May 2009 executed between the SPV, the Senior Lenders, the Lenders' Agent and the Security Trustee to part finance the Toll Bridge Project, an agreement for pledge of shares dated 28th April 2011 was executed by the Company as the Pledgers in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the Secured Obligations by creation of pledge over 51.21% of paid-up and voting equity shares of the SPV. The SPV's loan account has been classified as "Non-Performing Asset" (NPA) on 31st March 2015 in terms of the guidelines laid down by the Reserve Bank of India (RBI). Accordingly, the Lenders' Agent had served a recall notice accelerating the loans and requesting the SPV to repay all the outstanding dues as sought in the recall notice within the timeframe provided therein.

In view of the continuing payment defaults by the SPV and no viable remedy being offered by the SPV/GIPL in terms of the recall notice, the SPV has committed an "Event of Default" within the meaning of the CLA and the Security Trustee has served a notice exercising its rights as available under the Pledge Agreement with respect to the Secured Obligations and have notified and instructed the Company and GIL vide their letter dated 20th October, 2018 (the Notice) to transfer the Pledged Shares as pledged by the Company and GIL constituting 51.21% of the issued, paid-up and voting equity share capital of the SPV immediately to the Depository Participant (DP) account of the Security Trustee. The Security Trustee has transferred 51% of equity shares of the SPV held by the Company into their DP account on 30th October 2018 on behalf of the Lenders'. The Company has written to the Lead Bank/Security Trustee for assigning a value to the pledged shares invoked, the Lead Bank has sent a response to the Company stating that the pledged shares of the Company invoked are currently held by the Security Trustee as collateral and the Lenders have not appropriated the pledged shares against outstanding dues nor have the pledged shares been sold to any third party for realising the outstanding dues. Given that the pledged shares are not transferred to the DP account of the Lenders or any third party, the beneficial ownership of the pledged shares currently vests with the Pledgors. Therefore, the valuation of the pledged shares may not be required and no impact of the same has been given in the above financial results.

The Lead Bank has sent a notice calling upon the Company to pay an amount of ₹ 78,052 Lakhs as per the Corporate Guarantee Agreement entered by the Company and the consortium of bankers and has instructed the Company to repay the aforesaid amount due from the SPV within 30 days of receipt of notice. The Company has not been able to pay the aforesaid amount, hence the Corporate Guarantee issued by the Company stands invoked for which the Company has given necessary effects.

The SPV has submitted a One-Time Settlement (OTS) proposal to the Consortium of Lenders on 22nd November 2018 and the Lenders have in-principally agreed to the OTS proposal and may get the proposal approved by their respective sanctioning authority on compliance of certain conditions by the SPV.

In addition, the management also estimates reduction of the operating & finance costs. In the event of termination, the SPV is confident of recovery of compensation / payment of outstanding dues to Lenders from the Client in terms of the CA.

Pending disposal of the matter by APRDC to determine the termination payments in favor of the SPV, the NCLT hearing, invocation of pledge of shares, invocation of Corporate Guarantee and the OTS proposal submitted to the Lenders' by the SPV, there exists material uncertainty with respect to the future of the Project and that casts significant uncertainty on the SPV's ability to continue as a going concern. The Auditors of the SPV have also highlighted the material uncertainty with regard to going concern issue in their audit report for the year ended 31st March 2019. The Management is also of the opinion that the Project will be viable post reaching a settlement with the Lenders/APRDC 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. Total exposure of the Company is ₹ 1,08,696.56 Lakhs.

b) Container terminal at Mumbai – The Project was delayed due to non-fulfilment of certain conditions by the Mumbai Port Trust (MbPT) under the License Agreement (LA) signed by the SPV with them. Pursuant to detailed negotiations with MbPT on the LA for the Offshore Container Terminal, the Parties had agreed in-principle to enter into a joint supplementary agreement between the Board of Trustees of MbPT, the SPV and the Lenders. The Project was proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and Roll-On-Roll-Off (RORO). The RORO operations which was allowed by MbPT as an interim measure for alternate use of the two berths is continuing. However, the same is inadequate for repayment of principal and interest of the Lenders.

Subsequently, the Lenders have issued a notice of financial default to the SPV in terms of Substitution Agreement under intimation to MbPT. Post issue of the notice of financial default, the SPV has filed a writ petition before Hon'ble Delhi High Court in July 2018 seeking implementation of rebid decision taken in Niti Aayog meeting held on 20th March 2018. The captioned writ Petition was filed against the Ministry of Shipping (MoS), the Government of India, MbPT and others wherein the Lenders were also made party defendant(s). The Court has passed an order on 14th August 2018 in the aforesaid writ petition, permitting the SPV to make detailed representation in this matter within 10 days, with a direction to MbPT and MoS to consider the SPV's representation in this regard and take an informed decision and dispose-off the same within a period of 4 (four) weeks thereafter. In the meanwhile, the Court directed the Lenders not to implement the notice dated 26th July 2018 issued to the SPV for a period of 6 (six) weeks.

The SPV had made a detailed representation on the proposal of settlement (the proposal) to MbPT and MoS, as per the directives of the Court. However, MbPT vide their letter dated 27th September 2018 have not acceded to the representation on the revival proposal made by the SPV and the draft settlement agreement was rejected. The Company and the SPV are in discussions with MbPT and MoS to reconsider the above matter and find a solution given the significant efforts put in by the Company and the SPV in reviving the Project over the past 3 years.

On expiry of 6 (six) weeks from the date of the Court order, the Lenders have sent a notice vide their letter dated 09th October 2018 to MbPT with a copy to the SPV, intimating about initiation of substitution process and request for appointment of internationally approved valuer under the LA. The SPV has issued a Dispute Notice for the Licensor's Event of Default against MbPT and called upon the Licensor to refer the disputes for amicable settlement under the LA and the matter is pending with MbPT, the Company has also received

# Notes to Financial statements
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notice to invoke pledged shares to the extent of 51% against which the Company is in active discussions with banks. The Company has provided its response to the Security Trustee's (the Trustee) notice vide their letter dated January 11, 2019 updating the Trustee about the developments that have taken place with respect to amicable settlement with MbPT/the Lenders over the last quarter including a One-Time Settlement (OTS) proposal submitted by the SPV which is under consideration with the Lenders, and requested the Trustee not to proceed with the invocation of pledge of shares. In view of the foregoing, the Trustee has not acted upon the invocation of pledge of shares and the Company and the SPV has not received any further communication on the matter.

The SPV has lodged a claim of ₹ 904.04 crores along with interest at the rate of 18% p.a. in October 2018 with MbPT towards damages/losses on the Project. In addition to the above claim amount, the SPV has intimated MbPT that they shall be liable to release Termination payment in terms of the LA on account of the Licensor's Event of Default under the LA. Post lodging of claim by the SPV, MbPT has raised a counter claim of ₹ 1,850.78 crores on the SPV for the Licensee's Event of Default under the LA.

The SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders', with part payment of OTS amount on approval of the proposal by the Lenders and balance to be paid to the Lenders' over a period of 2 years from date of approval by the Lenders. The OTS proposal is under consideration with the consortium of Lenders'.

There exists material uncertainty relating to the revival of the Project in favour of the SPV. The Auditors of the SPV have highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2019. The Management is hopeful of amicable resolution in respect of the Project. The exposure of the Company in the SPV is ₹ 13,488.27 Lakhs (funded and non-funded).

c) One of the SPV of the Company had signed a Concession Agreement (CA) with Madhya Pradesh Road Development Corporation Limited (MPRDC) for up-gradation of existing Highway from Km 83/4 to Km 195/8 to four lane dual configurations in the state of Madhya Pradesh (the Project) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Concession granted was for a period of 30 years including construction period of 2 years. The Project was scheduled to commence operations from September 19, 2015. However, delays on account of MPRDC in providing the required clearances and the Right of Way (ROW), has resulted in the extension of the Commercial Operations Date (COD). These delays have also resulted in increase in project cost, primarily due to increase in interest during construction period resulting from the time overruns. As per the CA, the Project shall be awarded a Provisional COD Certificate on completion of 75% of the total length of the Project which will enable it to commence commercial operations.

In view of the discussions with MPRDC regarding extension of COD, the SPV 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 has been executed.

However, Payment for Construction activities in the last two quarters have been severely impacted due to delay in loan disbursements by the Lenders and Grant from the Government, delay in processing of payment against Insurance Claim/Change of scope work. The Progress of work has hence been slower than projected. Consequently, the SPV has received a cure period notice in March 2019 from MPRDC in terms of defaults under the CA for delay or no-project work and maintenance work being carried out at site, and to clear the defaults within a period of 30 days from the date of the cure period notice. The SPV has suitably responded to the cure period notice on 18th May 2019. Further, the SPV has not been able to meet its debt service obligations and the debt has been classified as Non-Performing Asset (NPA) as on March 31, 2019.

