




2016

CHALLENGING TIMES.
RESILIENT RESPONSE.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

15TH ANNUAL REPORT
For October 2014 to March 2016 (FYE MAR'16)



Difficult times are not yet over for the Infrastructure sector. Failures on the part of the authorities to fulfill their obligations and a very limited support from capital markets and lenders have effected the performance of the sector. All of this also resulted in delays in the execution of projects leading to severe financial stress adversely affecting the viability of the projects and their operations. These factors have contributed to a lower than expected revenue generation for most of the players in the industry. With operating revenues not being sufficient to service debts and with losses widening endlessly, the sector is unable to recover faster. Gammon Infrastructure was no exception to this scenario. Over half a dozen of our projects got delayed by more than three years in last five years.

Realizing that the sector is caught in headwinds, the Company pro-actively

engaged in responding to all the challenges thrown at it in a systematic manner. To begin with, the Company laid strong focus towards getting the existing value-accretive and under-construction projects on stream which will go a long way in improving the confidence of all its stakeholders. With our sustained efforts, five of our projects have been made operational during the last few years inspite of delays in each and every project which was beyond the control of the Company. The Company is also seeking to find innovative solutions for the languishing projects by closely working with project authorities.



CHALLENGING TIMES. **RESILIENT RESPONSE.**

Though this has been a sigh of relief but the pain point of cost over run of all these projects and loss of revenue is still haunting us. With delays primarily on account of land acquisition and other clearance not attributable to lapses on our part, we are yet to receive the financial dues on account of these delays, though it had been clearly spelt out in the Concession Agreements. Hence a large chunk of our enterprise value is locked in such dues. On realization of the same, the organisation's financial map will look much attractive and healthy.

Having said this, the Company has also taken bold steps by divesting its stake in six road projects and three power projects to streamline its balance sheet. This strategy, besides de-leveraging the balance-sheet, will result in helping the Company to raise fresh equity for investing in its remaining projects and open up possibilities for making investments into new and more lucrative projects.

Together, these approaches have allowed your Company to re-invent on the back of a stronger balance sheet and cash flows.

Going forward, our future readiness will help us capitalise on the changing national priorities and emerging opportunities. The infrastructure sector features high on the priority list of the Government. With their path breaking initiatives and intervention, the infrastructure segment is expected to create a number of favourable sectoral prospects for the Company to explore. We expect that the revival of the sector is in the horizon and eventually, a resurgent balance sheet will keep us future-ready to capitalise on such emerging opportunities. In time, we aim to stand tall to deliver long-lasting value for our stakeholders.

What's Inside



About Us	1
Core competencies	2
Our prudent business strategy	3
Chairman's Message	5
Managing Director's Statement	7
Board of Directors	9
Our focus on execution	11
Our focus towards creating robust balance sheet	13
Consolidated Financial Highlights	15
An Overview of our Project Portfolio	16
Management discussion and analysis	17
Directors' Report	31
Report on Corporate Governance	61
Financial Statement	73

Corporate Information

BOARD OF DIRECTORS

Mr. Naresh Chandra
Chairman

Mr. Kishor Kumar Mohanty
Managing Director

Mr. Abhijit Rajan
Non Executive Director

Mr. Chandradas Charandas Dayal
Independent Director

Mr. Sushil Chandra Tripathi
Independent Director

Ms. Homai A Daruwalla
Independent Director

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound, L. B. S.
Marg, Bhandup (West),
Mumbai - 400 078
Tel. No.: 022-2596 3838
Fax No.: 022-2594 6969

AUDITORS

M/s. Natvarlal Vepari & Co.

Mr. Kaushik Chaudhuri
Chief Financial Officer

Ms. Renuka Matkari
Company Secretary

REGISTERED OFFICE

Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai – 400 025
Telephone: +91 22 6115 3000
Fax: +91 22 2430 0221
Website: www.gammoninfra.com

CORPORATE OFFICE

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

About Us

Gammon Infrastructure Projects Limited is a pan-India infrastructure project development company with a diverse portfolio across road, power and port sector. The current portfolio of the Company (after the divestment of six projects – five operational and one under development) comprises of 3 operational assets and 7 projects under different stages of development - spread across six states in India.

Our strength lies in our multi-segment presence in infrastructure sector, wide spread geographic presence, two decades of experience and technical expertise.

Through a focused and strategised business model, we participate in projects based on BOT, BOOT, BOO and other PPP models. We also provide our services in other areas of project development such as operations & maintenance and project advisory services.

OUR PROJECT PORTFOLIO

02

PORT PROJECTS

04

POWER PROJECTS

04

ROAD PROJECTS

10

TOTAL PROJECTS

Our future readiness is reflected in our core competencies.

EXPERIENCE:

The Company enjoys a successful hands-on experience of more than 2 decades. It brings to its business the experience of more than 17 projects (including 3 toll projects, 5 power projects and 2 port projects).

DIVERSIFIED:

The Company's diversification (locations, geographies and business formats) de-risks the business from the risk of having a singular dependence on a sector or geography.

PROVEN RECORD:

The Company is a well acknowledged player in the Indian Infrastructure space with a track record of successful completion, operations and efficient project execution (post all authoritative clearances).

PRE-QUALIFIED:

The Company qualifies as per the norms of NHAI and other statutory corporations and government companies to bid for OMT and tolling projects, Port and Power Projects making it possible to respond faster to emerging opportunities.

STABILITY:

The Company possesses a portfolio which generates assured and market driven returns, enhancing revenue visibility and stability.

SELECTION STRATEGY:

The Company enters locations and projects enjoying attractive revenue visibility.

FINANCIAL STRENGTH:

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



GROWTH STRATEGY

The Company focuses on leveraging India's demand for infrastructure projects. It aims for seamless and efficient movement of projects through the development cycle to make them operational and contribute to the Company's revenues. It also focuses on selective profitable infrastructure projects with a mix of assured and market linked returns. Going ahead, the Company is open towards opportunities in OMT & hybrid annuity projects with lower gestation period and lower capital intensive project.



FISCAL STRATEGY

The Company has a strong focus on efficient liquidity management. The Company has taken steps to refinance its earlier high cost debts with lower cost debts. The Company proactively looks towards building operational efficiencies by reducing overhead expenses and optimally utilising available resources.

Our future readiness is derived from our prudent business strategy.

LOCATION STRATEGY

The Company aims towards geographically dispersed project portfolio as a risk mitigation against any geographical risks. Today, the Company has a widespread presence across six states and will continue to focus its attention towards identification of lucrative projects across diverse sectors and geographies. It has been analysing potential projects in existing and new sectors to enhance and diversify revenue sources.

PROJECT STRATEGY

Owing to high financial stress, the Company has monetised six of its Special Purpose Vehicles through divestments. The Company is focused towards maintaining optimal mix of assets with sale of strategic stakes to unlock value. These divestments will provide the Company financial strength to bid for other projects and improve profits and cash flows.

SCALE STRATEGY

With a strategic focus towards Operations & Maintenance, the Company has been exploring O&M opportunities for external projects. The Company intends to offer fee-based O&M services for infrastructure projects developed by others. Going ahead, the Company will explore opportunities to enhance scope and size of O&M services, especially in roads sector.

5

4

CHALLENGING TIMES.
RESILIENT RESPONSE.

Chairman's Message



“There are number of reasons why Gammon Infrastructure is optimistic of its prospects”

With clear strategies in place, our performance is set to rebound faster going ahead.

Dear shareholders,

India's infrastructure growth continued to be sluggish on account of stalled projects, weak investments and lower financial support from bankers and capital markets. But our optimism is derived from the fact that once we have a healthy balance sheet and regular positive cash flows, we will be able to capitalise on the Government's initiatives to revitalise the infrastructure sector.

REVIEW

Going ahead, I expect Gammon Infrastructure's performance to re-bound with momentum. This is because our proactive divestment of assets; clear focus on project execution; and the judicious business selection that is matched to our core domain expertise.

I am pleased to report that your Company has concluded a deal worth ₹ 436 crore for the sale of certain assets to Canada-based Brookfield Asset Management – a marquee global investor with presence across economies and geographies. This unique deal allowed us to monetise a basket of projects in multiple sectors and at different stages of development. This path-breaking

transaction has rekindled active interest from various global players. What's more, it has validated our strategic efforts to deleverage and as a consequence, our investors have reposed their faith in the Company.

OUR OPTIMISM

There are a number of reasons why we are optimistic for our prospects.

To begin with, we are encountering a resurgent economy. Aided by a decline in oil and commodity prices and on the back of the reform initiatives taken by government, the Indian economy is expected to grow at the rate of 7.6% in 2016-17 and an estimated ~7.7% in 2017-18. To follow this, the advent of GST will positively impact our GDP. India is set to implement its biggest tax reform since Independence - Goods & Service Tax (GST) – from April 2017. This is widely accepted as an important initiative to simplify the indirect tax regime in India and catalyse economic growth, with the potential to add to India's GDP. Furthermore, the Government is seriously addressing the country's Infrastructure gaps. With increasing urbanisation, the Indian Government has realised the need for cities that can cope with the inherent challenges of urban living and

As an infrastructure player, we are attractively placed to capitalise on the sectoral reforms.

also be magnets for investment to catalyse the local economies. The announcement of '100 smart cities' falls in line with this vision.

In addition to these positive drivers, the Banking sector has been armed by the regulator with mechanisms to address the unique nature of long gestation infrastructure projects, such as 5/25 scheme for debt restructuring and the Scheme for Sustainable Structuring of Stressed Assets, allowing External Commercial Borrowing for longer duration. These measures allow infrastructure developers, such as your Company, to address hard project financing issues and opt for cheaper refinancing.

Additionally, a variety of Government reforms on the anvil give us reasons to feel positive. The Centre now permits developers to divest 100 per cent equity in projects two years after completion. This move will help financially-stressed private investors to monetise assets and thereby unlock capital for future projects, or to retire costly debt. The restructuring of balance sheets of power distribution companies under Uday Scheme, auctioning of coal mines and Make in India campaign of Government of India augurs well for the infrastructure sector.

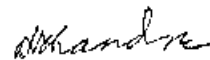
Finally, we are also beginning to see some sector specific friendly policies. The Government has decided to take up many of its infrastructure projects on the hybrid-annuity mode, a new model for implementing contracts under the Public Private Partnership (PPP) projects in highways, Namami Gange and railway projects. The Government is keen to accelerate the pace of projects execution and is keen to experiment with new modes of financing which help fast track works and reduce the burden on developers and financial institutions.

OUR BLUEPRINT

As an infrastructure player, your Company is attractively placed to capitalise on these many developments that I have delineated above. Steadfast to our fundamental business principles, we remain committed to improving the economic value of profitable operational projects and executing a healthy project pipeline, with minimal cost and time over-runs. We are "Future Ready" to expand our asset base in a more vibrant marketplace.

OVERVIEW

On behalf of the Board, I express my appreciation for your invaluable support and the confidence reposed in us. Your continued encouragement will help us in elevating the Company to a new orbit of excellence. We are thankful to Government Departments, Public Authorities and Banks for their continued support.



Naresh Chandra
Chairman

Managing Director's Statement



"We aligned our business to strengthen our future-readiness"

The Company focused on consolidating its business, strengthening its long-term prospects and streamlining its balance sheet.

"WE ALIGNED OUR BUSINESS TO STRENGTHEN OUR FUTURE-READINESS"

Difficult times calls for hard decisions. Our management and stakeholders have empowered us to take such decisions, which will yield considerable fruits in the coming times to enhance the economic enterprise value of the Company.

From a business performance perspective, Gammon reported consolidated income of ₹ 1375.10 crore, a 149% growth over the previous 9 month results; EBITDA grew 133% to ₹ 731.85 crore, but there is more beyond the numbers.

Beyond the radar, we are pleased to inform you that the Company focused on consolidating its business, strengthening its long-term prospects and streamlining its balance sheet. The highlight of the year was that the Company successfully divested a good part of its portfolio, the proceeds of which will help us repay debts, de-leverage our balance sheet and give us the freedom to raise new equity and/or debt for new assets.

The transaction we concluded during the year is one of the largest asset sales at one go within the Indian infrastructure space. Canada's Brookfield Asset Management made its first significant investment in the Indian infrastructure space, buying six road and three power projects from our Company. Of these, six projects were already operational. The first tranche of the transaction has been successfully completed. We believe that this divestment was as timely as it was necessary. Just when the country graduates into a higher growth orbit, Gammon Infrastructure will possess a better financial and operating structure. This will help the Company with a higher strike rate in project bidding and empower it to capitalise on emerging opportunities more effectively than ever before.

THE YEAR

In a challenging contemporary environment, change is perhaps the new constant. Companies that refuse to transform become risk obsolescence.

CHALLENGING TIMES. RESILIENT RESPONSE.

The key hindrance for our business was the delay in project completion. This resulted in a mismatch of our cash flows in two respects. Firstly, the supposed revenues did not actualise on time and secondly, interests payable on the debt continued to pile up. This cash mismatch led to acute financial stress. The delays were largely on account of delinquencies in clearances by authorities.

To overcome this scenario, we mainly focused on speeding up the commissioning of the projects that were under execution, so that they can become revenue accretive as quickly as possible. We completed the Rajahmundry Godavari Bridge Limited Project and Pravara Renewable Energy Limited Projects. We also successfully restructured the debt on the Patna Highway Project and Rajahmundry Godavari Bridge Limited to support the cost overrun. In the meantime, your Company is also closely working with project authorities to restructure, restart or complete the languishing projects.


OUTLOOK

Gammon Infrastructure is at an inflection point towards transformation for some good reasons. India's Infrastructure Sector is at the cusp of one of the largest investments in its existence. We expect that any investment in the country's infrastructure will have a spill over impact on our business. During the course of slow down we focused on getting all our projects on stream. As a result, the Company has only three projects under execution, for which almost the entire equity is already funded. Of these, two projects are expected to come on-stream over the next fiscal. Once these projects migrate from "an under execution" to "an operational" asset, our financials will begin to look up further more.

I am pleased to state that we expect to taste the fruits of our labour within a few years. The debt reduction leading to reduced interest outgo will lead to improved profitability and also help in upgrading the Company's ratings. A growing quantum of operational profits from the existing projects will be generated as more projects are put on stream, which will boost confidence in the Company within the market place.

I would like to take this opportunity to thank all our stakeholders for their patience and continued belief in us. Most of all, I wish to thank our leadership team that have shown great determination in achieving our goals.

Sincerely,



K.K. Mohanty
Managing Director

We hope that the state of infrastructure will improve with the number of initiatives taken by the new Government to reform the sector.

Board of Directors



Mr. Naresh Chandra
Chairman

Retired officer of the Indian Administrative Service; held important positions in the Central Government.

Served as a Senior Adviser to the Prime Minister of India, as Governor of Gujarat and as the Ambassador of India to the US.



Mr. Kishor Kumar Mohanty
Managing Director

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

Has over three decades of managerial experience in various capacities.



Mr. Abhijit Rajan
Non Executive Director

A successful industrialist with over three decades of business experience.

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



Mr. Sushil Chandra Tripathi
Independent Director

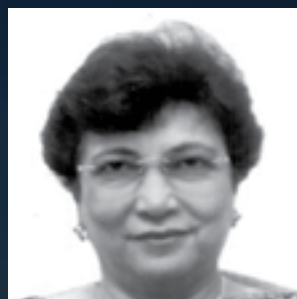
Retired officer of the Indian Administrative Service with over 38 years of experience at senior levels in the State and Central Governments.



Mr. Chandrahas C. Dayal
Independent Director

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

Head of the Audit Committee of the Company.



Ms. Homai A Daruwalla
Independent Director

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

**CHALLENGING TIMES.
RESILIENT RESPONSE.**

Our focus on execution

Our ability to deliver future-proof results will depend on how expediently we can execute all the projects in hand.

We remained focused on executing our healthy pipeline of projects. We are committed to execute and operate our projects efficiently.

3

Projects under execution as on March 31, 2016

₹ 450

crore

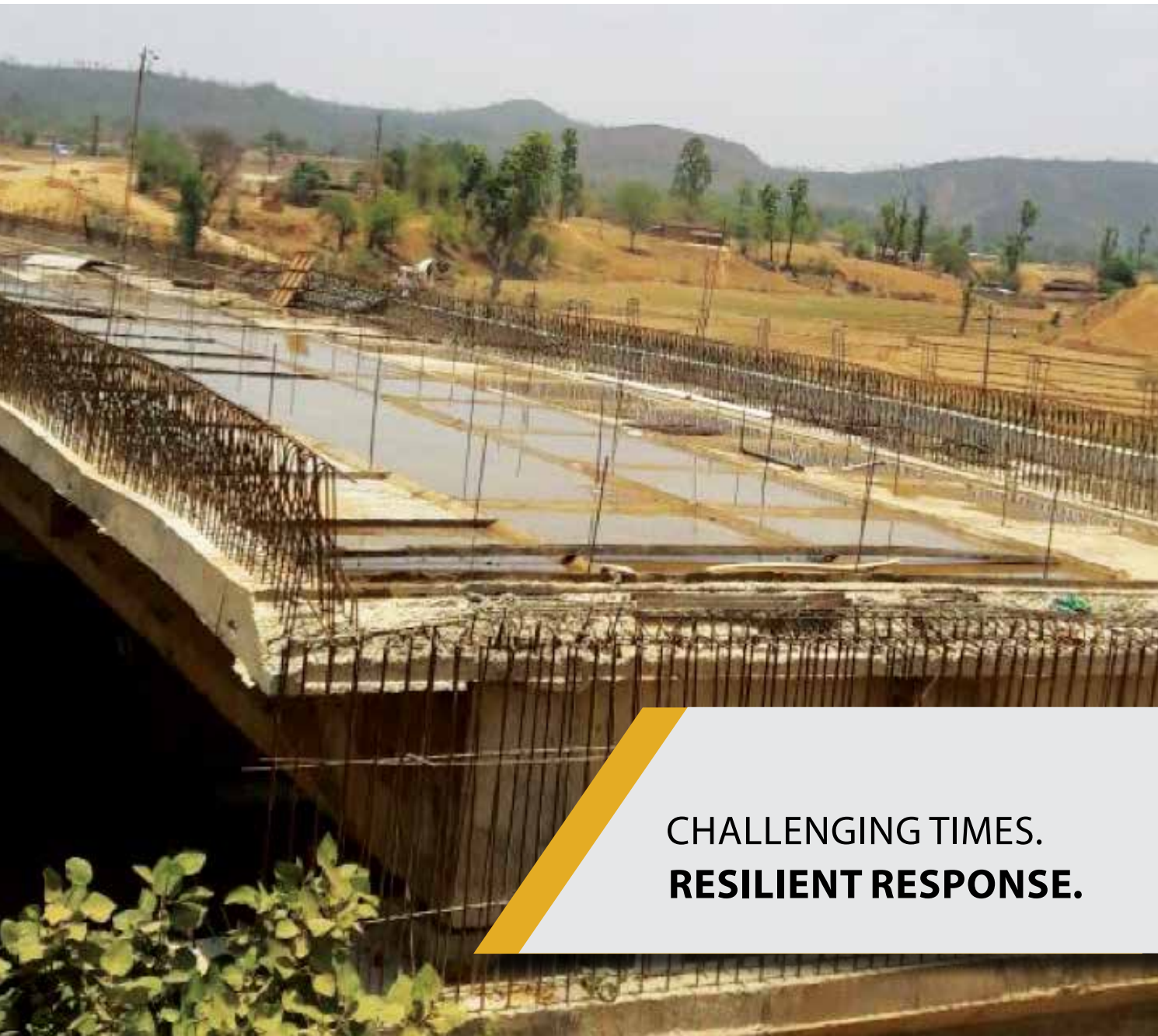
Expected revenue from projects under execution

Gammon Infrastructure is squarely concentrating on the turnaround of its projects, with a commitment to operate them efficiently. This assurance is a step towards becoming future ready and resilient against the vagaries of the infrastructure sector. For this, we can rely on the strong foundation that we have built over the years.

Testimony to our sincere efforts of accelerating the completion of on-going projects, we operationalised two projects during FY2016. These were the Pravara Renewable Energy Project and the Rajahmundry Godavari Bridge Limited. Together, these projects added ₹ 54.44 crore to our top-line.

Today, the Company has clear visibility of its future cash-flows, due to its prudent mix of assured and market-driven revenue-generating and value-accretive projects. With respect to road projects, the Company enjoys a healthy mix of operational annuity and toll-based revenue, which is expected to continue healthily.

In the ongoing financial year, we are on the verge of commissioning projects that are nearing completion. These include the Sikkim Hydro Power, the Sidhi Singrauli Road project and the Patna Highway Project. Once completed, these projects are likely to add a total ~₹ 450 crore to our top-line.



CHALLENGING TIMES.
RESILIENT RESPONSE.

Our focus

towards creating robust balance sheet

How much we grow tomorrow is influenced by how little we owe today.

We generated sound surplus cash flows from existing operational projects, which enhanced our ability to fund the equity requirements of our projects.

We focused towards building a balance sheet that can be respected for its conservative treatment and that is relatively liquid to gear up for new opportunities.

In FY2016, we focused towards creating a more robust balance sheet. We bailed out stuck projects and concentrated on putting them on stream to become revenue productive. In addition to this, we generated sound surplus cash flows from existing operational projects, which enhanced our ability to fund the equity requirements of our projects.

During the year, we achieved a major milestone by divesting a part of our portfolio for ₹ 436 crore and utilising the proceeds to pay-off debt and streamline the balance sheet. We also restructured some

our remaining debt with re-negotiated repayment schedules that restored further liquidity that allowed us to continue operations of the existing projects.

With significant experience in raising capital through efficient structures, we are ready to capitalise on opportunities in the infrastructure sector. Our experience and expertise within this sector, coupled with our ability to understand cash flow requirements to execute projects, will help in the efficient financial engineering of our projects and better mobilisation of financial resources.

0.23

Debt equity ratio as on March, 2016 (on standalone basis)

0.65

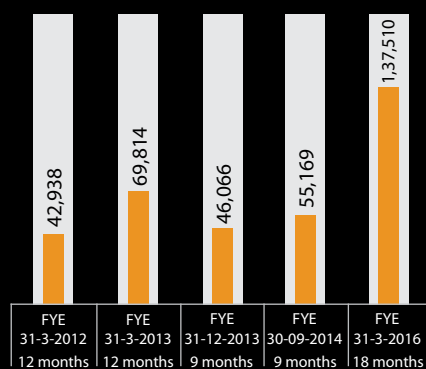
Debt Equity ratio as on September, 2014 (on standalone basis)



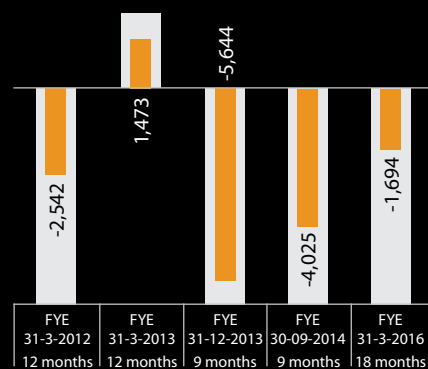
CHALLENGING TIMES.
RESILIENT RESPONSE.

Consolidated Financial Highlights

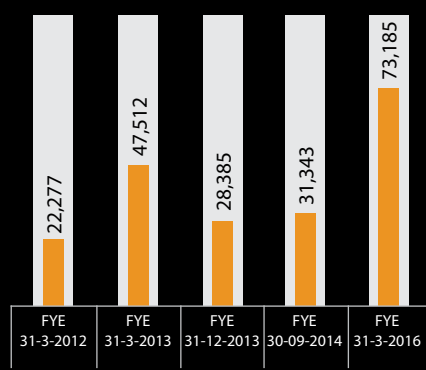
TOTAL INCOME (₹ lakhs)



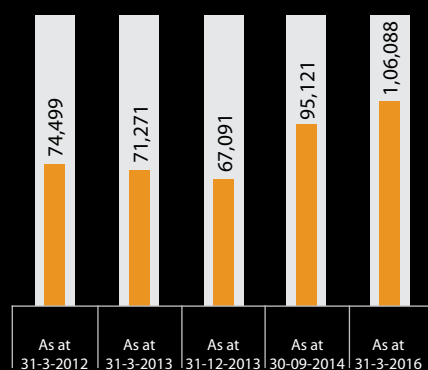
PROFIT AFTER TAX (₹ lakhs)



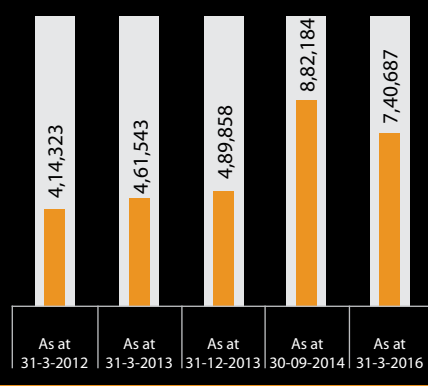
EBIDTA (₹ lakhs)



NET WORTH (₹ lakhs)



Asset Capitalisation (₹ lakhs)



An Overview of Our Project Portfolio

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

*Incremental at 5% p.a.

#The project SPV has commenced tolling on the 4 lanes & 4 to 6 laning works are under progress

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

Management discussion and analysis

India's growth rate is expected to be at a faster pace in the current fiscal on the back of good monsoon.



INDIAN ECONOMY

India is now positioned as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the full fiscal 2015-16. Enthused by the impressive numbers for 2015-16, as against 7.2 per cent in previous fiscal, the growth rate is expected to be at a faster pace in the current fiscal on the back of good monsoon.

According to the new concept of Gross Value Added (GVA), the farm sector also rebounded to the growth zone, as against a contraction in previous year, although the rate of expansion was low at 1.2 per cent in 2015-16. The manufacturing sector accelerated to 9.3 per

cent, up from 5.5 per cent in the previous fiscal. However, the mining and quarrying segment recorded a growth of 7.4 per cent in FY2016, down from 10.8 per cent in the previous fiscal.

According to Central Statistical Office (India), the Gross National Income at current prices was estimated at ₹ 134.19 lakh crore in 2015-16, against ₹ 123.41 lakh crore during 2014-15, showing a rise of 8.7 per cent. The per capita income at current prices during 2015-16 is estimated to have attained a level of ₹ 93,293 as compared to the year 2014-15 of ₹ 86,879 showing a rise of 7.4 per cent. The GDP at current prices for 2015-16 is estimated at ₹

135.76 lakh crore, showing a growth rate of 8.7 per cent over the GDP for the year 2014-15 of ₹ 124.88 lakh crore.

The Indian government has also taken a number of steps to improve business climate. Additional structural reforms to address the legacy impediments to growth, including measures to speed up infrastructure investment, would help to sustain the strong pace of growth in the coming years. The Government announced a record budgetary allocation of ₹ 2.21 lakh crore for infrastructure sector. The year also witnessed execution of new plans, with the government identifying first 20 smart cities under its 'Smart Cities Mission'. Recent policy initiatives by the government appear to have boosted market confidence, and they provide a stronger basis for stable macroeconomic management, including sound fiscal policies and a focus on price stability for the Central Bank.

INFRASTRUCTURE SECTOR

India, the largest democracy in the world, a vibrant nation full of resources, on the path of improving literacy rates has a great tendency to adopt and compete with the best of international trends and technologies. The key for the development of India as a nation will solely be dependent on striking the right balance of urban development alongside the infrastructure growth.

Infrastructure investment and development forms part of the key priorities of the Government. The total outlay for infrastructure in Budgeted Expenditure for Financial Year (FY) 2016-17 is ₹ 221,246 crore. In addition to providing high budgetary allocations to the infrastructure sector, the Budget has also tried to address the financing issues being faced by the sector by announcing deepening of the corporate bond market and allocation of ₹ 25,000 crore towards recapitalisation of Public Sector Banks. However, given the scale of the problem being faced, this may only partially address the need of the hour.

Liberalisation of government regulations and a deliberate strategy on the part of the Indian Government to promote infrastructure spells

opportunity for the sector moving forward. Nearly all of the infrastructure sectors present excellent opportunities, with roads and highways, ports and airports, railways and power standing out as particular bright spots, with staggering sums of investment planned. Public private partnerships (PPPs) are gaining in importance, and are benefitting from government support. Three initiatives have been announced by the Government to give an impetus to Infrastructure / Public-Private Partnership (PPP) projects namely: a) The enactment of a 'Public Utility (Resolution of Disputes) Bill'; b) Development of 'Guidelines for Re-Negotiation of PPP Concession Agreements'; and c) A new credit rating system for infrastructure projects.

ROADS

Globally, India ranks second in roads network, spanning a total of 4.7 million kms. Roads offer a logistics lifeline to the economy, accounting for 60 per cent of total goods movement and 85 per cent of total passenger traffic in the country. According to the National Highways Authority of India (NHAI), national highways make up about 2 per cent of the network but account for 40 per cent of road traffic.

The Indian road sector is showing signs of revival drawing on several policy measures announced by the Government over the last 24 months. Long hindered by execution delays, project cancellations, stalled projects, loss of lender confidence, leveraged balance sheets of developers and sluggish traffic growth, the sector now appears to be on the path to regain its lost sheen.

The policy measures that will have a direct bearing on the pace of execution of road projects include: award of projects only after 80% right of way (RoW) has been secured; focus on quick resolution of stalled projects; delegation of power to regional offices to grant forest clearances; and allowance to file online applications to construct rail under and over-bridges. Other measures such as back-ending of premium payment, compensation to concessionaires in case the delay is not attributable to them and relaxation in exit norms should address the liquidity related issues faced by developers.

The total outlay for infrastructure in Budgeted Expenditure for Financial Year (FY) 2016-17 is ₹ 221,246 crore.

Management

discussion and analysis

An approval of nearly 10,000 kms of National Highways in FY 2016-17 is expected.

While the one-time fund infusion by NHAI for languishing road projects shows positive intent, first charge creation has become a challenge in implementing the one-time fund infusion scheme as the exposure of existing lenders will become subordinate to funding by NHAI. Similarly, as far as the 5/25 scheme is concerned, deferment of loan obligation eases the pressure on cash flows during the initial years of operations.

While all the initiatives have been directed at expediting the award and execution of road projects and addressing the difficulties faced by stalled but viable projects, the currently unviable but operational toll projects will either continue to languish or they will have to be cancelled and re-awarded.

Key developments, Budget 2016-17

- Allocation of ₹ 55,000 crores to roads and highways along with ₹ 15,000 crores to be raised by National Highways Authority of India (NHAI) through bonds. Total investment in the road sector, including Pradhan Mantri Gram Sadak Yojana allocation is ₹ 97,000 crores during (FY) 2016-17.
- An approval of nearly 10,000 kms of National Highways in FY 2016-17 is expected. Around 50,000 kms of State Highways to be taken up for upgradation as National Highways.

Policy updates

- Concessionaires have been permitted to divest 100% equity after two years of construction completion for all Build Operate Transfer (BOT) National Highway Projects, irrespective of the year of award.
- The NHAI may provide one time fund infusion to revive and physically complete languishing BOT projects. The fund infusion will be applicable to projects which have achieved 50% physical completion and moderate infusion of funding could enable quick completion.

- NHAI has been authorised to compensate concessionaires for BOT projects that are languishing during the construction period due to reasons not attributable to the concessionaire.

PORTS

According to the Ministry of Shipping, around 95 percent of India's trading is by volume and 68 per cent by value is done by maritime transport. India has 12 major ports and 200 non-major ports. The Indian ports and shipping industry plays a vital role in sustaining the growth in the country's trade and commerce.

India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km. Cargo traffic at India's 12 major ports during 2015-16 was at 606.37 million tonnes achieving growth of 4.3% over the previous year.

A number of initiatives have been taken in this sector. One of the key initiative is in the Maritime Agenda 2010-20, a target of 3,130 MT port capacity has been set for the year 2020. More than 50 per cent of this capacity is to be created in the non-major ports as the traffic handling by these ports is expected to increase to 1,280 MT. The objective of the Maritime Agenda is not only creating more capacity but augmenting port performance. Maritime Agenda 2010-20 has estimated that investment required in new projects of major ports will be ₹ 1,09,449.40 crore of which ₹ 72,878.20 crore is expected to come through private sector participation and the balance ₹ 36,571.20 crore to be funded through internal and external budgetary support. (Source: Ministry of Shipping, Annual Report)

The Sagar Mala project had been announced in mid-FY2015, and had proposed several initiatives to improve port infrastructure and connectivity, which would in turn contribute to economic growth. The government had also announced plans for development of inland waterways to reduce transportation costs.



5th

India's global ranking
in terms of power
generation capacity

Key developments, Budget 2016-17

In the Budget 2016, GoI announced setting up of new Greenfield ports and inland waterways with a planned outlay of ₹31.84 billion under the Ministry of Shipping (MoS), which includes gross budgetary support of ₹ 10 billion for development of Indian shipping, ports, inland waterways and ship building sector. Of the gross budgetary support provision of ₹ 3.50 billion has been made for inland waterway projects and ₹ 4.50 billion for the Sagar Mala project.