Recently, the SPV has received payment from the Insurance company against the insurance claim, which has been partially utilized to clear the debt obligations of the Lenders and the balance amount is to be utilized towards construction of the project. It is envisaged that the Provisional COD Certificate will be received by 30th June 2020 (revised), subject to the aforesaid cashflows are received by the SPV. The exposure of the Company in the SPV is ₹ 74578.94 Lakhs (funded and non-funded).

There has been cost overrun in the project and the Company has not carried out fresh traffic study to asses viability and possible impairment of the project. The management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. The auditors of the SPV have qualified their report on their inability to assess Impairment in the absence of fresh traffic study and have highlighted Material Uncertainty Related to Going Concern in their Independent Auditors Report for the year ended March 31, 2019.

d) In respect of an Annuity Road project: The Project has achieved Provisional Commercial Operations Date (PCOD) on 01st September 2016. The SPV will have cost overrun on account of issues beyond the scope of the SPV and attributable to the Concession Grantor (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 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. However, this amount has been treated separately as receivable from the Grantor. The SPV has submitted a One-Time Settlement (OTS) proposal on 29th November 2018 to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company to the SPV is ₹ 1,30,052.41 Lakhs (funded and non-funded). The credit facility of the SPV is marked as Non - Performing Asset. the SPV also has issues of annuity being with held for specific performance which the SPV and management of the Company are addressing for amicable resolution.

The management is of the view that the matters would get resolved in favor of the company including the claim determination and settlement , the OTS approval by the lenders, descoping of certain part of project and the project continuing as a going concern till the end of the concession period.

e) Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. Cochin Bridge Infrastructure Company Limited (SPV) has initiated arbitration / settlement process. The SPV has also in parallel filed a writ in the matter before the Hon'ble Kerala High Court for specific performance. However, the 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 the SPV has filed amended plaint. The said SPV pursuant to the Court proceedings filed a fresh writ for recovery of dues. The Banker of the said SPV have initiated action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (the SARFAESI Act) and have taken symbolic possession of the Property of the SPV. They have also initiated proceedings in the Debt Recovery Tribunal (DRT) against which the SPV is taking necessary legal steps. The SPV has filed for keeping the DRT proceedings on hold till the disposal of the matter before the Hon'ble Kerala High Court. The SPV has made payment of ₹ 648.97 Lakhs during the quarter ended 31st March 2019 against the One- Time Settlement (OTS) of dues to the Lender, which has been approved by their competent authority and has been implemented by issue of sanction letter and no-due certificate. The Lender has also initiated the process for withdrawal of proceeding under SARFAESI and DRT, which shall be completed shortly. The exposure of the Company in the SPV is ₹ 2,389.34 Lakhs (funded and non-funded).

f) Hydro power project at Himachal Pradesh - the Project is stalled due to local agitation relating to environment issues. The matter with the State Government of Himachal Pradesh (GoHP) is under active negotiation to restart the Project or reimburse the costs incurred. Youngthang Power Ventures Limited (SPV) has received letter from GoHP, to discuss the matter mutually towards amicable resolution. The SPV has invoked arbitration on 19th February 2018, the SPV has received a letter from GoHP dated 4th September 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The SPV has appointed its arbitrator in the matter. 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 ₹ 7,126.01 Lakhs.

g) The Company has incorporated a SPV for developing Rangit-II Hydroelectric Power Project in Sikkim on Build, Own, Operate and Transfer (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 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 the Ministry of Environment &

# Notes to Financial statements
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Forests (MoEF) and all major contracts for the Project have been awarded, Power Purchase Agreement (PPA) is yet to be signed. Over a period of time, the scenario in power sector has changed substantially and in the 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 SPV is hopeful that PPA would be signed under the new policy which will also enable to achieve the financial closure for the Project. The 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 ₹ 9,428.08 Lakhs.

**29** The Company has not been able to fulfill its obligation under the One-Time Settlement (OTS) with IFCI Limited (IFCI). The Company was required to pay the entire outstanding liability by 30th September 2017. The Company has been unable to discharge the liability in full and has made part payment of ₹ 2 crores on 15th January, 2019 against the OTS amount of ₹ 35 crores with a request to IFCI to grant further extension for the payment of the balance outstanding amount and the same is under consideration with IFCI. In terms of the original arrangement and pending the approval from IFCI for extension of time, the benefits received under the OTS of ₹ 4,884.10 Lakhs is yet 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 31st March 2019 is ₹ 320.38 Lakhs.

**30** Other Financial Assets includes ₹ 1,514.01 Lakhs due from Western Coalfields Limited (WCL) on account of wrongful encashment of bank guarantee against which the Company has filed a suit for Recovery of damages. During the quarter ended 30th September 2017, WCL had encashed bank guarantee amounting ₹ 1,514.01 Lakhs given in favour of Aparna Infraenergy India Private Limited (one of the SPVs sold to BIF India Holding Pte Ltd on 29th February 2016) towards the coal linkages to be granted by WCL. Subsequent to the encashment, the 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 for recovery of the amount. 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 bank guarantee encashment amount as receivable from WCL.

**31** "Material Uncertainty related to Going Concern There is a continuing mismatch of cash flows including the dues to the subsidiary which are due for repayment pursuant to negotiation by 31st March 2020. The current liabilities are in excess of current assets by ₹ 1,17,263.70 Lakhs as at 31st March 2019. Further various projects of the Company as stated in note 28 above 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 outstanding litigations. In view of the matters detailed in the notes 28 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
- Rajahmundry Godavari Bridge Limited
- Sidhi Singrauli Raod Project Limited

The Management however is confident that the going concern assumption and the carrying values of the assets and liabilities in these Standalone Financial Statements are appropriate. Accordingly, the financial statements do not include any adjustments that may result from these uncertainties.

**32** The Company 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 the Investor 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 had made a consent application for "mutual exit" from the project. Subsequently, NHAI terminated the project vide settlement agreement dated 27.12.2018. As per the said agreement the Company has paid ₹ 18.05 crores to NHAI as full and final settlement. NHAI has released the bank guarantee given by the Company. The Company has made full provision towards its exposure of ₹ 7661.00 Lakhs to the SPV and has disclosed the same as exceptional item.

**33** 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.

## 34 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 ₹ 2,289.04 Lakhs.

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

Details are given in Annexure -1

## 36 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2019 and March 31, 2018 . The Company has no foreign currency exposure towards liability outstanding as at March 31, 2019 and March 31, 2018.

## 37 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.

# Notes to Financial statements
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**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.

## 38 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2019, March 31, 2018 is as follows:

| | | Carrying Value | | Fair Value | |
|---|---|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** | **March 31, 2019** | **March 31, 2018** |
| **a)** | **Financial Assets** | | | | |
| | **Amortised Cost** | | | | |
| | Loans | 2,912.89 | 2,696.89 | 2,912.89 | 2,696.89 |
| | Others | 90,203.32 | 11,433.34 | 90,203.32 | 11,433.34 |
| | Trade receivables | 5,399.41 | 5,136.34 | 5,399.41 | 5,136.34 |
| | Cash and cash equivalents | 43.09 | 746.73 | 43.09 | 746.73 |
| | FVTPL | | | | |
| | Mutual Funds | 4,370.13 | 4,515.86 | 4,370.13 | 4,515.86 |
| | **Total Financial Assets** | **1,02,928.84** | **24,529.17** | **1,02,928.84** | **24,529.17** |
| **b)** | **Financial liabilities** | | | | |
| | **Amortised Cost** | | | | |
| | Borrowings | 3,894.86 | 3,522.31 | 3,894.86 | 3,522.31 |
| | Trade payables | 2,049.43 | 3,254.92 | 2,049.43 | 3,254.92 |
| | Others | 96,501.70 | 16,146.13 | 96,501.70 | 16,146.13 |
| | **Total Financial Liabilities** | **1,02,445.99** | **22,923.37** | **1,02,445.99** | **22,923.37** |

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.

## 39 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.

(All figures are in Lakhs unless otherwise stated)

**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, 2019 and March 31, 2018

| | | 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-19 | 4,370.13 | - | - |
| **Total financial assets** | | **4,370.13** | **-** | **-** |
| **'Financial assets measured at fair value** | | | | |
| Mutual funds - Growth plan | 31-Mar-18 | 4,515.86 | - | - |
| **Total financial assets** | | **4,515.86** | **-** | **-** |

## 40 Financial Risk Management

The Company is in the business of infrastructure development and it undertakes projects in multiple infrastructure segments. The nature of the business is complex and the Company is exposed to multiple sector specific and generic risks. PPP projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, be it in the Road Sector, Power Sector, Ports or Urban Development, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process. An enterprise wide comprehensive risk management policy including risk appetite, tolerance and risk limits for more effective, informed and measurable risk management has been developed and it continues to evolve.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is interest rate risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**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.