Policy updates

- The Government announced a policy for relaxation in cabotage for special category of vessels (like Ro-Ro vessels and their variants).
- The Government announced an incentive scheme for development of infrastructure for inland waterways and coastal shipping in the country. In addition, the Central Government has announced an incentive scheme for development of shipyards.
- The Government issued draft revised legislations for regulation of major ports and ship breaking activities.

POWER

India has the fifth largest power generation capacity in the world. India's installed capacity stood at 298.05 gigawatts (GW), as on FY16. Thermal power, the largest component, was 210.6 GW, followed by hydro 42.7 GW, renewable energy 388.2 GW and nuclear 5.7 GW.



Management discussion and analysis

India's power demand is expected to rise up to 1,905 TWh by FY22.

All India Installed Capacity (MW) Sector-wise as on 31.03.2016

Sector	THERMAL				Nuclear	Hydro	RES	Grand Total
	Coal	Gas	Diesel	Total				
Central	51390	7555.33	0	58945.33	5780.00	11571.42	0.00	76296.75
State	64320.5	6975.3	438.57	71734.37	0.00	28092.00	1934.22	101760.59
Private	69462.38	9978	554.96	79995.34	0	3120	36887.29	120002.63
All India	185172.88	24508.63	993.53	210675.04	5780	42783.42	38821.51	298059.97

India is the third largest producer of electricity in the world. In FY16, India generated 1107.38 (BU) of electricity.

Electricity Generation During April 2014 to Mar 2015 & April 2015 to Mar 2016 (BU)

Type	Apr '14 - Mar '15	Apr '15 - Mar '16	% Change
Thermal	878.32	943.407	7.41
Hydro	129.244	121.341	-6.11
Nuclear	36.101	37.392	3.58
Bhutan Import	5.007	5.245	4.75
All India	1048.672	1107.385	5.6

India is targeting a total of 88.5 GW of power capacity addition by 2017, of which, 72.3 GW constitutes thermal power, 10.8 GW hydro and 5.3 GW nuclear.

Renewable energy is fast emerging as a major source of power in India. Wind energy is the largest source of renewable energy in India. It accounts for an estimated 60 per cent of total installed capacity. There are plans to double wind power generation capacity to 20GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100GW by 2022.

Policy updates

The Government of India has been supportive to growth in the power sector. It has de-licensed the electrical machinery industry and also allowed 100 per cent Foreign Direct Investment (FDI) in the sector. The cumulative FDI inflows into the sector over the period of April 2000– September 2015 stood at USD 9.9 billion.

Multiple drivers (industrial expansion, growing per-capita incomes) are leading to growth in power demand; this is set to continue in the coming years. India is set to become a global manufacturing hub with investments across the value chain. India's power demand is expected to rise up to 1,905 TWh by FY22.

OPERATIONAL OVERVIEW OPERATIONAL PROJECTS

Rajahmundry Godavari Bridge Limited (RGLB)

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

VSPL has developed the berths and terminal as a fully mechanised integrated handling system, incorporating state-of-the-art technologies capable of handling cargo up to 9 MTPA.

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

Financial Performance of RGBL is as under:

	(Rupees in Lakhs)	
	FYE – Mar'16	FYE – Sep'14
Total Revenue	2,035.22	0.00
EBIDTA	1,794.89	(1.04)
Profit after Tax	(2,568.88)	(9.90)
Equity Share Capital	20,395.89	17,650
Reserves and Surplus	17,942.11	18,303.68

In view of the financial stress induced in the project due to time and cost overrun, your company is working on the financial reengineering/debt restructuring with reduced interest cost to operate the project. And also all revival steps are being initiated to realize our dues and claims from authorities as per the Concession Agreement.

Vizag Seaport Private Limited (VSPL)

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



Management discussion and analysis

PREL has setup 30 MW co-generation power project on Built Own Operate and Transfer Basis (BOOT) basis.

The commercial operations began in July 2004 and the Company has handled 6.98 Million tonnes of cargo during October 2014 to March 2016. With the possession of an additional storage area of 30 acres and two more harbour mobile cranes, VSPL is expected to achieve 7 Million Tonne during the current financial year. The concession period is 30 years, including the construction period. The project has been capitalised at ₹ 34,869.77 Lakhs.

After completion of the dredging in the inner harbor and along the jetties, VSPL is geared up to handle largest vessels calling the Visakhapatnam Port. The Port has suffered a dip in the cargo handled due to downward commodity cycle and reduced import. However, your company expects improvement in the capacity utilization and improvement in the margin after completion of the dredging works by VPT and marginal turnaround in commodity cycle.

	(Rupees in Lakhs)	
	FYE – Mar'16	FYE – Sep'14
Total Revenue	20,277.95	9,926.54
EBIDTA	6,859.05	4,198.25
Profit after Tax	(351.72)	365.28
Equity Share Capital	8,719.13	8,719.13
Reserves and Surplus	264.76	633.20

Pravara Renewable Energy Limited (PREL)

PREL has setup 30 MW co-generation power project on Built Own Operate and Transfer Basis (BOOT) basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Karkhana Limited (Karkhana) in Pravara Nagar, Tal. Rahata, Dist. Ahmednagar in Maharashtra for the period of 25 years. The Karkhana is a co-operative sugar factory registered under the provisions of the Maharashtra Co-operative Societies Act, 1960. The project has

commenced operations on 6th November 2015. The total capitalization of the project is ₹ 27,396.16 Lakhs as on 31st March 2016.

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

Financial Performance of PREL is as under:

	(Rupees in Lakhs)	
	FYE – Mar'16	FYE – Sep'14
Total Revenue	3,414.45	0.00
EBIDTA	1,019.98	(1.87)
Profit after Tax	(619.78)	(1.87)
Equity Share Capital	4,792	1,740
Reserves and Surplus	(659.22)	(39.33)

Cochin Bridge Infrastructure Company Limited (CBICL)

CBICL is an SPV promoted for developing the New Mattancherry Bridge at Cochin in Kerala on a BOT (Toll) basis. The 480-metre long bridge along with the 200-metre approach road on both ends connect Fort Kochi to Willingdon Island in Cochin Port Trust area and was operational for 14 years from October 1999 to April 2014. The total capitalization of the project is ₹ 878.94 Lakhs.



Financial Performance of CBICL is as under:

	(Rupees in Lakhs)	
	FYE – Mar'16	FYE – Sep'14
Total Revenue	0.95	138.72
EBIDTA	(33.42)	80.02
Profit after Tax	(189.94)	(78.91)
Equity Share Capital	640.01	640.01
Reserves and Surplus	126.52	316.46

The original concession period of CBICL was valid till April 27, 2014 which was extended by the Government of Kerala (GOK) by six years till April 27, 2020 by its Government Order dated January 24, 2005 because CBICL has not revised the toll rates based on WPI as per the terms of the Concession and other compliance deficiencies on the part of GOK with reference to the Concession Agreement. However, instead of entering into a supplementary agreement to amend the original concession agreement, as agreed, GOK choose to unilaterally cancel its Government Order dated January 24, 2005 by its Government Order dated December 26, 2008. CBICL had referred the issue to arbitration and the Arbitral Tribunal had passed orders permitting CBICL to collect the toll fees till further notice.

However, the Greater Cochin Development Authority (GCDA) has on April 27, 2014 (on the last day of the original concession period), without compensating CBICL and in disregard of the Arbitral Tribunal orders, chose to unilaterally seal the toll booths of CBICL at the Mattancherry Bridge at Kochi.

Government of Kerala showed inclination/willingness to settle the matter through mutual negotiations. Hence, CBICL has put the arbitration proceedings on hold pending settlement talks with the Government of Kerala. Further, CBICL has approached Hon'ble High Court of Kerala for seeking directions to the Government of Kerala to conclude its decision on settlement talks expeditiously. The Hon'ble Court was pleased

Management discussion and analysis

to direct the Government of Kerala to decide the matter within a period of 3 months, which period has been further extended till 14.09.2016. Simultaneously, the Company is also attempting to hold dialogues with the new Government for settlement of the matter, without requiring arbitration. In case Government does not settle, the Company will have to invoke arbitration.

PROJECTS UNDER CONSTRUCTION

Patna Highway Projects Limited (PHPL)

PHPL is the SPV incorporated for design, construction, finance and maintenance of a 63.17 kms long four-lane dual carriageway on NH 77, which includes new bypass of 16.87 kms connecting NH-28 in the State of Bihar on BOT (Annuity) basis. The Company has an equity stake of 100% in PHPL. The concession period is 15 years, including a construction period of 30 months. PHPL will receive an annuity payment of ₹ 9,460 Lakhs from NHAI, semi-annually, in the entire operations period. The total project cost is estimated to be ₹ 128,400 Lakhs.

The project is under its implementation phase with a total capitalisation of ₹112,955.28 Lakhs as on 31st March 2016.

NHAI has agreed to grant PCOD on completion of certain works of ROB with an obligation to complete the balance works on handover of land by NHAI. The Company has submitted the revised application for PCOD which is expected to be granted shortly.

Vijayawada Gundugolanu Road Project Private Limited (VGRPPL)

VGRPPL is the SPV incorporated for design, construction, finance and maintenance of six-laning of the Vijayawada-Gundugolanu section of NH 16 from KM 1,076.48 to KM 1,022.48, including 6-lane Hanuman Junction bypass (length 6.72 kms) and 4-lane Vijayawada bypass (length 47.88 kms) [Total Length: 103.59 kms] in Andhra Pradesh under the NHDP Phase V. Of these, 4 lanes are already operational, while 2 are in the development phase. This will be executed on BOT (Toll) mode on Design, Build, Finance, Operate and

Transfer basis. Your Company holds 100% equity in VGRPPL. The Concession Agreement was signed on 21st March, 2012.

The Concession Period is 30 years (including a construction period of 2.5 years) from the Appointed Date declared on 1st September 2014. VGRPPL has started toll collection from the Appointed Date and has to pay a premium of ₹ 5,757 Lakhs annually to NHAI from the Appointed Date until the end of the Concession Period with an annual increase of 5% per annum. The total project cost is estimated at ₹ 208,500 Lakhs.

The total capitalization of the project was ₹ 4,289.73 lakhs as on 31st March 2016.

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 Highway. The total project cost estimated to be ₹ 1,09,416 Lakhs.

The total capitalisation for the project is ₹ 48,546.14 lakhs as on 31st March 2016 and entire debt for the project has been tied up and financing documents have been executed for the same.

Sikkim Hydro Power Ventures Limited (SHPVL)

SHPVL is the SPV incorporated for developing Rangit II Hydroelectric Power Project in Sikkim on BOOT basis. The project involves the development of a 66 MW run-of-the-river Hydroelectric Power Project on Rimbi River, a tributary of River Rangit. Concession period for the project is 35 years from the COD. The

PHPL is under its implementation phase with a total capitalisation of ₹ 112,955.28 Lakhs as on 31st March 2016.

The project - SHPVL has received all major clearances and approvals including environmental clearances from MoEF.

financial closure for the project was achieved in January 2014. The project cost is estimated to be ₹ 496 Crores. The total capitalisation of the project is ₹ 9,866.67 Lakhs as on 31st March 2016. The project has received all major clearances and approvals including environmental clearances from MoEF. All major contracts for the project have been awarded and the construction of various project components such as river diversion tunnel and surge shaft is underway.

INDIRA CONTAINER TERMINAL PRIVATE LIMITED (ICTPL)

ICTPL and The Board of Trustees of the Port of Mumbai (MbPT) entered into a License Agreement dated December 3, 2007 for the construction of offshore berths and development of Offshore Container Terminal (OCT) on BOT basis in Mumbai Harbour and the Operation of Ballard Pier Station Container Terminal (BPS). The revenue share payable by ICTPL to MbPT is 35.064% of gross revenue for the year.

The License was granted for the following:

- a) BPS Project for a period of five years commencing from the date of award of License; or two years from the commissioning of the OCT Project, whichever is earlier

- b) OCT Project for a period of 30 years commencing from the Date of Award of License during which the Licensee is authorised to implement the project in accordance with the provisions of the License Agreement. The OCT Project consists of an offshore jetty of 700 metres with alongside committed draft of 14.5 metres by MbPT in Phase I and an exclusive option to extend it by another 350 metres in Phase II. Total back-up area envisaged for Phase I is around 38 hectares and an additional 7 hectares for Phase II. The Company achieved Financial Closure in the year 2008. Gammon India Limited was appointed as the EPC contractor.

The construction of the project was scheduled to be completed in three years and the commercial operations were scheduled to commence from December 3, 2010. However, the project has been delayed by nearly 6 years as MbPT which was required to complete several obligations at various sites failed to complete the same as per the terms of the License Agreement. The construction period of the project has been extended for three times by MbPT.



Management

discussion and analysis

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

The continuing delays on the part of MbPT have resulted in the asset being classified as a non-performing asset by the lenders. As an interim arrangement, Mumbai Port Trust has allowed alternate use of OCT Berths by permitting handling of Car Carrier (RORO vessels) and few steel cargo and combi vessels on trial basis. Simultaneously, with the intervention of PMO and support of Ministry of Shipping, the efforts are also on to reorganize the project by re-bidding whereby all clean cargo will be permitted on OCT Berths. In this regard, the dialogues are on with all stakeholders i.e. MbPT, ICTPL, Lenders, etc. and same is being monitored as the highest level in Ministry of Shipping and PMO.

The total envisaged project cost is ₹ 123,301.00 lakhs. The total capitalisation of the project is ₹ 74,382.99 lakhs as on 31st March 2016.

PROJECTS UNDER DEVELOPMENT

Youngthang Power Ventures Limited (YPVL)

The project involves the development of a 261 MW run-of-the-river hydroelectric power project on the River Spiti in Himachal Pradesh on a BOOT basis at an estimated cost of ₹ 2,500 Crores. The concession period of the project is 40 years post commencement of commercial operations.

Presently, YPVL is pursuing with Government of Himachal Pradesh to be able to commence field investigations to complete its Detailed Project Report (DPR).

Tidong Hydro Power Limited (THPL)

THPL, a Special Purpose Vehicle, has signed an agreement with the Government of Himachal Pradesh for developing a 60 MW Tidong – II hydro-electric project in Himachal Pradesh. The pre-feasibility report for the project has been prepared and submitted to GoHP, which has since been approved. Preparation of Detailed Project Report is under progress.

RISK MANAGEMENT

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

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

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

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



Your Company is constantly strengthening its internal checks and controls to identify and reduce / mitigate operational 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 & Maintenance Risk on account of several risks faced during the operations and maintenance phase of a project.

Mitigation Efforts

Careful selection and thorough evaluation of the projects minimize 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 organization 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 & reporting to ensure that risks are spotted early and steps are taken to control losses, if any.

Management

discussion and analysis

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

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

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

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 joint ventures, off shore agents etc.
4. Capital risk on account of improper allocation or utilization of capital etc.

Mitigation Efforts

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

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

The Risk Management Team reviews systems, processes and projects on a regular basis and provides an independent view to the management.

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



Directors' Report

To
The Shareholders of
Gammon Infrastructure Projects Limited

Your Directors have pleasure in submitting their fifteenth Annual Report together with the Audited Accounts of the Company, for the eighteen months period from 1st October, 2014 to 31st March, 2016 ('Period'). The financial year of the Company had been changed to align with the provisions of the Companies Act, 2013, which prescribe a uniform financial year from April to March. The figures for the Period under review for eighteen months are, therefore, not comparable with those of the previous year for nine months period ended 30th September 2014.

FINANCIAL HIGHLIGHTS

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

As per Consolidated Accounts:

(₹ in Lakhs)

Particulars	Period ended March 31, 2016 (eighteen month period)	Period ended September 30, 2014 (nine month period)
Income	137,509.79	55,168.72
Earnings before interest, tax, depreciation and amortization	73,185.11	31,342.68
Financial costs	35,804.67	20,629.30
Depreciation and amortization	37,595.10	16,823.75
Tax expenses	2,064.61	(2,157.15)
Minority interest & share of profit of associates	(546.36)	65.70
Net profit / Loss	(1,693.72)	(4,025.15)

As per Standalone Accounts:

(₹ in Lakhs)

Particulars	Period ended March 31, 2016 (eighteen month period)	Period ended September 30, 2014 (nine month period)
Income	40,847.77	8,380.66
Earnings before interest, tax, depreciation and amortization	7,080.26	2,333.15
Financial costs	5,233.00	5,345.15
Depreciation and amortization	331.38	177.15
Exceptional items	(4,173.74)	3,916.16
Tax expenses	(125.76)	(171.60)
Net profit / Loss	5,815.38	(6,933.71)

DIVIDEND & RESERVES

The Board regrets its inability to recommend any dividend for the Period in view of the liquidity constraints.

BROOKFIELD TRANSACTION

Your Company had signed a Share Purchase Agreement on 27th August, 2015 for divestment of nine project companies (6 road projects and 3 power projects) to a consortium comprising funds managed by Brookfield Asset Management and its affiliates ("Brookfield") and Core Infrastructure India Fund Pte Ltd ("CIIF") (collectively the "Consortium") under the name BIF India Holdings Pte Ltd. ("BIF").

The total project cost was estimated to be approx. ₹ 6,750 crore (₹ 2,935 crore of 6 operational projects and ₹ 3,815 crore for remaining 3 projects).

The divestment transaction was segregated in two tranches of which the first tranche comprising six project companies out of the total nine project companies has been successfully completed with BIF India Holdings PTE. Ltd. on 29.02.2016 and divestment proceed of ₹ 436 crores has been received by your Company. The second tranche of the divestment transaction is yet to be concluded. Of the six companies which BIF acquired, five were operational and one was under development.

Post the transaction the consolidated debt of your Company stands reduced from ₹3,947 crore to ₹ 2,229 crore which is expected to improve the gearing at a consolidated level from more than 4x to around 2x going forward and make your Company net cash surplus.

Brookfield is a leading global alternative asset manager with over \$200 billion in assets under management, focusing on infrastructure, renewable energy, private equity and property. CIIF is an India focused infrastructure fund managed by the Singapore branch of Kotak Mahindra (UK) Ltd.

Key terms of the divestment transaction were as follows:

The consideration towards equity comprises of cash consideration of approx. ₹ 192 crore and a waiver of advances to the Company of ₹ 285 crore;

Repayment of inter corporate deposits of approx. ₹ 371 crore given by your Company to the divested Project SPVs;

Aggregate cash inflows for your Company on account of divestment would be approx. ₹ 563 crore subject to closing adjustments;

Additional cash inflow of upto ₹ 100 crore may be realized by the Company upon crystallization of certain milestones in future.

Outstanding liabilities to the tune of ₹ 87 crore will stand reduced and 75% of past contingent receivable may also be received by the Company when realized.

VIZAG TRANSACTION

The Board of Directors of your Company on 27th August, 2015 resolved to divest 50% shareholding of Vizag Seaport Private Limited, subsidiary of the Company for a consideration of ₹ 62.50 Crores in favour of Lastin Infrastructure Projects Limited, being Affiliate of Lastin Holdings Limited. However, the deal is yet to be consummated.

COMPANY'S BUSINESS

ROADS SECTOR:

Following the divestment deal for the 5 Operational Projects, the Company now has 4 active road projects of which one is operational.

Directors'

Report

The active projects in the Road Sector are:**(a) Toll based projects:**

- (1) Concession for constructing and operating a four lane bridge across the Godavari River together with its approach roads on either side, linking Rajahmundry to Kovvur in the State of Andhra Pradesh. The Company's subsidiary, Rajahmundry Godavari Bridge Ltd. is the concessionaire for the project.
- (2) Concession for six laning and operating the Vijayawada to Gundugolanu stretch of National Highway 5, including a four lane bypass to Vijayawada town, in the State of Andhra Pradesh. The Company's subsidiary, Vijayawada Gundugolanu Road Project Pvt. Ltd., is the concessionaire for the project.
- (3) Concession for four laning and operating the Sidhi to Singrauli section of the National Highway 75E in the State of Madhya Pradesh. The Company's subsidiary, Sidhi Singrauli Road Project Ltd., is the concessionaire for the project.

(b) Annuity based projects:

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

Developments in the Road Sector during the Period

Rajahmundry Godavari Bridge Ltd., Provisional Commercial Operation Date (PCOD) has been achieved on 31 Oct 2015 and tolling operations started w.e.f. 01 Nov 2015.

Sidhi Singrauli Road Project Ltd. has achieved financial closure on September, 2012 and upon attaining 'appointed date' has started construction activities on September 2013. The project has achieved about 52% completion as of 30 June, 2016. PCOD is expected by 31st March 2017 on achieving completion of at least 75% of the total length of the Project Highway.

Patna Highway Projects Ltd. has not been able to complete the entire project stretch due to non-availability of land but MORTH/NHAI has now agreed to grant PCOD on completion of one ROB so as to complete the construction of 41 Km out of total length of 63 Km. The company has applied to NHAI for a provisional completion certificate based on the progress of work on the land made available for the project, which is under active consideration of NHAI.

The Vijayawada Gundugolanu Road Project Pvt. Ltd. has started tolling operations on the project stretch with effect from 1st September, 2014. Revalidation of the financial closure is under progress.

Patna Buxar Highways Ltd., the Company's subsidiary, applied to the National Highways Authority of India ("NHAI") for mutual termination of the concession agreement on account of NHAI's inability to provide right of way over a substantial portion of the project stretch and forest clearance (stage II). However, NHAI chose to terminate the concession unilaterally and forfeited the Company's bid security to the extent of 1% of the total project cost. The Company has invoked Arbitration to recover the losses suffered by it from NHAI. Arbitration is in progress.

Cochin Bridge Infrastructure Company Ltd. ("CBICL"), the Company's subsidiary, which constructed the New Mattancherry Bridge connecting Fort Kochi with Willingdon Island in the Cochin Port Trust area in the State of Kerala was operating the same since September, 2001. However, the Greater Cochin Development Authority has on April 27, 2014 (on the last day of the original concession period), without compensating CBICL for freezing the toll rates and in disregard of the Arbitral Tribunal orders, chose to unilaterally seal the toll booths of CBICL at the Bridge. CBICL had put the arbitral proceedings on hold pending out of court settlement with the Government of Kerala. CBICL has invoked legal proceedings for early decision on settlement.

PORTS SECTOR:

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

- (1) Concession for constructing and operating two multipurpose berths in the inner harbor of the Visakhapatnam Port, capable of handling upto 9 MTPA. The Company's subsidiary, VSPL, has completed construction of both the berths, of which one became operational in July, 2004 and the other in September, 2005.
- (2) Concession for constructing and operating two offshore container berths at the Mumbai harbor. The project is under construction by Indira Container Terminal Pvt. Ltd. (ICTPL), the special purpose vehicle promoted by the Company for the project.

Developments in the Port Sector during the Period

Visakhapatnam Port Trust ("VPT") has completed dredging of Entrance Channel, Turning Circle and Inner Harbor Berths and has declared EQ-8 and EQ-9 berths of VSPL for handling fully laden Panamax vessels arriving at a draft of 14.5 Meters from 27.2.2016. Achievement of draft of 14.5 Meters is a major boost to the competitive strength of the project terminal which is the only multipurpose terminal at Vizag Port to handle fully laden Panamax vessels. Needless to say, it will be the main growth driver henceforth in achieving the planned future growth of the project. VSPL has also requested for allotment of additional land of 20 Acres. VPT has recommended the proposal to the Government for approval.

ICTPL, a joint venture of the Company, could not commence operations on the Schedule Date of Operations ("SCOD") due to Mumbai Port Trust's ('MbPT', client), inability to fulfil its obligations as per the terms of the License Agreement executed. The continuing failure on the part of MbPT in fulfilling their obligations, resulted in the SCOD being delayed by nearly 6 years, which has resulted in the lenders classifying the account as a Non Performing Asset. However, at the initiative of ICTPL, a process for reviving of the project by restructuring it from a single container cargo terminal to a multiple clean cargo terminal is underway with active participation of MbPT and support from the Ministry of Shipping and the Prime Minister's Office. In the interim, MbPT has granted permission to ICTPL for handling Roll On Roll Off (RORO) vessels from its completed berths on a revenue share basis. These operations have commenced from July 21, 2015 and till date ICTPL has handled 83 vessels and has earned revenue of ₹ 628,366,241.

The Company's subsidiary, Mormugao Terminal Ltd., had instituted appropriate legal proceedings challenging the unilateral termination of the concession for providing mechanized handling facilities for handling coal at one of the berths in the Mormugao Port by the Mormugao Port Trust. Arbitration proceedings completed and the award is expected by end August, 2016.

ENERGY SECTOR:

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

- (1) 30 MW co-generation power project at Pravaranagar in Ahmednagar District of Maharashtra. The Company's subsidiary, Pravara Renewable Energy Ltd., is the Special Purpose Vehicle incorporated for development of project. The project commenced Commercial Operations from 6th November 2015 and started exporting power to Maharashtra State Electricity Distribution Company Limited and supplying steam and power to Padmashree Dr. Vitthalrao Vikhe Patil Sahakari Sakhar Karkhana Limited.
- (2) Concession for setting up and operating a 66 MW hydro-electric power project in West Sikkim District on the river Rimbhi. The Company's subsidiary, Sikkim Hydro Power Ventures Ltd., is the concessionaire for the project.
- (3) Concession for setting up and operating a 261 MW power project on the river Spiti in the State of Himachal Pradesh. The Company's subsidiary, Youngthang Power Ventures Ltd., is the concessionaire for the project.

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

Developments in the Energy Sector during the Period

Sikkim Hydro Power Ventures Ltd. (SHPVL) has restarted the construction of the project. The Company has approached the lenders for drawdown in the third quarter of FY 17 and is expected to commence the commercial operations within 36 months from the date of first drawdown.

Youngthang Power Ventures Ltd. (YPVL) has not been able to proceed with the studies to prepare the Detailed Project Report (DPR) for its project due to opposition of local farmers. The Company has served a notice to State Government of Himachal Pradesh to intervene in the matter & take immediate necessary steps including seeking of necessary consents from Grampanchayat, so as to enable YPVL to take up site investigation work and preparation of DPR. Recently, Government of Himachal Pradesh has amended the Hydro Policy requiring the Project Promoters to seek clearance from Commissioner instead of Grampanchayat. The Company is in discussion with Government of Himachal Pradesh for early resolution of the project issues.

Tidong Hydro Power Ltd (THPL) has undertaken geological studies for preparation of DPR. A request has been made to the State Government of Himachal Pradesh to extend the due date for preparation & submission of DPR.

Other Business

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

DUES AND CLAIMS

Your Company has undertaken various projects on BOT-PPP basis which were scheduled to be completed in a period of 2.5 to 3 years.

Due to delay in fulfillment of obligations by the Clients, completion of more than half a dozen projects got delayed by 3 to 4 years (i.e. completion took 5.5 to 7 years). Despite all odds, the Company has completed 5 projects and 1 is nearing completion. One port project is taken up for reorganization, through intervention of Ministry of Shipping and PMO.

Main reasons for delay are land acquisition, statutory clearances (Environmental & Forest), Railway Authorities clearances/permissions for construction of ROBs (Road Over Bridge), utility shifting, etc. Such delays were not attributable to the Company and were beyond its control.

In the process, Company's principle capital got locked and also suffered increased liability of interest during Construction, besides delay in realization of revenue streams.

This posed a major cash flow challenge for the Company and painful process for realization of the same.

Despite various remedies & reliefs available in the contract agreements/Concession Agreements to deal with such circumstances, the actual inflows does not realize in that manner.

As such, your Company is compelled to resort to legal process and various subsidiaries of your Company have lodged dues & claims with respective Clients and initiated legal proceedings/arbitrations, which are different stages of determination.

Your Company is expecting to realize substantial part of money from this legal process over a period of next 2 to 5 years.

Large enterprising value of your Company is in the dues & claims. Once these are realized, it will unlock lot of capital and bring value to your Company.

THE FUTURE

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

Your Company, as indeed most players in the infrastructure industry, has been facing a resource crunch in the last few years. There is a sizable gap between the Company's internal accruals and the requirement of funds for capital investment in existing and new projects and revenue expenditure. The ability of the Company to raise external funds has also been affected due to adverse market conditions. To ease the present situation, the Company is actively pushing for realization of its receivables from NHAI and monetization of its matured assets at the appropriate valuation.

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

SHARE CAPITAL OF THE COMPANY

During the Period under review, your Company has allotted 35,70,000 equity shares of ₹2/- each under the GIPL Employee Stock Option Scheme 2013. Consequently, the paid up share capital of the Company stood at ₹ 188.35 crores as at 31st March, 2016 comprising of 941,770,724 equity shares of ₹ 2/- each fully paid up.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

INTERNAL AUDIT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Period and of the profit of the Company for the Period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis;

Directors'

Report

- e. the Directors have laid down adequate Internal Financial Controls to be followed by the Company and such Internal Financial Controls were operating effectively during the Period ended 31st March, 2016; and
- f. the Directors 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

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

Mr. Himanshu Parikh, Director of the Company, who was liable to retire by rotation at the 14th Annual General Meeting of the Company had expressed his intention not to seek re-election as a Director of the Company and accordingly had retired from his directorship on March 31, 2015.

Mr. Parag Parikh Whole Time Director and CFO resigned on November 18, 2014.

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 SEBI Listing Regulations.

Key Managerial Personnel

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee appointed Mr. Monesh Bhansali as the Chief Financial Officer of the Company with effect from November 18, 2014. Mr. Bhansali resigned with effect from April 22, 2016 and Mr. Kaushik Chaudhuri has been appointed as the Chief Financial Officer of the Company with effect from May 30, 2016.

Mr. G. Sathis Chandran resigned as Company Secretary with effect from 31st March, 2015.

Ms. Renuka Matkari has been appointed as the Company Secretary with effect from 15th May, 2015.

Remuneration Policy and Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and Regulation 27 of the Securities Exchange Board of India (Listing Obligations & Disclosures Requirements), Regulations, 2015 (hereinafter "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 period under review. The details are given in the Corporate Governance Report.

Familiarisation programmes for the Independent Directors

In compliance with the requirements of SEBI Regulations, your Company has put in place a familiarisation 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/secretarial_infor.html

BOARD MEETINGS

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

EMPLOYEE STOCK OPTION SCHEME

During the period under review, the Board has not granted any options to employees under the 'GIPL Employee Stock Options Scheme - 2013' ('Scheme'). Details of the shares issued under the Scheme, as also the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 read with erstwhile SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

DEPOSITS

During the Period under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 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 Period were in the ordinary course of business and on arm's length basis. Details of material related party transactions are given in the prescribed Form AOC - 2 which is appended to this report as Annexure II.

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

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

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

Foreign exchange outgo (actual outflows) : ₹ 275,803/- (Eighteen months ended 31.03.2016)
₹425,639/- (Nine months ended 30.09.2014)

The foreign exchange earned (actual inflows) : NIL

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the Period under review, companies mentioned below have ceased to be Company's subsidiaries.

- i) Divestment to BIF India Holdings Pte Ltd : Andhra Expressway Limited, Rajahmundry Expressway Limited, Gorakhpur Infrastructure Company Limited, Kosi Bridge Infrastructure Company Limited, Mumbai Nasik Expressway Limited and Aparna Infraenergy India Pvt. Limited,
- ii) 3 other defunct SPVs where the contracts have been terminated by the client(s) were divested to Mr Hiten Shah. These SPVs are - Patna Buxar Highways Limited, Pataliputra Highway Limited and Mormugao Terminal Limited.

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

A statement containing salient features of the financial statement of each of the subsidiaries, associates and joint venture companies as required to be provided under section 129(3) of the Companies Act, 2013 is enclosed herewith in Form AOC-1.

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

Directors'

Report

BOARD COMMITTEES

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

- (i) Audit Committee to, inter-alia, oversee and review the financial reporting system and disclosures made in its financial results;
- (ii) Stakeholders' Relationship Committee to, inter-alia, redress investor complaints;
- (iii) Nomination and Remuneration Committee to, inter-alia, approve appointments and remuneration of executive directors and lay down nomination and remuneration policies of the Company;
- (iv) Compensation Committee to administer 'employee stock option schemes';
- (v) Project Committee to, inter-alia, advice the Company on the business opportunities that arise from time to time;
- (vi) Projects Review Committee to review implementation and working of projects under development and operation;
- (vii) Corporate Social Responsibility Committee to formulate and implement a 'corporate social responsibility policy' for the Company; and
- (viii) During the period under review, in accordance with the provisions of the erstwhile clause 49 of the Listing Agreement, the Board had voluntarily constituted the Risk Management Committee to monitor and review the risk management plan for 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 has during the period under review, transferred a sum of ₹ 22,015 to Investor Education and Protection Fund, in compliance with the provisions of section 125 of the Companies Act, 2013. The said amount pertains to refund of share application money, which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

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 link http://www.gammoninfra.com/secretarial_infor.html

CORPORATE SOCIAL RESPONSIBILITY

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

EXTRACT OF ANNUAL RETURN

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

REPORT ON CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS

The Statutory Auditors of the Company, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W), hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. The re-appointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.