# Notes to Financial statements
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### 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, 2019 | Plus 100 basis point | (148.72) |
| | Minus 100 basis points | 148.72 |
| March 31, 2018 | Plus 100 basis point | (144.99) |
| | Minus 100 basis points | 144.99 |

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 ₹ 5,399.41 Lakhs as at March 31, 2019 and ₹ 5,136.34 Lakhs as at March 31, 2018 , which is primarily from the SPV of the Company.

Since the primary customer is the SPV the credit risk is remote. In the absence of any bad debts from the SPV in the past the expected credit loss is zero and the Company is making no provisions on account any expected credit loss.

The credit risk from customers in the case of the SPV is very low as without payment of upfront toll the vehicles is not allowed to pass. However there are frequent local political issues which result in leakages which is a credit risk for the Company.

### (v) Liquidity risk

The company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations.

The company has outstanding borrowings of ₹ 14,872.27 Lakhs as at March 31, 2019 and ₹ 14,499.29 Lakhs as at March 31, 2018.

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 ₹ 117,263.70 Lakhs as at March 31, 2019 and by ₹ 33,898.04 Lakhs 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 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, 2019 | March 31, 2018 |
|---|---|---|
| Cash and Cash Equivalent | 32.44 | 706.99 |
| Bank Balance | 10.65 | 39.74 |
| Interest bearing deposits with Corporates | 2,827.91 | 2,611.18 |
| **Total** | **2,871.00** | **3,357.92** |

**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, 2019** | | | | |
| Borrowings | 3,894.86 | - | - | - |
| Trade Payables | 2,049.43 | - | - | - |
| Other Financial Liabilities | 92,668.93 | 3,832.77 | - | - |
| Other Liabilities | 25,399.77 | 1,235.89 | 3,412.56 | 1,413.25 |
| **Total** | **1,24,012.99** | **5,068.66** | **3,412.56** | **1,413.25** |
| **As at March 31, 2018** | | | | |
| Borrowings | 3,522.31 | - | - | - |
| Trade Payables | 3,254.92 | - | - | - |
| Other Financial Liabilities | 12,516.07 | 3,630.05 | - | - |
| Other Liabilities | 24,793.65 | 2,466.00 | 3,624.64 | 3,027.47 |
| **Total** | **44,086.95** | **6,096.05** | **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

# Notes to Financial statements
**for the year ended March 31, 2019**
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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.

## 41 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, 2019 | March 31, 2018 |
|---|---|---|
| Gross Debt | 14,872.27 | 14,499.29 |
| Less: | | |
| Cash and Cash Equivalent | 32.44 | 706.99 |
| Marketable Securities -Liquid Mutual Funds | 4,370.13 | 4,515.86 |
| **Net debt** | **10,469.70** | **9,276.44** |
| **Total Equity** | **85,932.82** | **93,268.89** |
| **Gearing ratio (A/B)** | **0.12** | **0.10** |

**42** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2019

As per our report of even date

**For Nayan Parikh & Co.**
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**

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

## 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 Patna Highway Projects Limited
17 Pravara Renewable Energy Limited
18 Ras Cities and Townships Private Limited
19 Rajahmundry Godavari Bridge Limited
20 Segue Infrastructure Projects Pvt Ltd
21 Sidhi Singrauli Road Project Ltd
22 Sikkim Hydro Power Ventures Limited
23 Tada Infra Development Company Limited
24 Tangri Renewable Energy Private Limited
25 Tidong Hydro Power Limited
26 Vijaywada Gundugolanu Road Project Pvt Ltd
27 Vizag Seaport Private Limited
28 Yamuna Minor Minerals Private Limited
29 Yamunanagar Panchkula Highway Pvt Ltd
30 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
5 GIPL - GECPL JV

**Associates:**

1 Eversun Sparkle Maritime Services Limited
2 ATSL Infrastructure Projects Limited
3 Modern Tollroads Limited

**Key Management Personnel:**

1 Kishore 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
6 Homai A Daruwalla- Independent Director
7 Abhijit Rajan - Non Executive Director (Upto 07-05-2018
8 Sanjay Sachdev - Independent Director (Upto 20-02-2019)
9 Vardhan Dharkar - Non Executive Director (Upto 17-01-2019)
10 Mahendra Kumar Agarwal (w.e.f. 31-01-2018)

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



### b) Details of related parties transactions for the period ended on March 31, 2019

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| **Operations & Maintenance Income** | - | - | **415.18** | - | - | **415.18** |
| | - | - | **(1,542.92)** | - | - | **(1,542.92)** |
| - Patna Highway Projects Limited | - | - | 415.18 | - | - | 415.18 |
| (Previous Year) | - | - | (1,542.92) | - | - | (1,542.92) |
| **Interest Income** | - | - | - | - | - | - |
| | - | - | (361.88) | - | - | (361.88) |
| - Earthlink Infrastructure Project Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (43.44) | - | - | (43.44) |
| - Gammon Renewable Energy Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (28.21) | - | - | (28.21) |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Pravara Renewable Energy Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (290.23) | - | - | (290.23) |
| **- Tidong Hydro Power Ltd** | | - | - | - | - | - |
| **(Previous Year)** | - | - | - | - | - | - |
| Remeasurement gain on Fair Value | - | - | - | - | - | - |
| | - | - | (130.08) | - | - | (130.08) |
| - Earthlink Infrastructure Project Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (120.06) | - | - | (120.06) |
| - Gammon Renewable Energy Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | **(3.95)** | - | - | **(3.95)** |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| **(Previous Year)** | - | - | **(0.31)** | - | - | **(0.31)** |

(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Pravara Renewable Energy Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (5.76) | - | - | (5.76) |
| Dividend Income | - | - | - | - | - | - |
| | - | - | (2.01) | - | - | (2.01) |
| **- Ras Cities and Townships Pvt ltd** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | (2.01) | - | - | (2.01) |
| Rent Paid | - | - | 55.50 | - | - | 55.50 |
| | **-** | **-** | **(57.58)** | **-** | **-** | **(57.58)** |
| - Pravara Renewable Energy Ltd | - | - | 55.50 | - | - | 55.50 |
| (Previous Year) | - | - | (57.58) | - | - | (57.58) |
| Guarantee Commission income | - | - | 3,059.09 | - | - | 3,059.09 |
| | - | - | (1,097.19) | - | - | (1,097.19) |
| - Cochin Bridge Infrastructure Co Ltd | - | - | 0.54 | - | - | 0.54 |
| (Previous Year) | - | - | (1.65) | - | - | (1.65) |
| - Rajahmundry Godavari Bridge Ltd | - | - | 2,252.97 | - | - | 2,252.97 |
| (Previous Year) | - | - | (323.64) | - | - | (323.64) |
| **- Patna Highway Projects Ltd** | **-** | **-** | **534.96** | **-** | **-** | **534.96** |
| **(Previous Year)** | **-** | **-** | **(542.35)** | **-** | **-** | **(542.35)** |
| - Sidhi Singrauli Road Project Ltd | - | - | 270.64 | - | - | 270.64 |
| (Previous Year) | - | - | (229.55) | - | - | (229.55) |
| EPC billing | - | - | 4,111.86 | - | - | 4,111.86 |
| | - | - | (14,281.75) | - | - | (14,281.75) |
| **- Sidhi Singrauli Road Project Ltd** | **-** | **-** | **4,111.86** | **-** | **-** | **4,111.86** |
| **(Previous Year)** | **-** | **-** | **(14,281.75)** | **-** | **-** | **(14,281.75)** |
| Amount liquidated/ adjusted towards the Mobilisation Advance | - | - | 608.69 | - | - | 608.69 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| | - | - | (16,033.64) | - | - | (16,033.64) |
| **- Sidhi Singrauli Road Project Ltd** | **-** | **-** | **581.22** | **-** | **-** | **581.22** |
| **(Previous Year)** | **-** | **-** | **(2,451.62)** | **-** | **-** | **(2,451.62)** |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | - | - | 27.47 | - | - | 27.47 |
| (Previous Year) | - | - | (13,582.02) | - | - | (13,582.02) |
| Provision for ICD/ Current Account/ Investment | - | - | 7,750.56 | 0.38 | - | 7,663.27 |
| | - | - | (58.91) | (8.75) | - | (67.67) |
| **- Birmitrapur Barkote Highway Pvt Limited** | **-** | **-** | **0.12** | **-** | **-** | **0.12** |
| **(Previous Year)** | **-** | **-** | **-** | **-** | **-** | **-** |
| - Chitoor Infra Co Pvt Ltd | - | - | 0.17 | - | - | 0.17 |
| (Previous Year) | - | - | (1.15) | - | - | (1.15) |
| - Earthlink Infrastructure Project Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (5.07) | - | - | (5.07) |
| - Gammon Logistic Ltd | - | - | 0.18 | - | - | 0.18 |
| (Previous Year) | - | - | (13.70) | - | - | (13.70) |
| - Gammon Road Infrastructure Ltd | | | 87.67 | - | - | 87.67 |
| (Previous Year) | | | - | - | - | - |
| - Gammon Projects Developers Limited | - | - | 1.26 | - | - | 1.26 |
| (Previous Year) | - | - | (37.79) | - | - | (37.79) |
| - GIPL - GIL JV | - | - | - | 0.38 | | 0.38 |
| (Previous Year) | - | - | - | (8.75) | - | (8.75) |
| - Hariana Biomass Projects Ltd | - | - | 0.10 | | | 0.10 |
| (Previous Year) | - | - | - | - | - | - |
| - Segue Infrastructure Projects Pvt Ltd | - | - | 0.00 | | | 0.00 |
| (Previous Year) | - | - | (1.03) | - | - | (1.03) |
| -Vijayawada Gundugolanu Road Project Pvt Limited | - | - | 7,661.00 | - | - | 7,661.00 |
| (Previous Year) | - | - | - | - | - | - |