The Board recommends their reappointment.

AUDITORS' REPORT

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

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

- (i) Unilateral termination and closure of concessions of Cochin Bridge Infrastructure project. The Company's exposure towards the said project is ₹ 251,587,013/-.
- (ii) Intention to exit Youngthang Power Venture project at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's exposure towards the said project includes investment and loans and advances of ₹ 713,694,045/-.
- (iii) Investment of ₹ 1,277,561,752/- in joint venture, Indira Container Terminal Private Limited.
- (iv) Monthly toll collections from Rajahmundry Godavari Bridge project are not sufficient to pay the interest.
- (v) Company's current liabilities exceeded current assets despite the sale of some of the SPVs.

The Board is confident about a positive outcome of the arbitration / litigation process in favour of the Cochin Bridge Infrastructure Company Ltd, which is in progress against the Kerala Government with respect to the unilateral termination and closure of the concession of the Cochin Bridge project; and with the Himachal Government authorities with respect to the intention to exit one of the hydro projects, Youngthang Power Venture Ltd and of the claim of the amount spent on the project so far.

Based on the performance of the RORO operation, which the Mumbai Port Trust has permitted Indira Container Terminal joint venture project to operate and on the basis of the various discussions which the management has had with bankers and officials of the Ministry of Shipping, the Board is confident that these are short term in nature and will be appropriately addressed and regularized in the near future.

There was delay in completion of Rajahmundry Godavari Bridge Project and also shortfall in toll collection. The management is in discussion with various lenders and agencies with the intention of reducing the interest burden on borrowings by replacing the high cost debts with low cost alternatives and is also exploring the option of availing a Revenue Shortfall Loan as per the terms of the concession agreement.

The Board is confident of the steps being taken by the management with respect to additional mobilization of funds to ease the cash position and narrow the mismatch between current liabilities and current assets.

SECRETARIAL AUDIT REPORT

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

Directors'

Report

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

Observations made by the Secretarial Auditor in their Report are self explanatory and do not need further clarification except as clarified in the previous paragraph.

PARTICULARS OF EMPLOYEES

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

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

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

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

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.

There were also 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.

ACKNOWLEDGEMENTS

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

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

Naresh Chandra
Chairman
DIN: 00015833

C.C.Dayal
Audit Committee Chairman
DIN: 00178583

K.K.Mohanty
Managing Director
DIN: 00080498

Place: Mumbai
Date: August 25, 2016

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		01.10.2014 to 31.03.2016			
1	Options granted/subsisting as on 01.10.2014	51,10,000			
2	Pricing Formula/ Exercise Price (₹)	2/-			
3	Options vested	36,30,000			
4	Options exercised	35,70,000			
5	Total number of Equity Shares arising as a result of exercise of Options	35,70,000			
6	Options lapsed /cancelled	12,40,000			
7	Variation of terms of Options	None			
8	Money realised by exercise of Options	71,40,000			
9	Total number of options in force as on 31.03.2016	3,00,000			
10	Weighted average exercise price (₹)	2/-			
11	Weighted average fair value of Options granted during the year (₹)	4,592/- (Options vested on October 1, 2014) 4,745/- (Options vested on October 1, 2015) 4,896/- (Options to be vested on October 1, 2016) 5,041/- (Options to be vested on October 1, 2017)			
12	Option pricing model used and underlying assumptions	Black-Scholes Option Pricing Model			
	Equity Share Price (₹)	6.40/-			
	Exercise Price (₹)	2/-			
	Assumptions	Options vesting on 01.10.2014	Options vesting on 01.10.2015	Options vesting on 01.10.2016	Options vesting on 01.10.2017
	Expected Volatility (in %)	39.31	44.25	42.29	41.78
	Weighted average of unexpired life of Options (in years)	1.02	2.02	3.02	4.02
	Expected dividend	Nil	Nil	Nil	Nil
	Risk Free Interest Rate (%)	9.86	9.02	8.96	9.03
13	Employee-wise details of Options granted	Senior managerial personnel (key managerial personnel) Mr. Kishor Kumar Mohanty – 25,00,000 (40.58% of total options granted) *Mr. Parag Parikh – 4,00,000 (6.49% of total options granted) *Mr. G. Sathis Chandran – 2,80,000 (4.54% of total options granted) Mr. Kaushik Chaudhuri – 2,40,000 (3.89% of total options granted) Other Employees *Mr. Kshitiz Bhasker – 3,60,000 (5.84% of total options granted) No employee has been granted Options exceeding 1% of the issued capital of the Company.			

* No longer in the service of the Company

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

Financial Year	01.10.2014 to 31.03.2016
Diluted earnings per share pursuant to issue of Equity Shares on exercise of option calculated in accordance with Accounting Standard (AS – 20)	0.62

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

Financial Year	01.10.2014 to 31.03.2016
Difference between the employee compensation cost calculated by the Company at intrinsic value and fair value of Options and its impact on profits and earnings per share	Income of ₹ 100,039. Net profit would have gone up from ₹ 5815 lakhs to ₹ 5816 lakhs. EPS would go up from ₹ 0.6183 to ₹ 0.6184

Directors' Report

ANNEXURE II (MATERIAL RPT)

FORM NO. AOC -2

(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014

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

1. Details of contracts or arrangements or transactions not at Arm's length basis
There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arms length basis.

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

Sl. No.	Name(s) of the related party & nature of relationship	Nature of transaction	Transactions Value (₹ in Lakhs)	Duration of the transaction	Salient terms of the transaction including the value, if any	Date of approval by the Board	Amount received as advances, if any (₹ in Lakhs)
a)	Sidhi Singrauli Road Project Limited (SSRPL) (Wholly owned subsidiary of the Company)	EPC Income	27,847.65	Contract commencing from 3-Jul-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;	Not applicable since the contract was entered into between two public companies at the time of signing of the contract.	Nil
					Contract value: ₹ 97,500 Lakhs		

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

Naresh Chandra
Chairman
DIN: 00015833

C.C.Dayal
Audit Committee Chairman
DIN: 00178583

K.K.Mohanty
Managing Director
DIN: 00080498

Place: Mumbai
Date: August 25, 2016

ANNEXURE III
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED 31.03.2016

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L45203MH2001PLC131728
2.	Registration Date	23rd April 2001
3.	Name of the Company	Gammon Infrastructure Projects Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025 Tel: 02267487200 Fax: 02267487201
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C – 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 Tel: 022- 25963838, Fax: 022- 25946969

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 subway	42101	87%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Directors' Report

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

*Holding through its subsidiaries, namely, Gammon Power Limited (56.06%) and Gactel Turnkey Projects Limited (2.38%).

**includes legal and beneficial interest

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	0	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	550,400,000	0	550,400,000	58.67	550,400,000	0	550,400,000	58.44	(0.23)	
e) Banks / FI	0	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	550,400,000	0	550,400,000	58.67	550,400,000	0	550,400,000	58.44	(0.23)	
(2) Foreign										
a) NRIs -										
Individuals	0	0	0	0	0	0	0	0	0	0
b) Other -										
Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	550,400,000	0	550,400,000	58.67	550,400,000	0	550,400,000	58.44	(0.23)	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	127,242,929	0	127,242,929	13.56	137,512,952	0	137,512,952	14.60	1.04	
b) Banks / FI	7,143,514	0	7,143,514	0.76	7,450,194	0	7,450,194	0.79	0.03	
c) Central Govt	0	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIs	157,200,025	0	157,200,025	16.76	108,602,725	0	108,602,725	11.53	(5.23)	

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	291,586,468	0	291,586,468	31.08	253,565,871	0	253,565,871	26.92	(4.16)
2. Non-Institutions									
a) Bodies Corp.	41,927,264	0	41,927,264	4.47	40,910,266	3,150	40,913,416	4.34	(0.13)
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	33,799,163	1,680	33,800,843	3.60	65,343,388	2,698	65,346,086	6.94	3.34
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,953,489	0	5,953,489	0.63	9,902,983	0	9,902,983	1.05	0.42
c) Others (specify)									
Trusts	3,038	0	3,038	0.00	3,038	0	3,038	0.00	0.00
Foreign Nationals /NRI	2,150,169	0	2,150,169	0.23	4,515,046	0	4,515,046	0.48	0.25
HUF	0	0	0	0	3,567,655	0	3,567,655	0.38	0.38
Director or Director's Relatives	9,676,456	0	9,676,456	1.03	8,653,997	0	8,653,997	0.92	(0.11)
Office Bearers	1,158,150	0	1,158,150	0.12	1,362,329	0	1,362,329	0.14	0.02
Clearing Members	1,544,822	25	1,544,847	0.16	3,540,279	24	3,540,303	0.38	0.22
Sub-total (B)(2):-	96,212,551	1,705	96,214,256	10.26	137,798,981	5,872	137,804,853	14.63	4.37
Total Public Shareholding (B)=(B)(1)+ (B)(2)	387,799,019	1,705	387,800,724	41.33	391,364,852	5,872	391,370,724	41.56	0.23
C. Shares held by Custodian for GDRs & ADRs	0	00	0	0	0	0	0	0	0
Grand Total (A+B+C)	938,199,019	1,705	938,200,724	100	941,764,852	5,872	941,770,724	100	0.00

ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gammon Power Limited	528,000,000	56.28	-	528,000,000	56.06*	56.06	(0.22)
2	Gactel Turnkey Projects Limited	22,400,000	2.39	-	22,400,000	2.38*	-	(0.01)
	Total	550,400,000	58.67	-	550,400,000	58.44*	56.06	(0.23)

*There is no change in the total shareholding of promoters between 01-10-2014 and 31-03-2016. The decrease in % of total shares of the Company is due to ESOS allotment of 35,70,000 shares.

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

Sr. No.	Particulars	Shareholding at the beginning of the year (as on 01-10-2014)		Cumulative Shareholding during the year (01-10-2014 to 31-03-2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	550,400,000	58.67	550,400,000	58.44
2	Date wise Increase / Decrease in Promoters Shareholding during the year	--	--	--	--
3	At the end of the year	550,400,000	58.44*	550,400,000	58.44

*There is no change in the total shareholding of promoters between 01-10-2014 and 31-03-2016. The decrease in % of total shares of the Company from 58.67 % to 58.44 % is due to ESOS allotment of 35,70,000 shares.

Directors' Report

- 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	DB International (Asia) Limited				
	At the beginning of the year	57,227,129	6.09	57,227,129	6.09
	Increase – Market purchase – 30-Jan-2015	26,698	0.00	57,253,827	6.10
	Decrease – Market sale – 31-Mar-2015	194,935	0.02	57,058,892	6.08
	Decrease – Market sale – 01-May-2015	181,219	0.02	56,877,673	6.06
	Decrease – Market sale – 08-May-2015	197,158	0.02	56,680,515	6.04
	Decrease – Market sale – 22-May-2015	418,724	0.04	56,261,791	5.97
	Decrease – Market sale – 29-May-2015	601,457	0.06	55,660,334	5.91
	Decrease – Market sale – 05-Jun-2015	358,000	0.04	55,302,334	5.87
	Decrease – Market sale – 12-Jun-2015	29,000	0.00	55,273,334	5.87
	Decrease – Market sale – 19-Jun-2015	129,464	0.01	55,143,870	5.86
	Decrease – Market sale – 28-Aug-2015	1,752,161	0.19	53,391,709	5.67
	Decrease – Market sale – 04-Sep-2015	2,129,819	0.23	51,261,890	5.44
	Decrease – Market sale – 11-Sep-2015	299,698	0.03	50,962,192	5.41
	Decrease – Market sale – 18-Sep-2015	155,200	0.02	50,806,992	5.40
	Decrease – Market sale – 25-Sep-2015	232,646	0.02	50,574,346	5.37
	Decrease – Market sale – 30-Sep-2015	215,000	0.02	50,359,346	5.35
	Decrease – Market sale – 09-Oct-2015	698,914	0.07	49,660,432	5.27
	Decrease – Market sale – 16-Oct-2015	1,238,500	0.13	48,421,932	5.14
	Decrease – Market sale – 23-Oct-2015	170,889	0.02	48,251,043	5.12
	Decrease – Market sale – 30-Oct-2015	277,000	0.03	47,974,043	5.09
	Decrease – Market sale – 06-Nov-2015	44,930	0.00	47,929,113	5.09
	Decrease – Market sale – 04-Dec-2015	459,393	0.05	47,469,720	5.04
	Decrease – Market sale – 11-Dec-2015	28,468	0.00	47,441,252	5.04
	Decrease – Market sale – 18-Dec-2015	208,729	0.02	47,232,523	5.02
	Decrease – Market sale – 25-Dec-2015	1,045,000	0.11	46,187,523	4.90
	Decrease – Market sale – 31-Dec-2015	1,110,268	0.12	45,077,255	4.79
	Decrease – Market sale – 08-Jan-2016	1,831,073	0.19	43,246,182	4.59
	Decrease – Market sale – 15-Jan-2016	197,648	0.02	43,048,534	4.57
	Decrease – Market sale – 22-Jan-2016	152,970	0.02	42,895,564	4.55
	Decrease – Market sale – 29-Jan-2016	374,054	0.04	42,521,510	4.52

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Decrease – Market sale – 05-Feb-2016	67,030	0.01	42,454,480	4.51
	Decrease – Market sale – 26-Feb-2016	83,173	0.01	42,371,307	4.50
	Decrease – Market sale – 04-Mar-2016	775,431	0.08	41,595,876	4.42
	Decrease – Market sale – 11-Mar-2016	92,738	0.01	41,503,138	4.41
	Decrease – Market sale – 18-Mar-2016	14,252	0.00	41,488,886	4.41
	At the end of the year	41,488,886	4.41	41,488,886	4.41
2	HDFC Trustee Company Limited – HDFC Equity Fund				
	At the beginning of the year	52,839,117	5.63	52,839,117	5.63
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	52,839,117	5.61	52,839,117	5.61*
3	Platinum Investment Management Limited A/c Platinum Asia Fund				
	At the beginning of the year	27,348,159	2.91	27,348,159	2.91
	Decrease – Market Sale – 25-Sep-2015	446,137	0.05	26,902,022	2.86
	Decrease – Market Sale – 30-Sep-2015	227,000	0.02	26,675,022	2.83
	Decrease – Market Sale – 09-Oct-2015	2,675,000	0.28	24,000,022	2.55
	Decrease – Market Sale – 16-Oct-2015	2,130,000	0.23	21,870,022	2.32
	Decrease – Market Sale – 23-Oct-2015	1,142,000	0.12	20,728,022	2.20
	Decrease – Market Sale – 30-Oct-2015	1,256,540	0.13	19,471,482	2.07
	Decrease – Market Sale – 06-Nov-2015	115,000	0.01	19,356,482	2.06
	Decrease – Market Sale – 20-Nov-2015	1,588,000	0.17	17,768,482	1.89
	Decrease – Market Sale – 27-Nov-2015	4,320,000	0.46	13,448,482	1.43
	Decrease – Market Sale – 04-Dec-2015	3,788,000	0.40	9,660,482	1.03
	Decrease – Market Sale – 11-Dec-2015	1,940,000	0.21	7,720,482	0.82
	Decrease – Market Sale – 18-Dec-2015	666,077	0.07	7,054,405	0.75
	Decrease – Market Sale – 25-Dec-2015	1,460,000	0.16	5,594,405	0.59
	Decrease – Market Sale – 31-Dec-2015	587,058	0.06	5,007,347	0.53
	Decrease – Market Sale – 08-Jan-2016	2,659,724	0.28	2,347,623	0.25
	Decrease – Market Sale – 15-Jan-2016	522,000	0.06	1,825,623	0.19
	Decrease – Market Sale – 22-Jan-2016	252,000	0.03	1,573,623	0.17
	Decrease – Market Sale – 29-Jan-2016	608,000	0.06	965,623	0.10
	Decrease – Market Sale – 05-Feb-2016	965,623	0.10	0	0.00
	At the end of the year	NIL	NIL	NIL	NIL