(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Tada Infra Development Company Limited | - | - | 0.05 | - | - | 0.05 |
| (Previous Year) | - | - | (0.17) | - | - | (0.17) |
| Reversal of Provision for ICD/ Current Account | - | - | 16.50 | - | - | 8.48 |
| | **-** | **-** | **(178.24)** | **-** | **-** | **(178.24)** |
| - Birmitrapur Barkote Highway Pvt Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (7.96) | - | - | (7.96) |
| - Chitoor Infra Co Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.89) | - | - | (0.89) |
| - Earthlink Infrastructure Project Pvt Ltd | - | - | 3.25 | - | - | 3.25 |
| (Previous Year) | - | - | (0.24) | - | - | (0.24) |
| - Ghaggar Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (8.27) | - | - | (8.27) |
| - Gammon Projects Developers Limited | | | 2.75 | | | |
| (Previous Year) | | | - | | | |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.08) | - | - | (3.08) |
| - Haryana Biomass Power Limited | - | - | | - | - | - |
| (Previous Year) | - | - | (123.35) | - | - | (123.35) |
| - Jaguar Projects Developers Ltd | | | 5.28 | | | |
| (Previous Year) | | | - | | | |
| - Lilac Infraprojects Developers Ltd | - | - | 5.00 | - | - | 5.00 |
| (Previous Year) | - | - | (0.10) | - | - | (0.10) |
| - Ras Cities And Townships Pvt Ltd | - | - | | - | - | - |
| (Previous Year) | - | - | (0.26) | - | - | (0.26) |
| - Satluj Renewable Energy Pvt Ltd | - | - | | - | - | - |
| (Previous Year) | - | - | (24.90) | - | - | (24.90) |
| -Tangri Renewable Energy Private Limited | - | - | | - | - | - |
| (Previous Year) | - | - | (0.38) | - | - | (0.38) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Yamunanagar Minor Mineral Pvt Limited | - | - | | - | - | - |
| (Previous Year) | - | - | (8.01) | - | - | (8.01) |
| **- Yamunanagar Panchkula Highway Pvt Ltd** | **-** | **-** | **0.23** | **-** | **-** | **0.23** |
| (Previous Year) | - | - | (0.80) | - | - | (0.80) |
| Sundry Balances Written Off | - | - | 10.00 | - | - | 10.00 |
| | - | - | (1.43) | - | - | (1.43) |
| - Jaguar Projects Developers Ltd | | | 5.00 | | | 5.00 |
| (Previous Year) | | | - | | | - |
| **- Lilac Infra projects Developers Ltd** | | | **5.00** | | | **5.00** |
| **(Previous Year)** | | | **-** | | | **-** |
| - Indira Container Terminal Private Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.40) | | - | (0.40) |
| Tangri Renewable Energy Private Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.03) | - | - | (1.03) |
| 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 |
| Director Sitting fees and Commission | - | - | - | - | 24.00 | 24.00 |
| | - | - | - | - | (20.50) | (20.50) |
| - Abhijit Rajan | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | (3.00) | (3.00) |

(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - C.C Dayal | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | (3.50) | (3.50) |
| - Homai A Daruwala | - | - | - | - | 7.00 | 7.00 |
| (Previous Year) | - | - | - | - | (6.50) | (6.50) |
| **- Naresh Chandra** | **-** | **-** | **-** | **-** | **-** | **-** |
| **(Previous Year)** | **-** | **-** | **-** | **-** | **(1.50)** | **(1.50)** |
| - Sanjay Sachdev | - | - | - | - | 3.50 | 3.50 |
| (Previous Year) | - | - | - | - | (1.50) | (1.50) |
| Chayan Bhattachajee | | | | | 3.00 | 3.00 |
| (Previous Year) | | | | | - | - |
| Mahendra Kumar Agarwal | | | | | 1.00 | 1.00 |
| **(Previous Year)** | | | | | **-** | **-** |
| **- Sushil Chandra Tripathi** | **-** | **-** | **-** | **-** | **8.00** | **8.00** |
| (Previous Year) | - | - | - | - | (4.00) | (4.00) |
| - Vardhan Vasant Dharkar | - | - | - | - | 1.50 | 1.50 |
| (Previous Year) | - | - | - | - | (0.50) | (0.50) |
| **Investment in equity shares of** | **-** | **-** | **7,660.00** | **-** | **-** | **7,660.00** |
| | **-** | **-** | **(1,623.35)** | **-** | **-** | **(1,623.35)** |
| Vijayawada Gundugolanu Road Project Pvt Limited | - | - | 7,660.00 | - | - | 7,660.00 |
| (Previous Year) | - | - | - | - | - | - |
| - Haryana Biomass Power Limited | - | - | - | - | - | - |
| **(Previous Year)** | **-** | **-** | **(123.35)** | **-** | **-** | **(123.35)** |
| **- Indira Container Terminal Private Limited** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | (1,500.00) | - | - | (1,500.00) |
| Fair Value of Interest Free Loans | - | - | - | - | - | - |
| | - | - | (30.80) | - | - | (30.80) |
| Pravara Renewable Energy Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (30.80) | - | - | (30.80) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| Fair Value of Financial Guarantee | - | - | - | - | - | - |
| | - | - | (450.82) | - | - | (450.82) |
| **- Sidhi Singrauli Road Project Ltd** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | (450.82) | - | - | (450.82) |
| Movement in Quasi Investment (Net) | - | - | 7,372.60 | - | - | 7,372.60 |
| | - | - | (11,152.13) | - | - | (11,152.13) |
| Indira Container Terminal Pvt Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (31.41) | - | - | (31.41) |
| Sikkim Hydro Power Ventures Limited | - | - | 100.00 | - | - | 100.00 |
| (Previous Year) | - | - | (841.25) | - | - | (841.25) |
| Vijayawada Gundugolanu Road Project Pvt Limited | - | - | 7,272.60 | - | - | 7,272.60 |
| (Previous Year) | - | - | (10,279.47) | - | - | (10,279.47) |
| Interest free Inter corporate loans given to | - | - | 217.12 | - | - | 217.05 |
| ( Transaction Value) | - | - | (541.19) | - | - | (541.19) |
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Chitoor Infra Company Pvt Ltd | - | - | 0.12 | - | - | 0.12 |
| (Previous Year) | - | - | (0.11) | - | - | (0.11) |
| - Gammon Logistics Ltd | - | - | 0.15 | - | - | 0.15 |
| (Previous Year) | - | - | (1.11) | - | - | (1.11) |
| - Gammon Projects Developers Ltd | - | - | - | - | - | - |
| **(Previous Year)** | **-** | **-** | **(59.70)** | **-** | **-** | **(59.70)** |
| **- Ghaggar Renewable Energy Pvt Ltd** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | (0.11) | - | - | (0.11) |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.11) | - | - | (0.11) |