Directors' Report

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	HDFC Trustee Company Limited – HDFC Infrastructure Fund				
	At the beginning of the year	26,025,236	2.77	26,025,236	2.77
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	26,025,236	2.76	26,025,236	2.76*
5	SBI Infrastructure Fund				
	At the beginning of the year	19,620,916	2.09	19,620,916	2.09
	Decrease – Market sale – 10-Oct-2014	19,620,916	2.09	0	0.00
	At the end of the year	NIL	NIL	NIL	NIL
6	HSBC Global Investment Funds A/c HSBC GIF Mauritius Limited				
	At the beginning of the year	15,507,549	1.65	15,507,549	1.65
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	15,507,549	1.64	15,507,549	1.64*
7	Frontier Realty Private Limited				
	At the beginning of the year	14,381,246	1.53	14,381,246	1.53
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	14,381,246	1.52	14,381,246	1.52*
8	ICICI Prudential Midcap Fund				
	At the beginning of the year	11,829,652	1.26	11,829,652	1.26
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	11,829,652	1.25	11,829,652	1.25*
9	BNP Paribas Arbitrage				
	At the beginning of the year	11,575,314	1.23	11,575,314	1.23
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	11,575,314	1.22	11,575,314	1.22*
10	Eastspring Investments India Infrastructure Equity Open Limited				
	At the beginning of the year	11,041,009	1.17	11,041,009	1.17
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	11,041,009	1.17	11,041,009	1.17

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	ICICI Prudential Infrastructure Fund				
	At the beginning of the year	-	-	-	-
	Increase – Market Purchase – 10-Oct-2014	12,743,843	1.35	12,743,843	1.35
	At the end of the year	12,743,843	1.35	12,743,843	1.35
12	Sundaram Mutual Fund A/c Sundaram Smile Fund**				
	At the beginning of the year	7,933,590	0.84	7,933,590	0.84
	Increase – Market Purchase – 19-Dec-2014	51,576	0.00	7,985,166	0.85
	Increase – Market Purchase – 02-Jan-2015	4,54,010	0.04	8,439,176	0.90
	Increase – Market Purchase – 16-Jan-2015	51,841	0.00	8,491,017	0.90
	Increase – Market Purchase – 23-Jan-2015	55,234	0.00	8,546,251	0.91
	Increase – Market Purchase – 30-Jan-2015	87,339	0.00	8,633,590	0.91
	Increase – Market Purchase – 13-Mar-2015	10,000	0.00	8,643,590	0.92
	Increase – Market Purchase – 20-Mar-2015	10,000	0.00	8,653,590	0.92
	Increase – Market Purchase – 22-May-2015	25,000	0.00	8,678,590	0.92
	Increase – Market Purchase – 05-Jun-2015	25,000	0.00	8,703,590	0.92
	Increase – Market Purchase – 26-Jun-2015	19,000	0.00	8,722,590	0.92
	Increase – Market Purchase – 30-Jun-2015	6,000	0.00	8,728,590	0.92
	Increase – Market Purchase – 03-Jul-2015	700,000	0.07	9,428,590	1.00
	Increase – Market Purchase – 04-Sep-2015	1,000,000	0.11	10,428,590	1.11
	At the end of the year	10,428,590	1.11	10,428,590	1.11

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

*Decrease in the % of total shares is due to increase in paid up share capital during the year.

**Not in the list of Top 10 shareholders as on 01-10-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A) Directors					
1. Mr. Abhijit Rajan					
	At the beginning of the year	6,000,000	0.64	6,000,000	0.64
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-

Directors'

Report

Sr. No.	Shareholding of each Directors and each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	6,000,000	0.63	6,000,000	0.63*
2.	Mr. Himanshu Parikh				
	At the beginning of the year	3,314,517	0.35	3,314,517	0.35
	Decrease – Market sale – 01-Jan-2015	7,597	0.00	3,306,920	0.35
	Decrease – Market sale – 02-Jan-2015	19,903	0.00	3,287,017	0.35
	Decrease – Market sale – 26-Feb-2015	50,000	0.00	3,237,017	0.34
	Decrease – Market sale – 28-Feb-2015	50,000	0.00	3,187,017	0.34
	Shareholding as on 31-Mar-2015#	3,187,017	0.34	3,187,017	0.34
3.	Mr. Parag Parikh				
	At the beginning of the year	232,206	0.02	232,206	0.02
	ESOP Allotment – 30-Oct-2014	200,000	0.02	432,206	0.04
	Shareholding as on 18-Nov-2014##	432,206	0.04	432,206	0.04
4.	Mr. Kishor Kumar Mohanty				
	At the beginning of the year	103,456	0.01	103,456	0.01
	ESOP Allotment – 15-May-2015	2,500,000	0.26	2,603,456	0.27
	At the end of the year	2,603,456	0.27	2,603,456	0.27
5.	Mr. C. C. Dayal				
	At the beginning of the year	25,736	0.0025	25,736	0.0025
	Increase – Market purchase – 16-Feb-2016				
		24,264	0.0025	50,000	0.005
	At the end of the year	50,000	0.005	50,000	0.005
6.	Ms. Homai A. Daruwalla				
	At the beginning of the year	541	0.00	541	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	541	0.00	541	0.00
B)	KMPs				
7.	Mr. G. Sathis Chandran				
	At the beginning of the year	42,891	0.00	42,891	0.00
	ESOP Allotment – 18-Nov-2014	140,000	0.01	182,891	0.02
	Decrease – Market sale – 30-Jan-2015	59,553	0.00	123,338	0.01
	Decrease – Market sale – 02-Feb-2015	83,334	0.01	40,004	0.00
	Decrease – Market sale – 24-Feb-2015	37,866	0.00	2,138	0.00
	Decrease – Market sale – 25-Feb-2015	660	0.00	1,478	0.00
	Decrease – Market sale – 26-Feb-2015	1,478	0.00	Nil	0.00
	Shareholding as on 31-Mar-2015\$	Nil	0.00	Nil	0.00
8.	Mr. Monesh Bhansali				
	Shareholding as on 18-Nov-2014\$\$	Nil	0.00	Nil	0.00
	Increase – Market purchase – 28-Feb-2015	1,000	0.00	1,000	0.00
	Increase – Market purchase – 02-Sep-2015	5,000	0.00	6,000	0.00

Sr. No.	Shareholding of each Directors and each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase – Market purchase – 23-Nov-015	10,000	0.00	16,000	0.00
	At the end of the year	16,000	0.00	16,000	0.00
9.	Ms. Renuka Matkari				
	Shareholding as on 15-May-2015@	721	0.00	721	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	721	0.00	721	0.00

*Decrease in the % of total shares is due to Increase in paid up Capital during the year.

- i) # Mr. Himanshu Parikh retired w.e.f. March 31, 2015.
- ii) ## Mr. Parag Parikh resigned w.e.f. November 18, 2014.
- iii) \$ Mr. G. Sathis Chandran resigned w.e.f. March 31, 2015.
- iv) \$\$ Mr. Monesh Bhansali appointed w.e.f. November 18, 2014 and resigned on April 22, 2016.
- v) @ Ms. Renuka Matkari appointed w.e.f. May 15, 2015.
- vi) The Directors of the Company who have not held any shares at any time during the year, are not shown in the above list.

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	778,331,520	4,266,533,459	-	5,044,864,979
ii) Interest due but not paid	4,280,544	168,233,681	-	172,514,225
iii) Interest accrued but not due	7,143,812	68,242,849	-	75,386,661
Total (i+ii+iii)	789,755,876	4,503,009,989	-	5,292,765,865
Change in Indebtedness during the financial year				
* Addition	4,942,261	1,228,774,415	-	1,233,716,676
* Reduction	632,629,747	3,856,791,906	-	4,489,421,653
Net Change	(627,687,486)	(2,628,017,491)	-	(3,255,704,977)
Indebtedness at the end of the financial year				
i) Principal Amount	157,273,781	1,871,369,086	-	2,028,642,867
ii) Interest due but not paid	3,330,253	-	-	3,330,253
iii) Interest accrued but not due	1,464,356	3,623,412	-	5,087,768
Total (i+ii+iii)	162,068,390	1,874,992,498	-	2,037,060,888

Directors'

Report

VI. Remuneration Of Directors And Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		(Amount in ₹)
		Mr. Kishor Kumar Mohanty (MD)	Mr. Parag Parikh (WTD & CFO) (resigned w.e.f. 18-11-2014)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,395,890	3,456,258	39,852,148
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	0	0	0
2	Stock Option (Perquisite value of options)	22,437,500	0	22,437,500
3	Sweat Equity	0	0	0
4	Commission - as % of profit Commission - others, specify...	0	0	0
5	Others, please specify (Provident Fund)	1,080,000	30,720	1,110,720
	Total (A)	59,913,390	3,486,978	63,400,368
	Ceiling as per the Act			₹ 18,000,000/-

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total	
1	Independent Directors	Chandrasah C. Dayal	Sushil Chandra Tripathi	Homai A. Daruwalla		
	Fee for attending board/ committee meetings	1,120,000	1,070,000	1,020,000	3,210,000	
	Commission	0	0	0		
	Others	0	0	0		
	Total (1)	1,120,000	1,070,000	1,020,000	3,210,000	
2	Other Non Executive Directors			Naresh Chandra	Abhijit Rajan	Himanshu* Parikh
	Fee for attending board/ committee meetings			800,000	440,000	40,000
	Commission			0	0	0
	Others			0	0	0
	Total (2)			800,000	440,000	40,000
	Total (1 + 2)					
	Total Managerial Remuneration (A+B)					
	Overall Ceiling as per the Act					₹ 22,240,236/ - (excluding sitting fees)

*retired w.e.f 31/03/2015

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Monesh Bhansali (CFO) Appointed w.e.f. 18-11-2014	Mr. G. Sathis Chandran (CS) (upto 31-03-2015)	Ms. Renuka Matkari (CS) (w.e.f. 15.05.2015)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,868,815	3,211,317	1,274,097	17,354,229
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	12,868,815	3,211,317	1,274,097	17,354,229

VII. Penalties / Punishment/ Compounding Of Offences:

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

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

Naresh Chandra
Chairman
DIN: 00015833

C.C.Dayal
Audit Committee Chairman
DIN: 00178583

K.K.Mohanty
Managing Director
DIN: 00080498

Place: Mumbai
Date: August 25, 2016

ANNEXURE IV
FORM NO. MR – 3**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016

(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). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 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 2016, according to the provisions of :

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder:
- (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder
- (iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations),1992:
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations , 2009:
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations , 2009 and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

1. During the previous period ended on 30th September, 2014, the Company had paid managerial remuneration to Mr. Kishore Kumar Mohanty, Managing Director and Mr. Parag Parikh, Whole time director in excess of the limits specified in the Act read with Schedule V of the Act. The Company had made the necessary applications to the Ministry of Corporate Affairs (MCA) for waiver of recovery of excess remuneration paid to the said two directors. The MCA has :
 - a) In the case of Mr Kishore Kumar Mohanty, rejected the application.
 - b) In the case of Mr Parag Parikh, allowed the waiver of recovery of excess remuneration paid to the extent of ₹ 1249315/- and has directed the Company to recover the remaining (excess) remuneration of ₹ 763228/- paid to him.
2. The current financial year of the Company is from 1st October 2014 to 31st March 2016.
3. The Company has entered into related party transactions, the details of which are given in the Audited Final Accounts.
4. The Company has constituted the CSR Committee. However, in view of the loss suffered by the Company during the previous year, no CSR activity has been carried out by Company during the year.

I further report that:

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

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

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

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

Signature

Name of PCS: Veeraraghavan. N

ACS NO: 6911

CP NO : 4334

Place : Mumbai

Date: May 28, 2016

Directors'

Report

ANNEXURE V

(A) 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 October 2014 to 31st March 2016 are as under:

Sr. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees of the Company for the financial year 1st October 2014 to 31st March 2016
1.	Mr. Kishor Kumar Mohanty	Managing Director	1:36
2.	Mr. Parag Parikh*	Whole –Time Director & CFO	1: 3.46 (Part of the year)

* resigned w.e.f. November 18, 2014

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the 1st October 2014 to 31st March 2016 are as under:

Sr. No.	Name of the Director/ KMP	Designation	% increase in Remuneration in the Financial Year 1st October 2014 to 31st March 2016
1.	Mr. Kishor Kumar Mohanty	Managing Director	47% (Previous Financial year period 9 months vis-a-vis current financial year period 18 months)
2.	Mr. Parag Parikh*	Whole –Time Director & CFO	-51 % (Previous Financial year period 9 months vis-a-vis current financial year period)
3.	Mr. Monesh Bhansali**	CFO	NA (Previous year – Nil)
4.	Mr. G. Sathis Chandran***	Company Secretary	1% (Previous Financial year period 9 months vis-a-vis current financial year period)
5.	Ms. Renuka Matkarj****	Company Secretary	NA (Previous year – Nil)

* resigned w.e.f. November 18, 2014

** appointed w.e.f. November 18, 2014

***resigned w.e.f. March 31, 2015

****appointed w.e.f. May 15, 2015

- (iv) The percentage increase in the median remuneration of employees in the financial year: 53% (Previous year financial period is for 9 months vis – a – vis current financial period of 18 months).
- (v) There were 41 permanent employees on the rolls of the Company as on 31st March, 2016.
- (vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016 was 41 % whereas the increase in the managerial remuneration for the same financial year was 103%. (The increase is not comparable since the period of previous financial year is 9 months vis – a – vis the current financial period of 18 months, and appointment and resignation during the part of the year)
- (vii) 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,

I have examined the compliance of conditions of Corporate Governance by Gammon Infrastructure Projects Limited for the period ended 31st March 2016 (1st October 2014 to 31st March 2016) as stipulated in Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (' the Regulations ').

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

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

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

Veeraraghavan. N

Practising Company Secretary
C.P.No. 4334

Place: Mumbai

Date: 9th August 2016

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance leads to long-term shareholder value and enhances interests of all stakeholders. The Company endeavors to strike and deliver the good governing standards for the benefit of its stakeholders. The Company is committed to learn and adopt the best practices of corporate governance.

This report gives the factual position as at the end of the financial year, 1st October, 2014 to 31st March, 2016 (the "Period"). Wherever the context so requires for a better understanding of the situation, the developments post the Period have also been mentioned.

BOARD OF DIRECTORS

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

The Board presently consists of six Directors of which five are non-executive directors and one is an executive director. The Chairman is a non-executive non-independent director. Out of the five non-executive directors three are Independent directors.

The executive director of the Company is Mr. Kishor Kumar Mohanty, the Managing Director.

During the Period ended 31st March, 2016 the Board met Ten (10) times on 18th November, 2014, 12th January, 2015, 14th February, 2015, 31st March, 2015, 15th May, 2015, 13th August, 2015, 27th August, 2015, 14th November, 2015, 20th November, 2015 and 11th February, 2016.

During the Period under review, the Independent Directors met on 12th January, 2015 to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The composition of the Board of Directors as at 31st March, 2016, details of directors' attendance at board meetings and annual general meeting, the other directorships and committee chairmanships/memberships held by the directors are as follows:

Name of Director	Out of Ten Board Meetings held during the financial year the director attended	Attendance at last AGM	No. of directorships in other public companies [§]	No. of committee positions held in public companies including the Company ^{§§}	
				Chairman	Memberships including chairmanships
Mr. Naresh Chandra Chairman	9	Yes	8	1	10
Mr. Himanshu Parikh* Vice Chairman	1	No	--	--	--
Mr. Kishor Kumar Mohanty Managing Director	10	Yes	5	2	3
Mr. Parag Parikh** Whole Time Director	1	--	--	--	--
Mr. Abhijit Rajan Non-Executive Director	8	No	3	--	--
Mr. C.C. Dayal Independent Director	10	Yes	3	4	6
Mr. S.C. Tripathi Independent Director	10	No	7	2	8
Ms. Homai A Daruwalla Independent Director	9	Yes	6	3	7

[§] 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.

*Retired on 31/03/2015 hence details relating to memberships / chairmanships of the Board and Committees of other public companies not given.

** Resigned w.e.f. 18/11/2014 hence details relating to memberships / chairmanships of the Board and Committees of other public companies not given.

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

Familiarization programmes imparted to independent directors

In compliance with the requirements of SEBI 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 www.gammoninfra.com.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India under Clause 49 of the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be applicable), the Board of Directors has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc.

The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee Meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

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 Period ended 31st March, 2016. 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 four (4) members with majority being Independent Directors and the Chairman of the Audit Committee is a Non-Executive & Independent Director.

Terms of Reference

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Section 177 of the Companies Act, 2013 (as amended from time to time) and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulations and Section 177 of the Companies Act, 2013.

Composition and attendance

During the Period, the Audit Committee met nine (9) times. The meetings were held on 18th November, 2014, 11th December, 2014, 14th February, 2015, 31st March, 2015, 15th May, 2015, 13th August, 2015, 26th August, 2015, 14th November, 2015 and 11th February, 2016. Necessary quorum was present at the meetings.