(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Gammon Renewable Energy Infrastructure Limited | - | - | 200.13 | - | - | 200.13 |
| (Previous Year) | - | - | - | - | - | - |
| - Hariana Biomass Projects Ltd | | | 0.07 | | | |
| (Previous Year) | | | - | | | |
| - Pravara Renewable Energy Ltd | - | - | 16.60 | - | - | 16.60 |
| (Previous Year) | - | - | (476.88) | - | - | (476.88) |
| - Tada Infra Development Co Ltd | - | - | 0.05 | - | - | 0.05 |
| (Previous Year) | - | - | (0.17) | - | - | (0.17) |
| Refund of inter corporate loans given | - | - | 6.90 | - | - | 6.00 |
| (IGAAP Transaction Value) | - | - | (1,553.29) | - | - | (1,553.29) |
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Chitoor Infra Company Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Earthlink Infrastructure Project Pvt Ltd | - | - | 3.25 | - | - | 3.25 |
| (Previous Year) | - | - | (1,271.51) | - | - | (1,271.51) |
| - Gammon Projects Developers Ltd | - | - | 2.75 | - | - | 2.75 |
| (Previous Year) | - | - | (22.00) | - | - | (22.00) |
| - Gammon Renewable Energy Infrastructure Limited | - | - | - | - | - | - |
| **(Previous Year)** | **-** | **-** | **(122.00)** | **-** | **-** | **(122.00)** |
| **- Ghaggar Renewable Energy Pvt Ltd** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | (8.09) | - | - | (8.09) |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.50) | - | - | (3.50) |
| - Gammon Seaport Infrastructure Ltd | - | - | 0.90 | - | - | 0.90 |
| (Previous Year) | - | - | - | - | - | - |
| - Pravara Renewable Energy Ltd | - | - | - | - | - | - |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| (Previous Year) | - | - | (66.00) | - | - | (66.00) |
| - Satluj Renewable Energy Private Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (45.90) | - | - | (45.90) |
| - Tidong Hydro Power Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Yamunanagar Minor Mineral Pvt Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (7.30) | - | - | (7.30) |
| Expenses incurred/ payments made by the Company on behalf of | - | - | 4,505.59 | 0.38 | - | 4,505.97 |
| | - | - | (4,402.16) | (8.75) | - | (4,410.91) |
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | 0.12 | - | - | 0.12 |
| (Previous Year) | - | - | (0.05) | - | - | (0.05) |
| - Chitoor Infra Company Pvt Ltd | - | - | 0.05 | - | - | 0.05 |
| (Previous Year) | - | - | (1.15) | - | - | (1.15) |
| - Cochin Bridge Infrastructure Co Ltd | - | - | 654.71 | - | - | 654.71 |
| (Previous Year) | - | - | (3.01) | - | - | (3.01) |
| - Gammon Logistic Ltd | - | - | 0.03 | - | - | 0.03 |
| (Previous Year) | - | - | (13.59) | - | - | (13.59) |
| - Gammon Projects Developers Ltd | - | - | 1.26 | - | - | 1.26 |
| (Previous Year) | - | - | (0.08) | - | - | (0.08) |
| - Gammon Renewable Energy Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (75.21) | - | - | (75.21) |
| - Gammon Realty Limited | - | - | | - | - | - |
| (Previous Year) | - | - | (50.00) | - | - | (50.00) |
| - Ghaggar Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.09) | - | - | (0.09) |
| - GIPL - GIL JV | - | - | | 0.38 | - | 0.38 |
| (Previous Year) | - | - | - | (8.75) | - | (8.75) |
| - GIPL - GECPL JV | - | - | - | 36.78 | - | 36.78 |
| (Previous Year) | - | - | - | - | - | - |
| - Haryana Biomass Power Ltd | - | - | 0.03 | - | - | 0.03 |

# Notes to Financial statements
## for the year ended March 31, 2019
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| (Previous Year) | - | - | - | - | - | - |
| - Indira Container Terminal Pvt Ltd | - | - | 814.19 | - | - | 814.19 |
| (Previous Year) | - | - | (1,109.07) | - | - | (1,109.07) |
| - Jaguar Projects Developers Ltd | - | - | 3.28 | - | - | 3.28 |
| (Previous Year) | - | - | - | - | - | - |
| - Lilac Infraprojects Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.54) | - | - | (1.54) |
| - Marine Project Services Ltd | - | - | 7.26 | - | - | 7.26 |
| (Previous Year) | - | - | (1.73) | - | - | (1.73) |
| - Patna Highway Projects Ltd | - | - | 374.63 | - | - | 374.63 |
| (Previous Year) | - | - | (1,889.39) | - | - | (1,889.39) |
| - Pravara Renewable Energy Ltd | - | - | 278.47 | - | - | 278.47 |
| (Previous Year) | - | - | (326.57) | - | - | (326.57) |
| - Rajahmundry Godavari Bridge Ltd | - | - | 22.39 | - | - | 22.39 |
| (Previous Year) | - | - | (33.89) | - | - | (33.89) |
| - Ras Cities And Townships Pvt Ltd | - | - | 5.96 | - | - | 5.96 |
| (Previous Year) | - | - | (80.33) | - | - | (80.33) |
| - Satluj Renewable Energy Pvt Ltd | - | - | 0.10 | - | - | 0.10 |
| (Previous Year) | - | - | (0.02) | - | - | (0.02) |
| - Segue Infrastructure Projects Pvt Ltd | - | - | 0.00 | - | - | 0.00 |
| (Previous Year) | - | - | (1.39) | - | - | (1.39) |
| - Sidhi Singrauli Road Project Ltd | - | - | 276.07 | - | - | 276.07 |
| (Previous Year) | - | - | (471.69) | - | - | (471.69) |
| - Sikkim Hydro Power Ventures Ltd | - | - | 98.24 | - | - | 98.24 |
| (Previous Year) | - | - | (171.32) | - | - | (171.32) |
| - Tangri Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.42) | - | - | (0.42) |
| - Tidong Hydro Power Ltd | - | - | 1.93 | - | - | 1.93 |
| (Previous Year) | - | - | - | - | - | - |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | - | - | 1,959.96 | - | - | 1,959.96 |
| (Previous Year) | - | - | (162.93) | - | - | (162.93) |

# Notes to Financial statements
## for the year ended March 31, 2019
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Vizag Seaport Pvt Ltd | - | - | - | - | - | - |
| **(Previous Year)** | **-** | **-** | **(0.08)** | **-** | **-** | **(0.08)** |
| **- Yamuna Minor Minerals Pvt Ltd** | **-** | **-** | | **-** | **-** | **-** |
| (Previous Year) | - | - | (0.03) | - | - | (0.03) |
| - Yamunanagar Panchkula Highway Pvt Ltd | - | - | 0.12 | - | - | 0.12 |
| (Previous Year) | - | - | (0.20) | - | - | (0.20) |
| - Youngthang Power Ventures Ltd | - | - | 6.79 | - | - | 6.79 |
| (Previous Year) | - | - | (8.37) | - | - | (8.37) |
| Amount liquidated towards the above finance | - | - | 2,666.35 | - | - | 2,666.35 |
| | - | - | (6,235.90) | - | - | (6,235.90) |
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Earthlink Infrastructure Project Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.24) | - | - | (0.24) |
| - Gammon Realty Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (50.00) | - | - | (50.00) |
| - Ghaggar Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.38) | - | - | (0.38) |
| - Haryana Biomass Power Ltd | - | - | | - | - | - |
| (Previous Year) | - | - | (123.35) | - | - | (123.35) |
| - Indira Container Terminal Pvt Ltd | - | - | | | - | - |
| (Previous Year) | - | - | (1,157.55) | - | - | (1,157.55) |
| - Jaguar Projects Developers Ltd | - | - | 3.55 | - | - | 3.55 |
| (Previous Year) | - | - | - | - | - | - |
| - Lilac Infraprojects Developers Ltd | - | - | | - | - | - |
| (Previous Year) | - | - | (1.64) | - | - | (1.64) |
| - Marine Project Services Ltd | - | - | 20.00 | - | - | 20.00 |
| (Previous Year) | - | - | - | - | - | - |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Patna Highway Projects Ltd | - | - | 576.27 | - | - | 576.27 |
| (Previous Year) | - | - | (2,495.31) | - | - | (2,495.31) |
| - Pravara Renewable Energy Ltd | - | - | 146.19 | - | - | 146.19 |
| (Previous Year) | - | - | (165.84) | - | - | (165.84) |
| - Rajahmundry Godavari Bridge Ltd | - | - | 28.07 | - | - | 28.07 |
| (Previous Year) | - | - | (54.66) | - | - | (54.66) |
| - Ras Cities And Townships Pvt Ltd | - | - | 65.00 | - | - | 65.00 |
| (Previous Year) | - | - | (15.46) | - | - | (15.46) |
| - Segue Infrastructure Projects Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.36) | - | - | (0.36) |
| - Sidhi Singrauli Road Project Ltd | - | - | 81.88 | - | - | 81.88 |
| (Previous Year) | - | - | (631.21) | - | - | (631.21) |
| - Sikkim Hydro Power Ventures Ltd | - | - | 193.07 | - | - | 193.07 |
| (Previous Year) | - | - | (64.55) | - | - | (64.55) |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | - | - | 1,551.95 | - | - | 1,551.95 |
| (Previous Year) | - | - | (1,472.55) | - | - | (1,472.55) |
| - Yamunanagar Panchkula Highway Pvt Ltd | - | - | 0.35 | - | - | 0.35 |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Yamuna Minor Minerals Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.74) | - | - | (0.74) |
| - Youngthang Power Ventures Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.06) | - | - | (0.06) |
| Inter corporate borrowings taken from | - | - | 400.00 | - | - | 400.00 |
| | - | - | (1,223.75) | - | - | (1,223.75) |
| **- Marine Project Services Ltd** | | **-** | **10.00** | **-** | **-** | **10.00** |
| (Previous Year) | | - | (18.75) | - | - | (18.75) |
| - Ras Cities And Townships Pvt Ltd | | - | 390.00 | - | - | 390.00 |
| (Previous Year) | | - | (1,205.00) | - | - | (1,205.00) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)



| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| Refund of inter corporate borrowings taken earlier | - | - | 10.00 | - | - | 10.00 |
| | - | - | (668.12) | - | - | (668.12) |
| **- Marine Project Services Ltd** | **-** | **-** | **10.00** | **-** | **-** | **10.00** |
| (Previous Year) | - | - | (18.75) | - | - | (18.75) |
| - Ras Cities And Townships Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (499.95) | - | - | (499.95) |
| - Vizag Seaport Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (149.42) | - | - | (149.42) |
| Finance paid for Security Deposit for Director Appointment to | - | - | - | - | - | - |
| | - | - | (43.00) | - | - | (43.00) |
| **- Birmitrapur Barkote Highway Pvt Ltd** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Cochin Bridge Infrastructure Co Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Gammon Logistic Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Gammon Project Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Gammon Renewable Energy Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Gammon Seaport Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Ghaggar Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Gammon Power Ltd | - | - | - | | | - |
| (Previous Year) | - | - | (1.00) | | | (1.00) |

(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Haryana Biomass Power Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Indira Container Terminal Pvt Ltd | - | - | - | | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Jaguar Project Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Lilac Infraprojects Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Marine Project Services Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Patna Highway Projects Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Pravara Renewable Energy Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Ras Cities And Townships Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Rajahmundry Godavari Bridge Ltd | - | - | | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Satluj Renewable Energy Pvt Ltd | - | - | | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Sidhi Singrauli Road Project Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Sikkim Hydro Power Ventures Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Tada Infra Development Co Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Tangri Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Yamunanagar Panchkula Highway Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Youngthang Power Ventures Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| Refund Received of Security Deposit for Director Appointment | - | - | - | - | - | - |
| | - | - | (53.00) | - | - | (53.00) |
| **- Andhra Expressway Ltd** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Previous Year) | - | - | - | - | - | - |
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (7.00) | - | - | (7.00) |
| - Cochin Bridge Infrastructure Co Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Gammon Logistic Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (4.00) | - | - | (4.00) |
| - Gammon Project Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Gammon Power Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Gammon Renewable Energy Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Gammon Road Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Gammon Seaport Infrastructure Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Ghaggar Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Gorakhpur Infrastructure Co. Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |

## Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Haryana Biomass Power Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Kosi Bridge Infrastructure Co. Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Indira Container Terminal Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Jaguar Project Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Lilac Infraprojects Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Mumbai Nasik Expressway Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Marine Project Services Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Patliputra Highway Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Patna Buxar Highway Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Patna Highway Projects Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (3.00) | - | - | (3.00) |
| - Pravara Renewable Energy Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Ras Cities And Townships Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Rajahmundry Godavari Bridge Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (5.00) | - | - | (5.00) |
| - Rajahmundry Expressway Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Satluj Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Sidhi Singrauli Road Project Ltd | - | - | - | - | - | - |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Sikkim Hydro Power Ventures Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| - Tada Infra Development Co Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Tangri Renewable Energy Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Tidong Hydro Power Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Yamunanagar Panchkula Highway Pvt Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (4.00) | - | - | (4.00) |
| - Youngthang Power Ventures Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.00) | - | - | (1.00) |
| **Interest expenses / paid during the year** | **-** | **-** | **1,338.65** | **-** | **-** | **1,338.65** |
| | **-** | **-** | **(1,287.29)** | **-** | **-** | **(1,287.29)** |
| - Indira Container Terminal Pvt Ltd | - | - | 6.00 | | - | 6.00 |
| (Previous Year) | - | - | (6.00) | - | - | (6.00) |
| - Ras Cities and Townships Pvt ltd | - | - | | - | - | - |
| (Previous Year) | - | - | (5.38) | - | - | (5.38) |
| - Marine Projects Services Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (1.64) | - | - | (1.64) |
| - Vizag Seaport Pvt Ltd | - | - | 1,332.65 | - | - | 1,332.65 |
| (Previous Year) | - | - | (1,274.27) | - | - | (1,274.27) |
| **Remeasurement loss during the year** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **-** | **-** | **(35.04)** | **-** | **-** | **(35.04)** |

(All figures are in Lakhs 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) | | | (35.04) | | | (35.04) |
| **Corporate Guarantee Outstanding** | **-** | | **2,66,392.00** | **-** | **-** | **2,66,392.00** |
| | **-** | | **(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 | - | | 6,486.00 | - | - | 6,486.00 |
| **(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) |
| Outstanding balances receivable | - | - | 5,827.94 | - | - | 5,827.94 |
| ( Trade Receivable) | - | - | (5,564.89) | - | - | (5,564.89) |
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | 487.67 | - | - | 487.67 |
| (Previous Year) | - | - | (487.67) | - | - | (487.67) |
| - Sidhi Singrauli Road Projects Ltd | - | - | 5,340.27 | - | - | 5,340.27 |
| **(Previous Year)** | **-** | **-** | **(5,077.22)** | **-** | **-** | **(5,077.22)** |
| Outstanding balances receivable : | - | - | 34,635.46 | - | - | 34,635.46 |
| Inter Corporate Deposits | - | - | (41,797.85) | - | - | (41,797.85) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Birmitrapur Barkote Highway Pvt Ltd | - | - | 605.18 | - | - | 605.18 |
| (Previous Year) | - | - | (605.18) | - | - | (605.18) |
| - Cochin Bridge Infrastructure Co Ltd | | | 904.79 | | | 904.79 |
| (Previous Year) | | | (904.79) | | | (904.79) |
| - Chitoor Infra Company Private Limited | - | - | 9.11 | - | - | 9.11 |
| **(Previous Year)** | **-** | **-** | **(8.99)** | **-** | **-** | **(8.99)** |
| **- Earthlink Infrastructure Project Pvt Ltd** | **-** | **-** | **1.82** | **-** | **-** | **1.82** |
| (Previous Year) | - | - | (5.07) | - | - | (5.07) |
| - Gammon Logistic Ltd | - | - | 159.61 | - | - | 159.61 |
| (Previous Year) | - | - | (159.46) | - | - | (159.46) |
| - Gammon Project Developers Ltd | - | - | 78.79 | - | - | 78.79 |
| (Previous Year) | - | - | (81.54) | - | - | (81.54) |
| - Gammon Renewable Energy Infrastructure Ltd | - | - | 329.33 | - | - | 329.33 |
| (Previous Year) | - | - | (129.20) | - | - | (129.20) |
| - Gammon Road Infrastructure Limited | - | - | 132.19 | - | - | 132.19 |
| (Previous Year) | - | - | (132.19) | - | - | (132.19) |
| - Haryana Biomass Power Ltd | - | - | 0.07 | - | - | 0.07 |
| (Previous Year) | - | - | - | - | - | - |
| - Gammon Seaport Infrastructure Limited | - | - | 74.10 | - | - | 74.10 |
| (Previous Year) | - | - | (75.00) | - | - | (75.00) |
| - Indira Container Terminal Pvt Ltd | | | 3,722.47 | | | 3,722.47 |
| (Previous Year) | | | (3,722.47) | | | (3,722.47) |
| - Patna Highway Projects Ltd | | | 10,460.50 | | | 10,460.50 |
| (Previous Year) | | | (10,460.50) | | | (10,460.50) |
| - Pravara Renewable Energy Ltd | - | - | 2,498.58 | - | - | 2,498.58 |
| (Previous Year) | - | - | (2,481.98) | - | - | (2,481.98) |
| - Rajahmundry Godavari Bridge Ltd | | | 2,212.75 | | | 2,212.75 |
| (Previous Year) | | | (2,212.75) | | | (2,212.75) |
| - Segue Infrastructure Projects Ltd | - | - | 2.50 | - | - | 2.50 |
| (Previous Year) | - | - | (2.50) | - | - | (2.50) |

## Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Sikkim Hydro Power Ventures Ltd | | | 3,108.96 | | | 3,108.96 |
| (Previous Year) | | | (3,208.96) | | | (3,208.96) |
| - Sidhi Singrauli Road Projects Ltd | | | 3,527.16 | | | 3,527.16 |
| (Previous Year) | | | (3,527.16) | | | (3,527.16) |
| - Tada Infra Development Company Limited | - | - | 0.22 | - | - | 0.22 |
| (Previous Year) | - | - | (0.17) | - | - | (0.17) |
| - Tidong Hydro Power Ltd | - | - | 157.23 | - | - | 157.23 |
| (Previous Year) | - | - | (157.23) | - | - | (157.23) |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | | | - | | | - |
| (Previous Year) | | | (7,272.60) | | | (7,272.60) |
| - Youngthang Power Ventures Ltd | | | 5,734.58 | | | 5,734.58 |
| **(Previous Year)** | | | **(5,734.58)** | | | **(5,734.58)** |
| **- Yamunanagar Panchkula Highway Pvt Ltd** | **-** | **-** | **915.53** | **-** | **-** | **915.53** |
| (Previous Year) | - | - | (915.53) | - | - | (915.53) |
| " Outstanding balances receivable : ( Advance recoverable in cash or kind) " | - | - | 80,347.19 | 25.45 | - | 80,372.64 |
| | - | - | (1,678.52) | (79.04) | - | (1,757.56) |
| | | | | | | - |
| - Birmitrapur Barkote Highway Pvt Limited | - | - | 0.14 | - | - | 0.14 |
| (Previous Year) | - | - | (0.02) | - | - | (0.02) |
| - Chitoor Infra Company Private Limited | - | - | 1.43 | - | - | 1.43 |
| (Previous Year) | - | - | (1.39) | - | - | (1.39) |
| - Cochin Bridge Infrastructure Company Ltd | - | - | 795.35 | - | - | 795.35 |
| (Previous Year) | - | - | (140.65) | - | - | (140.65) |
| - Gammon Logistics Ltd | - | - | 28.17 | - | - | 28.17 |
| (Previous Year) | - | - | (28.14) | - | - | (28.14) |
| - Gammon Project Developers Ltd | - | - | 1.68 | - | - | 1.68 |
| (Previous Year) | - | - | (0.42) | - | - | (0.42) |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| - Gammon Renewable Energy Infrastructure Ltd | - | - | 75.74 | - | - | 75.74 |
| (Previous Year) | - | - | (75.74) | - | - | (75.74) |
| - Gammon Road Infrastructure Ltd | - | - | 1.00 | - | - | 1.00 |
| (Previous Year) | - | - | - | - | - | - |
| - Gammon Seaport Infrastructure Ltd | - | - | 0.30 | - | - | 0.30 |
| (Previous Year) | - | - | (0.30) | - | - | (0.30) |
| - GIPL - GIL JV | - | - | | 24.97 | - | 24.97 |
| (Previous Year) | - | - | | (24.58) | - | (24.58) |
| - Haryana Biomass Power Ltd | - | - | 0.03 | - | - | 0.03 |
| (Previous Year) | | | - | | | - |
| - Indira Container Terminal Pvt Ltd | | | | - | | - |
| (Previous Year) | - | - | | (53.98) | - | (53.98) |
| - Jaguar Projects Developers Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.28) | - | - | (0.28) |
| - Marine Projects Services Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | (2.00) | - | - | (2.00) |
| - Modern TollRoads Ltd | - | - | | 0.48 | - | 0.48 |
| (Previous Year) | - | - | | (0.48) | - | (0.48) |
| - Patna Highway Projects Ltd | - | - | - | - | - | - |
| (Previous Year) | - | - | - | - | - | - |
| - Pravara Renewable Energy Ltd | - | - | 991.16 | - | - | 991.16 |
| (Previous Year) | - | - | (906.33) | - | - | (906.33) |
| - Rajahmundry Godavari Bridge Ltd | - | - | 78,355.06 | - | - | 78,355.06 |
| (Previous Year) | - | - | (308.74) | - | - | (308.74) |
| - Ras Cities And Townships Pvt Ltd | - | - | 6.09 | - | - | 6.09 |
| (Previous Year) | - | - | (65.13) | - | - | (65.13) |
| - Segue Infrastructure Projects Pvt Ltd | - | - | 1.03 | - | - | 1.03 |
| (Previous Year) | - | - | (1.03) | - | - | (1.03) |
| - SiddhiSingrauli Road Project Ltd | - | - | 34.77 | - | - | 34.77 |
| (Previous Year) | - | - | - | - | - | - |
| - Sikkim Hydro Power Ventures Ltd | - | - | 38.92 | - | - | 38.92 |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| (Previous Year) | - | - | (133.75) | - | - | (133.75) |
| - Tada Infra Development Co Ltd | - | - | 13.71 | - | - | 13.71 |
| (Previous Year) | - | - | (13.71) | - | - | (13.71) |
| - Tidong Hydro Power Ltd | - | - | 1.93 | - | - | 1.93 |
| (Previous Year) | - | - | - | - | - | - |
| - Yamunanagar Panchkula Highway Pvt Ltd | - | - | 0.66 | - | - | 0.66 |
| (Previous Year) | - | - | (0.89) | - | - | (0.89) |
| " Outstanding 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) |
| Outstanding balances receivable : ( Interest Accrued receivable) | | - | 17.47 | - | - | 17.47 |
| | | - | (17.47) | - | - | (17.47) |
| - Cochin Bridge Infrastructure Company Limited | | | 17.47 | | | 17.47 |
| (Previous Year) | | | (17.47) | | | (17.47) |
| Outstanding Balances Payable : | - | - | 23,584.39 | - | - | 23,584.39 |
| | - | - | (23,325.64) | - | - | (23,325.64) |
| **- Patna Highway Projects Ltd** | **-** | **-** | **395.70** | **-** | **-** | **395.70** |
| (Previous Year) | - | - | (654.65) | - | - | (654.65) |
| - Marine Projects Services Ltd | | | 10.74 | | | 10.74 |
| (Previous Year) | | | - | | | - |
| - Sidhi Singrauli Road Project Ltd | - | - | 22,713.66 | - | - | 22,713.66 |
| **(Previous Year)** | **-** | **-** | **(22,510.64)** | **-** | **-** | **(22,510.64)** |

# Notes to Financial statements
**for the year ended March 31, 2019**
(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| **- Vijayawada Gundugulanu Road Project Pvt Ltd** | | | **27.36** | | | **27.36** |
| (Previous Year) | | | | | | - |
| - Youngthang Power Ventures Ltd - Rent | - | - | 53.56 | - | - | 53.56 |
| (Previous Year) | - | - | (60.35) | - | - | (60.35) |
| - Indira Container Terminal Private Limited | - | - | 383.36 | | - | 383.36 |
| (Previous Year) | - | - | (100.00) | | - | (100.00) |
| Outstanding Balances Payable : | - | - | 927.76 | - | - | 927.76 |
| Mobilisation Advance | - | - | (1,536.44) | - | - | (1,536.44) |
| - Sidhi Singrauli Road Project Ltd | | | 927.76 | | | 927.76 |
| **(Previous Year)** | | | **(1,508.98)** | | | **(1,508.98)** |
| - Vijayawada Gundugolanu Road Project Pvt Ltd | | | - | | | - |
| (Previous Year) | | | (27.47) | | | (27.47) |
| Outstanding Balances Payable : | - | - | 12,372.46 | - | - | 12,372.46 |
| Inter-corporate Deposits from: | - | - | (11,982.02) | - | - | (11,982.02) |
| - Vizag Seaport Pvt Ltd | | | 10,977.41 | | | 10,977.41 |
| (Previous Year) | | | (10,976.97) | | | (10,976.97) |
| - Ras Cities And Townships Pvt Ltd | | | 1,395.05 | | | 1,395.05 |
| (Previous Year) | | | (1,005.05) | | | (1,005.05) |
| Outstanding Balances Payable :( Guarantee Obligation ) | - | - | 6,856.43 | - | - | 6,856.43 |
| | **-** | **-** | **(9,915.52)** | **-** | **-** | **(9,915.52)** |
| - Cochin Bridge Infrastructure Company Limited | - | - | - | - | - | - |
| (Previous Year) | - | - | (0.54) | - | - | (0.54) |
| - Rajahmundry Godavari Bridge Ltd | - | - | - | - | - | - |