Report on Corporate Governance

Sr. No.	Name	Designation	No. of Meetings attended
1	Mr. C.C. Dayal	Chairman	9
2	Mr. Naresh Chandra	Member	7
3	Mr. Sushil C. Tripathi	Member	9
4	Ms. H.A. Daruwalla	Member	8

2. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report on performance evaluation of independent directors.

Composition and Attendance

During the Period the Nomination & Remuneration Committee conducted its business at the meetings held on 18th November, 2014 and 12th January, 2015 and by resolution by circulation dated 26th May, 2015.

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

Remuneration Policy:

The Board and the shareholders have approved the re-appointment of the Managing Director for a period of 3 years w.e.f. 12th April, 2014. The criteria adopted by the Committee to determine the remuneration of the Managing Director is the performance of the Company and the industry benchmarks. 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 Executive Directors during the period and shareholding in the Company as on 31st March, 2016:

Name	Salary (₹)	Benefits(₹)	Total (₹)	Total number of shares held
Mr. Kishor Kumar Mohanty	36,395,890	1,080,000	37,475,890	2,603,456
Mr. Parag Parikh*	3,456,258	30,720	3,486,978	--

*resigned w.e.f. 18/11/2014 hence details relating to number of shares not given.

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

Name	Sitting fees	Total number of shares held
Mr. Naresh Chandra	8,00,000/-	Nil
Mr. Abhijit Rajan	*4,40,000/-	60,00,000
Mr. C. C. Dayal	*11,20,000/-	50,000
Mr. Sushil Chandra Tripathi	10,70,000/-	Nil
Ms. Homai A. Daruwalla	*10,20,000/-	541
Mr. Himanshu Parikh**	40,000/-	--

*includes sitting fees paid for sub-committee meeting held on 27th January 2015, formed for special purpose.

** retired w.e.f. 31/03/2015 hence details relating to number of shares not given.

During the period, a provision of ₹ 12 lakhs is made in the books of accounts, for payment of commission to Non-Executive Directors, under Section 197 and 198 of the Companies Act, 2013. The individual amounts will be shown in the year of payment.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference:

- 1 Redressing complaints from shareholders such as non-receipt of dividend, annual report, transfer of shares and issue of duplicate share certificates;
- 2 Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by the Company;
- 3 Issues relating to the relationship of the Company with its Share Transfer Agents, including appointment of, termination of agreement with Share Transfer agents.

Composition and Attendance

During the Period, the Committee conducted its business by resolution by circulation dated 14th October, 2014, 23rd February, 2015 and 23rd February, 2016.

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

* retired w.e.f. 31/03/2015

** designated as Chairman of the committee w.e.f. 15/05/2015

*** appointed as member of the committee w.e.f. 15/05/2015

During the Period, the Company has received two (2) complaints which were resolved on time and no complaint has remained pending at the end of the Period. The status of complaints is periodically reported to the committee and Board of directors in their meetings.

Ms. Renuka Matkari, Company Secretary, is the Compliance Officer of the Company.

4. COMPENSATION COMMITTEE

Terms of reference :

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

Composition and Attendance

During the Period, the Committee conducted its business by resolution passed by circulation on 20th October, 2014.

Report on

Corporate Governance

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

5. PROJECT COMMITTEE

Terms of reference :

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

- assessment and minimization of legal and business risk;
- business/consortium partners;
- terms of engagement with consortium partners, technology providers and other service providers, including the costs thereof;
- economic benefits and business positioning of the Company.

Composition and Attendance

During the Period, the Committee met twice on 23rd December, 2014 and 30th September, 2015.

Sr. No.	Name	Designation	No. of Meetings attended
1	Mr. Abhijit Rajan	Member	2
2	Mr. Kishor Kumar Mohanty	Member	2
3	Mr. Himanshu Parikh (retired on 31.03.2015)	Member	1
4	Mr. Monesh Bhansali*(CFO)	Member	1

*appointed as a member of the Committee w.e.f. 15.05.2015. He resigned as CFO w.e.f. 22.04.2016

6. PROJECTS REVIEW COMMITTEE

The Projects Review Committee comprises of two independent Directors viz: Mr. C.C. Dayal and Mr. S.C. Tripathi to review the implementation and working of projects under development and operation.

No meetings of this Committee were held during the Period under review.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference:

- to formulate and recommend to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time;
- amount of expenditure to be incurred on the activities pertaining to CSR; and
- monitoring CSR Projects.

Composition and Attendance

No meetings of the CSR Committee were held during the Period under review.

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

*ceased to be a member w.e.f. 18/11/2014

** Appointed as a member of the Committee w.e.f. 18/11/2014 and ceased to be member w.e.f. 31/03/2015

*** Appointed as a member of the Committee w.e.f. 15/05/2015

8. RISK MANAGEMENT COMMITTEE

The Board constituted Risk Management Committee to monitor and review the risk management plan for the Company. The Committee comprises of Mr. C.C. Dayal, Ms. H.A. Daruwalla and Mr. Kishor Kumar Mohanty. No meetings of this Committee were held during the Period under review.

9. QIP COMMITTEE

The QIP Committee was constituted by the Board to facilitate the issue and allotment of equity shares or securities to Qualified Institutional Buyers pursuant to a 'Qualified Institutions Placement', as provided under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

GENERAL BODY MEETINGS

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

AGM	Year	Date	Time	Venue	Special Resolution passed
12th	1st April, 2012 to 31st March, 2013	20th September, 2013	11.00 a.m.	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400025	a. Commission to non-executive Directors b. Grant of stock options to eligible employees of the Company c. Grant of stock options to eligible employees of the subsidiaries of the Company
13th	1st April, 2013 to 31st December, 2013	30th June, 2014	3.30 p.m.	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025	a. Re-appointment of Mr. Kishor Kumar Mohanty as the "Managing Director" of the Company for a period of three years effective from April 12, 2014 b. Re-appointment of Mr. Parag Parikh as a "Whole Time Director" of the Company for a period of three years commencing from August 25, 2014
14th	1st January, 2014 to 30th September, 2014	31st March, 2015	11.00 a.m.	Kohinoor Hall, 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai-400025	a. Ratification of placement of inter corporate deposit by the Company with Gorakhpur Infrastructure Company Limited b. Ratification of placement of inter corporate deposit by Mumbai Nasik Expressway Limited with the Company c. Ratification of issue of bank guarantee by the Company in favour of Mumbai Nasik Expressway Limited d. Ratification of inter corporate deposit by Vizag Seaport Private Limited with the Company e. Increase in authorized share capital of the Company

Approval by Members through Postal Ballot

The Company had passed the following Special Resolution through postal ballot / e-voting on Wednesday, 28th October, 2015:

Report on Corporate Governance

Special Resolution: To approve divestment of investments in subsidiaries:

Promoter / Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2) / (1)] * 100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour of votes polled (6) = [(4) / (2)] * 100	% of votes against on votes polled (7) = [(5) / (2)] * 100
Promoter & Promoter group	550,400,000	550,400,000	100.00	550,400,000	0	100.00	0.0000
Public - Institutional Holders	162,707,673	162,707,673	100.00	162,707,673	0	100.00	0.0000
Public – others	9,088,714	9,088,714	100.00	9,054,752	33,962	99.6263	0.3737
Total	722,196,387	722,196,387	100.00	722,162,425	33,962	99.9953	0.0047

The resolution was passed with the requisite majority.

Mr. Sunil Dedhia of M/s. Sunil Dedhia & Co., Practicing Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot Process.

Proposal for Postal Ballot

At present there is no proposal for Postal Ballot

DISCLOSURES

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

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

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

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

The Stock Exchanges had levied penalty for non-compliance of Listing Regulation 33 (delay in submission of financial statements for the year ended 31st March 2016) which has been paid by the Company, details as below:

Stock Exchange	The National Stock Exchange of India Limited	BSE Limited
Amount of Penalty (₹)	35,000/-	40,250/-

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

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

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

CEO/CFO Certification

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

PREVENTION OF INSIDER TRADING CODE

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

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

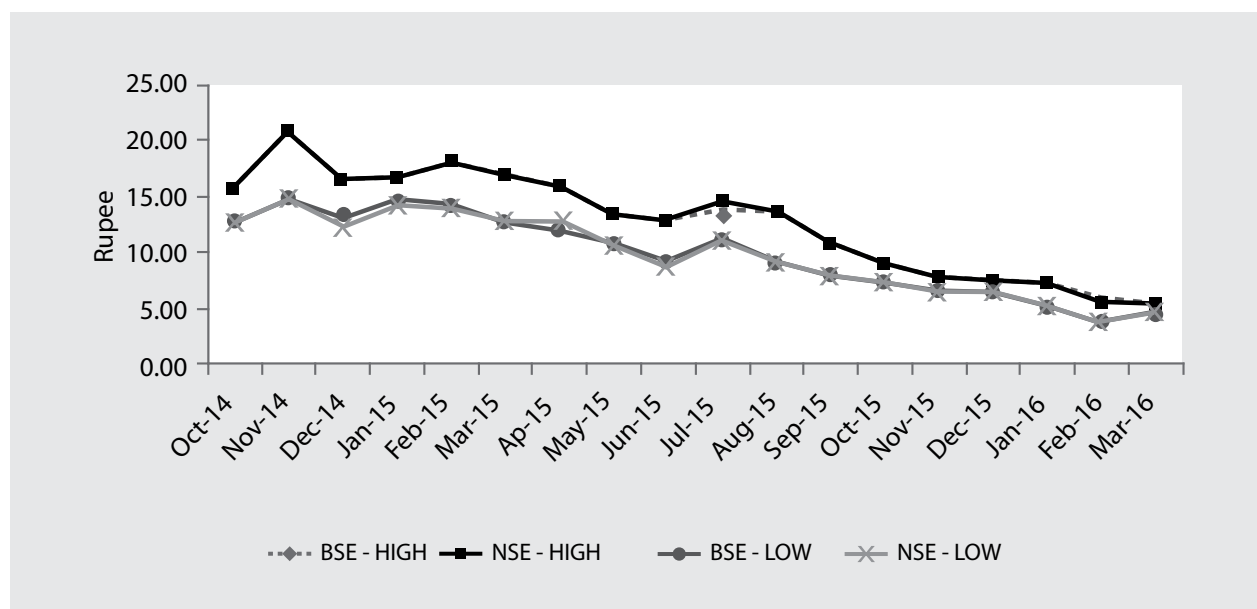
Annual General Meeting Day, Date, Time and Venue	Friday, September 30, 2016 at 3.30 p.m. Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025
Financial Calendar First quarterly results Second quarterly results Third quarterly results Year ending March, 2017	August 25, 2016 on or before November 14, 2016 on or before February 14, 2017 on or before May 30, 2017
Date of Book Closure	The Company will close its share transfer books on the date of the Annual General Meeting, namely September 30, 2016
Dividend Payment Date	The Company has not declared any dividend for the Period
Registered Office and CIN	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025 CIN:L45203MH2001PLC131728
Corporate Office	Orbit Plaza, 5th Floor, Plot No.952/954, New Prabhadevi Road, Prabhadevi, Mumbai – 400025
Phone, Fax, E-mail	Phone (022) 67487200; Fax (022) 67487201; E-mail:compliances@gammoninfra.com; Website: www.gammoninfra.com
Plant Location	None
Registrar and Share Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (west), Mumbai-400 078 Phone (022) 25963838, Fax: (022) 25946969
Listing on the Stock Exchanges	BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) The Annual listing fees have been paid to both the Stock Exchanges
Stock Code ISIN	BSE: 532959 and NSE: GAMMNINFRA INE181G01025

Report on Corporate Governance

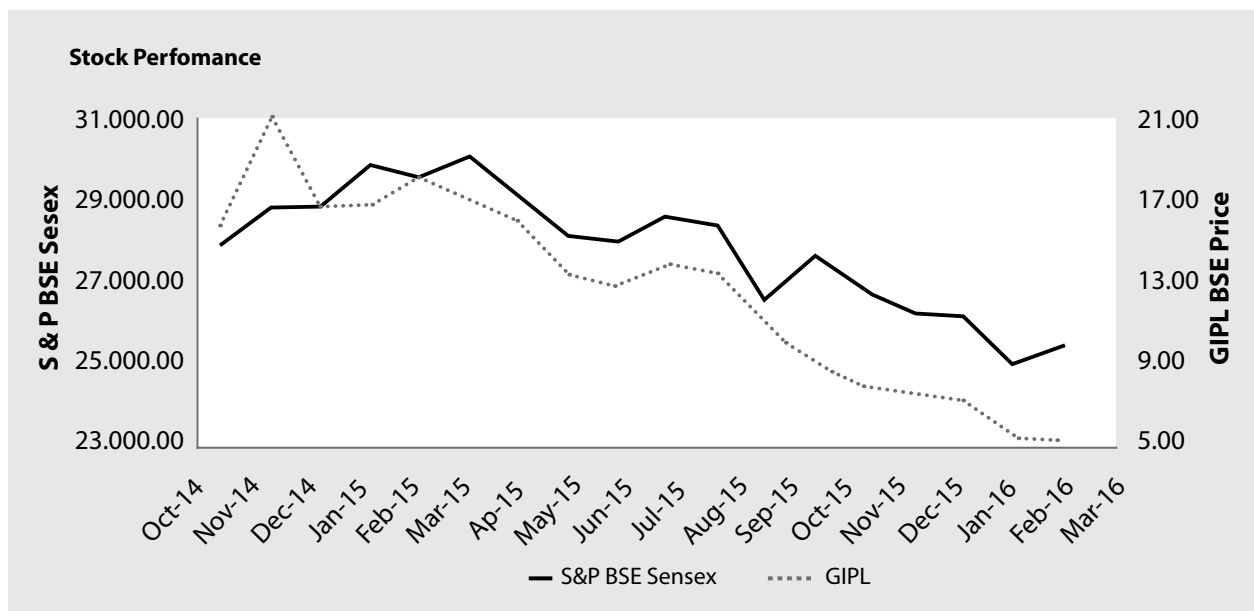
Stock market price data for the period: 1.10.2014 to 31.03.2016

Month	National Stock Exchange of India Limited		BSE Limited	
	High (₹)	Low (₹)	High(₹)	Low(₹)
October 2014	15.75	12.60	15.70	12.75
November 2014	20.75	14.75	20.85	14.86
December 2014	16.65	12.50	16.60	13.35
January 2015	16.70	14.35	16.70	14.45
February 2015	18.05	14.05	18.02	14.10
March 2015	16.90	12.75	16.95	12.80
April 2015	15.95	12.70	16.00	12.05
May 2015	13.35	10.65	13.35	10.70
June 2015	12.80	8.65	12.82	9.05
July 2015	14.50	11.00	13.75	11.00
August 2015	13.60	9.25	13.60	9.10
September 2015	10.90	8.05	10.90	8.00
October 2015	9.10	7.40	9.03	7.40
November 2015	8.00	6.50	8.00	6.52
December 2015	7.65	6.50	7.65	6.56
January 2016	7.20	5.30	7.20	5.17
February 2016	5.50	3.80	5.53	3.81
March 2016	5.35	4.70	5.32	4.70

GIPL Comparative High Low price on NSE & BSE – Graph



Share Price Performance in comparison to S & P BSE Sensex



Share Transfer System

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

Distribution of Shareholding as on March 31, 2016

No. of Equity Shares	Shareholders		No. of Shares	% of Total
	Number	% to Total		
1- 500	25659	53.34	5045224	0.53
501 – 1000	9103	18.92	6831632	0.73
1001 – 2000	5922	12.31	8443925	0.90
2001 – 3000	2977	6.19	7452214	0.80
3001 – 4000	895	1.86	3183944	0.34
4001 – 5000	876	1.82	4177394	0.44
5001 – 10000	1375	2.86	10109803	1.07
10001 and above	1298	2.70	896526588	95.19
Total	48105	100.00	941770724	100.00

Report on Corporate Governance

Shareholding Pattern as on March 31, 2016

Category	Number of Shares Held	% of capital
A) Promoter's Holding		
1 Indian		
Individual/HUF	Nil	Nil
Central/State Government	Nil	Nil
Bodies Corporate	550400000	58.44
Financial Institutions/Banks	Nil	Nil
Any Other	Nil	Nil
2 Foreign Promoters		
Individual	Nil	Nil
Bodies Corporate	Nil	Nil
Institutions	Nil	Nil
Any Other	Nil	Nil
Sub – Total (A) (1+2)	550400000	58.44
B) Public Holding		
1 Institutions		
Mutual Funds and UTI	137512952	14.60
Banks/ Financial Institutions	7450194	0.79
Insurance Companies (Central / State Government Institutions / Non – Government Institutions)	Nil	Nil
Foreign Portfolio Investor	108602725	11.53
Venture Capital Funds	Nil	Nil
Sub – Total (B)(1)	253565871	26.92
2 Non Institutions		
Bodies Corporate	40913416	4.35
Individuals		
(i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	65346086	6.94
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	9902983	1.05
Any other		
(i) NRIs / OCBs /Foreign Nationals	4515046	0.48
(ii) Directors & Relatives	8653997	0.92
(iii) Clearing Member	3540303	0.38
(iv) Office Bearers	1362329	0.14
(v) Trusts	3038	0.00
(vi) Hindu Undivided Family	3567655	0.38
Sub – Total (B) (2)	137804853	14.64
Sub – Total (B) (1+2)	391370724	41.56
Shares held by Custodians and against which Depository Receipts have been received		
GRAND TOTAL	941770724	100.00

Dematerialization of Shares

The break- up of Company's shares in physical / dematerialized form as on 31st March, 2016 is as under:

Particulars	No. of Equity Shares	% to Share Capital
Electronic	941764852	99.99938
Physical	5872	0.00062
Total	941770724	100.00

The free float of the Company's as on 31st March, 2016 is 41.56%.