(All figures are in Lakhs unless otherwise stated)

| Transactions | Entities Having Significant Influence | Holding Company | Subsidiaries | Associates / Joint Ventures & Partnerships | Key Management Personnel | Total |
|---|---|---|---|---|---|---|
| (Previous Year) | - | - | (2,252.97) | - | - | (2,252.97) |
| - Patna Highway Projects Limited | - | - | 4,330.91 | - | - | 4,330.91 |
| (Previous Year) | - | - | (4,865.87) | - | - | (4,865.87) |
| - Sidhi Singrauli Road Project Ltd | - | - | 2,525.52 | - | - | 2,525.52 |
| **(Previous Year)** | **-** | **-** | **(2,796.15)** | **-** | **-** | **(2,796.15)** |
| Outstanding Balances Payable :( Interest Accrued payable) | - | - | 1,601.71 | - | - | 1,601.71 |
| | - | - | (264.09) | - | - | (264.09) |
| - Indira Container Terminal Private Limited | | | 5.40 | | | 5.40 |
| (Previous Year) | | | - | | | - |
| - Vizag Seaport Pvt Ltd | | | 1,596.31 | | | 1,596.31 |
| **(Previous Year)** | | | **(264.09)** | | | **(264.09)** |

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 statements
**for the year ended March 31, 2019**
(All figures are in Lakhs 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 | -1,092.99 | 1.21 | 1,093.21 | | - | -0.43 | - | -0.43 | - | 100.00% |
| 2 | Cochin Bridge Infrastructure Company Limited | INR | N.A. | 640.01 | 359.50 | 1,812.50 | 812.99 | | 612.07 | -260.26 | - | -260.26 | - | 97.66% |
| 3 | Chitoor Infra Company Private Limited | INR | N.A. | 1.00 | -6.20 | 5.45 | 10.65 | | - | -0.16 | - | -0.16 | - | 100.00% |
| 4 | Earthlink Infrastructure Projects Private Limited | INR | N.A. | 1.00 | -25.12 | 101.81 | 125.93 | | - | -0.14 | - | -0.14 | - | 100.00% |
| 5 | Gammon Logistics Limited | INR | N.A. | 255.00 | -440.66 | 2.23 | 187.89 | | 0.58 | 0.51 | 3.08 | -2.56 | - | 100.00% |
| 6 | Gammon Projects Developers Limited | INR | N.A. | 25.00 | -83.60 | 22.56 | 81.15 | | 1.32 | -4.10 | - | -4.10 | - | 100.00% |
| 7 | Gammon Renewable Energy Infrastructure Projects Limited | INR | N.A. | 5.00 | -0.16 | 522.40 | 517.56 | | - | -17.50 | - | -17.50 | - | 100.00% |
| 8 | Gammon Road Infrastructure Limited | INR | N.A. | 5.00 | -71.05 | 67.34 | 133.39 | 0.50 | 0.10 | -0.63 | -0.05 | -0.58 | - | 100.00% |
| 9 | Gammon Seaport Infrastructure Limited | INR | N.A. | 5.00 | -4.45 | 75.14 | 74.59 | | - | -0.90 | 0.91 | -1.81 | - | 100.00% |
| 10 | Haryana Biomass Power Limited | INR | N.A. | 128.35 | -134.56 | 1.15 | 7.35 | | - | -0.18 | - | -0.18 | - | 100.00% |
| 11 | Jaguar Projects Developers Limited | INR | N.A. | | | - | - | | - | | - | | - | |
| 12 | Marine Project Services Limited | INR | N.A. | 5.00 | 6.01 | 11.12 | 0.11 | | - | -7.39 | - | -7.39 | - | 100.00% |
| 13 | Patna Highway Projects Limited | INR | N.A. | 5,000.00 | 17,512.31 | 1,33,749.36 | 1,11,237.05 | | 13,922.88 | -1,158.92 | 73.57 | -1,232.49 | - | 100.00% |
| 14 | Pravara Renewable Energy Limited | INR | N.A. | 4,792.00 | -5,765.79 | 30,077.54 | 31,051.33 | | 6,318.36 | -1,195.74 | - | -1,195.74 | - | 100.00% |
| 15 | Ras Cities and Townships Private Limited | INR | N.A. | 1.00 | -43.65 | 1,664.68 | 1,707.33 | | - | -0.16 | - | -0.16 | - | 100.00% |
| 16 | Rajahmundry Godavari Bridge Limited | INR | N.A. | 20,395.89 | -23,819.57 | 99,842.98 | 1,03,266.65 | | 6,128.67 | -12,620.00 | - | -12,620.00 | - | 75.28% |
| 17 | Satluj Renewable Energy Private Limited | INR | N.A. | 21.25 | -21.25 | - | - | | - | - | - | - | - | 100.00% |

(All figures are in Lakhs 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 | Sikkim Hydro Power Ventures Limited | INR | N.A. | 6,273.59 | 2,620.23 | 10,941.49 | 2,047.67 | | 655.94 | 574.07 | - | 574.07 | - | 100.00% |
| 19 | Sidhi Singrauli Road Project Limited | INR | N.A. | 17,041.00 | 7,204.16 | 1,13,528.86 | 89,283.69 | | 2,870.45 | -56.17 | 112.14 | -168.31 | - | 100.00% |
| 20 | Tada Infra Development Company Limited | INR | N.A. | 5.00 | -18.95 | 0.10 | 14.05 | | - | -0.16 | - | -0.16 | - | 100.00% |
| 21 | Tidong Hydro Power Limited | INR | N.A. | 5.00 | 16.89 | 206.81 | 184.92 | | - | -0.72 | - | -0.72 | - | 51.00% |
| 22 | Vijaywada Gundugolanu Road Project Private Limited | INR | N.A. | 1.00 | 1,046.66 | 1,060.51 | 12.85 | | 274.32 | -1,307.45 | - | -1,307.45 | - | 100.00% |
| 23 | Vizag Seaport Private Limited | INR | N.A. | 8,719.13 | 2,675.65 | 37,582.22 | 26,187.45 | | 18,666.32 | 1,684.98 | 351.00 | 1,333.98 | - | 73.76% |
| 24 | Yamunanagar Panchkula Highway Private Limited | INR | N.A. | 1,905.00 | -2,817.66 | 3.68 | 916.34 | | 0.37 | -18.69 | - | -18.69 | - | 100.00% |
| 25 | Indira Container Terminal Private Limited | INR | N.A. | 10,156.60 | -23,574.96 | 70,455.49 | 83,873.85 | | 4,027.22 | -10,300.88 | 8.32 | -10,309.20 | | 74.00% |
| 26 | Youngthang Power Ventures Limited | INR | N.A. | 1,445.00 | 5,383.82 | 6,873.77 | 44.95 | | - | -18.47 | - | -18.47 | - | 100.00% |
| | | | | | | | | | 0 | | | | | |
| | Total | | | 76,863.52 | -21,137.47 | 5,08,610.90 | 4,52,884.84 | 0.50 | 53,478.61 | -24,712.89 | 549.34 | -25,262.24 | - | - |

**Names of subsidiaries which are yet to commence operations:**

Sikkim Hydro Power Ventures Limited
Sidhi Singrauli Road Project 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

# Notes to Financial statements
## for the year ended March 31, 2019
(All figures are in Lakhs unless otherwise stated)

## Part "B" Details of Associates / Joint Ventures

| Sno. | Name of the Joint Venture / Associate | Date on which the Associate or Joint Venture was associated or acquired | Latest Audited Balance Sheet Date | No. of Equity Shares held | Cost of Investments | % of Holding | Networth attributable to shareholding as per latest audited Balance Sheet | Profit/ (Loss) for the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 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% | -18.35 | -0.31 | -0.02 |
| 3 | SEZ Adityapur Limited $ (SEZAL) | 06-Jul-10 | 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% | | | |
| 2 | Eversun Sparkle Maritime Services Private Limited | 29-Mar-07 | 31-Mar-16 | 21,43,950 | 155.94 | 30.90% | 441.39 | 63.28 | 43.73 |
| 3 | Modern Tollroads Private Limited (MTRL) ^ | | 30-Sep-14 | 24,470 | 2.45 | 49.00% | | | |
| | **Total** | | | | **467.91** | | **423.03** | **62.98** | **43.71** |

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.

@ 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.

As per our report of even date

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

**Kishore Kumar Mohanty**
Managing Director
DIN: 00080498

**Homai Daruwalla**
Director
DIN: 00365880

**Naresh Sasanwar**
Chief Financial Officer

**Kaushal Shah**
Company Secretary
M. No. ACS 18501

Place : Mumbai
Dated ; May 29, 2019

# Notes

# Notes

# Notes

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**GAMMON INFRASTRUCTURE PROJECTS LIMITED**

Orbit Plaza CHS Limited,
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Mumbai-400025.