Details of unclaimed shares as on 31st March, 2016 issued pursuant to the Initial Public Officer (IPO) are as follows:

Sr. No	Particulars	Cases	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year i.e. 01.10.2014	22	19,455
2	Number of shareholders who approached for transfer of shares from unclaimed suspense account during 01.10.2014 to 31.03.2016	-	-
3	Number of shareholders to whom shares were transferred from Unclaimed suspense account during 01.10.2014 to 31.03.2016	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year i.e. 31.03.2016	22	19,455

Address for Correspondence

All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

Ms. Renuka Matkari

Company Secretary & Compliance Officer

Gammon Infrastructure Projects Limited
Orbit Plaza, 5th Floor,
Plot No. 952/954, New Prabhadevi Road,
Prabhadevi, Mumbai - 400 025.
Telephone : 022-67487200

The Company has following separate email ID to resolve investor's grievances compliances@gammoninfra.com

Mumbai, August 25, 2016

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, 2016.

Kishor Kumar Mohanty
Managing Director

Mumbai, August 25, 2016

Independent Auditors' Report

To The Members Of Gammon Infrastructure Projects Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gammon Infrastructure Projects Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and jointly controlled entities (the Holding Company, its subsidiaries and jointly controlled entities together referred to as "the Group"), its associates, (as defined in the Companies (Accounting Standards) Rules, 2006) comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the period October 01, 2014 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Governing Bodies of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for qualified opinion

Attention is invited to note 30(a) of the statement of consolidated financial statements relating to the excess managerial remuneration paid of ₹ 2,04,49,402/- for the previous period. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery have been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of ₹ 2,04,49,402/-. In respect of the current period also there is an excess remuneration paid of ₹ 1,83,95,890/- to the Managing Director, which is in excess of the limits, specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the Ministry of

Corporate Affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended March 31, 2016.

Qualified Opinion

Except for the possible effect of the matter mentioned hereinabove in the basis of qualified opinion, in our opinion and to the best of our information and according to the explanations given to us, 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 Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the period October 01, 2014 to March 31, 2016.

Emphasis of Matter:

Without qualifying our opinion, we report the following matters which were also referred to in our audit report issued for the nine months period ended September 30, 2014:

- (a) Note 42 of the Consolidated Financial Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to a subsidiary. The Group exposure towards the said project (funded and non-funded) is ₹ 26,29,74,388/-. Pending conclusion on these legal matters, no adjustments have been made in these financial statements.
- (b) Note 38 of the Consolidated Financial Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms. The group exposure towards the said project is ₹ 67,84,93,713. Pending conclusion between the parties, no adjustments have been made in these financial statements.
- (c) Note 43 of the Consolidated Financial Statement, in connection with container terminal project in Mumbai where the group exposure is an amount of ₹356,14,28,381 (funded and non-funded). The only project of the JV Company has been delayed resulting in the company incurring losses and consequent default in repayment of its debt obligation culminating in the bank facility being designated as NPA. Considering the MbPT permission to allow RORO operations on a trial basis and based on the management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.
- (d) Note 44, of the Consolidated Financial Statement in respect of a tolling bridge project in Andhra Pradesh, where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA, considering the steps the management proposes to take to replace the high cost debts and the terms of the concession agreement in which the Company is eligible for revenue shortfall loans, no provision is considered necessary against the group exposure of ₹ 1063,79,58,894/-
- (e) Note 46 of the Consolidated Financial Statement, wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets despite the sale of some of the SPVs. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

Other Matters

- (a) The consolidated results of the Group include results of:
 - (i) Twenty four subsidiaries, whose financial statements reflect total assets of ₹ 671,59,97,991 as at March 31, 2016, total revenues of ₹ 182,58,27,452 and net cash out flows amounting to ₹910,81,699 for the eighteen months period ended on that date,
 - (ii) Group's share of total assets, total revenue and net cash flows in respect of one joint venture amounting to ₹6,51,48,327 ₹ NIL and ₹ NIL respectively.
 - (iii) Group's share of net profit of ₹ 36,98,050 for the eighteen months period ended on that date in respect of one associate.

whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates in India, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of two joint ventures, the group's share of total assets, total revenue and net cash flows of which is ₹ 1,70,877 ₹ NIL and ₹ NIL respectively and which are considered in the preparation of these consolidated

Independent Auditors' Report

financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India to whom the Order is applicable and further subject to our comments in respect of companies which are not material and not audited, stated in clause (b) of Other Matters paragraph, and for which we have not received audit report, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) Except for the possible effects of the matter mentioned in the basis of qualified opinion above, in our opinion, 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) The going concern matter described in paragraph e. of our Emphasis of Matter 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 of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 48 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There is no delay in payment of amount to the Investor Education and Protection Fund during the period by the Holding Company. No dues were payable by any subsidiary companies incorporated in India

For Natvarlal Vepari & Co.

Chartered Accountants
Firm Registration no.106971W

N Jayendran

Partner
Membership No. 40441
New Delhi, Dated : June 06, 2016

With respect to Gammon Infrastructure Projects Limited ("Holding Company") and its subsidiary jointly controlled entities incorporated in India to whom the provisions of the Order apply (together referred as "Covered Entities" in this report). Refer Statement 1 for the list of Covered entities. Our reporting, hereunder, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, not audited by us, is based solely on the reports of the other auditors who audited the financial statements / financial information of these subsidiaries, jointly controlled entities and associates

- (i) (a) The Holding Company and the Covered Entities as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified during the year by the management of the Holding Company and of the Covered Entities as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities. No material discrepancies were noticed on such verification.
- (ii) (a) The Holding Company does not have any inventory and hence the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Holding Company. Also, as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, the managements of the Covered Entities have conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us and as reported by the auditors who audited the financial Statements / financial information of the Covered Entities, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Covered Entities and the nature of their businesses.
- (c) In our opinion and according to the information and explanations given to us and as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, the Covered Entities are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the records of Holding Company and information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of 32 Covered entities, such Covered entities and Holding Company have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to Holding Company and such Covered entities and hence not commented upon.

As reported by the other auditors who audited the financial statements / financial information of 3 Covered entities, such Covered entities have granted loans to 3 parties covered in the register maintained under section 189 of the Act. In respect of these loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular except in case of VSPPL, where borrower has not been regular in repaying the principal and interest, as stipulated. However, the interest due has been fully repaid as at 31st March 2016. In respect of aforesaid loan, where the overdue amount is more than Rupee One lakh, in our opinion reasonable steps have been taken by the Company for the recovery of the Principal amounts and interest. Total outstanding balances of interest and principal to parties covered under section 189 of Companies Act 2013 amounts to ₹ 22,59,39,812/-. Maximum balance amounts to ₹ 23,60,73,576

- (iv) In our opinion and according to the information and explanations given to us and as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered Entities and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, no major weakness or continuing failure to correct any major weakness in the internal control system was observed in respect of these areas.
- (v) According to the information and explanation given to us and as reported by the auditors who audited the financial Statements/ financial information of the Covered Entities, neither these Covered Entities nor Holding Company have accepted any deposits from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed there under. Therefore, the provisions of clause 3(v) of the Companies (Auditors Report) Order 2015 are not applicable to the Holding Company and the Covered Entity. 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

Annexure

referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date

77

Tribunal in respect of the said sections against either the Holding Company or as reported by the auditors of the Covered Entities the covered entities.

- (vi) We / Other auditors of have broadly reviewed the books of accounts maintained by the certain Covered entities (4 Covered Entities), to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examinations of the same have not been made by us or such other auditors. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of 30 Covered entities, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the product/ services of these entities.
- (vii) (a) The Holding Company and as reported by the auditors who audited the financial Statements / financial information of the Covered Entities, the Covered Entities are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues with the appropriate authorities during the period. According to the information and explanations given to us, neither the Holding Company nor as reported by the auditors of the Covered Entities, the Covered Entities do not have any undisputed amount payable in respect of the aforesaid dues and which were outstanding as at March 31, 2016 for a period of more than six months.
- (b) According to the records of the Holding Company and as reported by auditors who audited the financial Statements/ financial information of the Covered Entities, the Covered Entities does not have 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 that have not been deposited on account of any dispute except as given in the statement 2 attached herewith.
- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund has been transferred by the Holding Company within the prescribed time as per the provisions of the extant laws. Based on the reports by the auditors who audited the financial Statements/ financial information of the covered entities there is no amount to be transferred to the said fund by any of the Covered Entities.
- (viii) According to the records of the Holding Company and as reported by auditors of the Covered Entities, we report that;
- a) 3 Covered entities have been incorporated for less than five years and hence auditors of these entities have not commented upon the requirements of clause (viii) of the Order;
- b) 4 Covered entities do not have accumulated losses;
- c) 6 Covered entities have accumulated losses are less than fifty percent of their respective net worth while the 16 Covered entities have accumulated losses more than fifty percent of their respective net worth;
- d) 3 Covered entities have not incurred cash losses both in the current and immediately preceding financial years while 18 Covered entities have incurred cash losses both in the current and immediately preceding financial years;
- e) 5 Covered entities have incurred cash losses in either the current year or in the immediately preceding financial year.
- f) In case of Holding Company, the Company has no accumulated losses at the end of the financial period. It has not incurred cash losses during the current financial period but had incurred cash losses in the immediately preceding financial period.

- (ix) Based on our audit procedures and as per the information and explanations given by the management of the Holding Company, the Holding Company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.

Based on the audit reports of the auditors who audited the financial Statements/ financial information of Covered Entities, there are delays in payment of Interest and Installment to banks and financial institutions in case of 6 Covered Entities amounting to ₹ 448,21,68,747, the delay ranges from 1 day to 275 days

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Holding Company has given bank guarantee for loan taken by its wholly owned subsidiary from bank are not prima facie prejudicial to the interest of the Holding Company.

However the same are not disclosed in the Consolidated Financial Statements as the loan of the Wholly owned subsidiary is already shown as debt in the Consolidated Financial Statements.

On the basis of the report of auditors who audited the financial Statements/ financial information of the Covered Entities, no guarantee is given for loans taken by others from banks and financial institutions by the Covered Entities.

- (xi) On the basis of the information and explanations given to us by the management and reports of auditors who audited the financial Statements/ financial information of Covered Entities, the Holding Company and 24 Covered entities has not obtained any term loans during the period and hence provision of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company. However in case of 6 Covered Entities term loans taken during the year were applied for the purpose for which the loans were obtained.

- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of auditors who audited the financial Statements/ financial information of Covered Entities, we report that no fraud on or by the Holding Company and the Covered Entities has been noticed or reported during the year.

For Natvarlal Vepari & Co.

Chartered Accountants

Firm Registration no.106971W

N Jayendran

Partner

Membership No. 40441

New Delhi, Dated : June 06, 2016

Annexure

referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date

Statement 1

List of Covered Entities

Sr No	Name of the Entities	Nature of relationship
	Bimitrapur Barkote Highway Private Limited ('BBHPL')	Subsidiary
	Cochin Bridge Infrastructure Company Limited ('CBICL')	Subsidiary
	Chitoor Infrastructure Company Private Limited ('CICPL')	Subsidiary
	Earthlink Infrastructure Projects Private Limited ('EIPPL')	Subsidiary
	Gammon Logistics Limited ('GLL')	Subsidiary
	Gammon Projects Developers Limited (GPD)	Subsidiary
	Gammon Renewable Energy Infrastructure Projects Limited ('GREIPL')	Subsidiary
	Gammon Road Infrastructure Limited ('GRIL')	Subsidiary
	Gammon Seaport Infrastructure Limited ('GSIL')	Subsidiary
	Ghaggar Renewable Energy Private Limited ('GREPL')	Subsidiary
	Haryana Biomass Power Limited ('HBPL')	Subsidiary
	Jaguar Projects Developers Limited ('JPDL')	Subsidiary
	Lilac Infraprojects Developers Limited ('LIDL')	Subsidiary
	Marine Project Services Limited ('MPSL')	Subsidiary
	Patna Highway Projects Limited ('PHPL')	Subsidiary
	Pravara Renewable Energy Limited ('PREL')	Subsidiary
	Ras Cities and Townships Private Limited ('RCTPL')	Subsidiary
	Rajahmundry Godavari Bridge Limited ('RGBL')	Subsidiary
	Satluj Renewable Energy Private Limited ('SREPL')	Subsidiary
	Sidhi Singrauli Road Project Limited ('SSRPL')	Subsidiary
	Sikkim Hydro Power Ventures Limited ('SHPVL')	Subsidiary
	Segue Infrastructure Projects Private Limited ('SIPPL')	Subsidiary
	Tada Infrastructure Development Company Limited ('TIDCL')	Subsidiary
	Tangri Renewable Energy Private Limited ('TREPL')	Subsidiary
	Tidong Hydro Power Limited ('THPL')	Subsidiary
	Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	Subsidiary
	Vizag Seaport Private Limited ('VSPL')	Subsidiary
	Yamuna Minor Minerals Private Limited ('YMMPL')	Subsidiary
	Yamunanagar Panchkula Highway Private Limited ('YPHPL')	Subsidiary
	Youngthang Power Ventures Limited ('YPVL')	Subsidiary
	Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	JCE
	Indira Container Terminal Private Limited ('ICTPL')	JCE
	GIPL - GIL JV	JCE
	Eversun Sparkle Maritime Services Private Limited (ESMSPL)	Associate

Statement 2**Statement Of Statutory Dues Outstanding On Account Of Disputes, As On March 31, 2016, Referred To In Para (vii)(b) of The Annexure To Auditors' Report**

Name of statute	Nature of dues	Amount (` In Crores)	Period to which the amount relates	Forum where dispute is pending
Holding Company				
Income Tax Act, 1961	Demand under u/s 153A	4,53,29,178	A.Y. 2005-06 to A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961	Demand of Penalty u/s 271(1)(c)	1,34,40,400	A.Y. 2007-08	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961	Demand under u/s 143(3)	2,53,91,700	A.Y. 2012-13	Commissioner of Income-Tax (Appeals)
Subsidiary				
Income Tax Act, 1961	Penalty	59,009,685	A.Y. 2007-08	Commissioner of Income-Tax (Appeals) Mumbai
Income Tax Act, 1961	Penalty	51,335,425	A.Y. 2010-11	Commissioner of Income-Tax (Appeals) Mumbai

Consolidated Balance Sheet

as at March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2016	As at September 30, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	4	1,891,643,948	1,884,503,948
Reserves and surplus	5	8,717,192,212	7,627,618,981
		10,608,836,160	9,512,122,929
Minority interest	6	1,183,583,943	1,577,795,696
Non-current liabilities			
Long-term borrowings	7	25,107,746,763	35,012,475,175
Deferred tax liabilities (net)	8	13,515,909	23,405,506
Other long-term liabilities	9	37,479,526,185	39,666,851,685
Long-term provisions	10	21,121,154	329,577,459
		62,621,910,011	75,032,309,825
Current liabilities			
Short-term borrowings	11	1,067,302,930	644,658,803
Trade payables			
- Total outstanding dues to MSME parties		-	-
- Other than MSME parties	12	1,025,155,886	201,014,414
Other current liabilities	13	5,123,349,948	7,268,990,750
Short-term provisions	10	147,028,657	1,335,914,175
		7,362,837,420	9,450,578,142
TOTAL		81,777,167,534	95,572,806,592
Assets			
Non-current assets			
Fixed assets :			
Tangible assets (net)	14	3,117,935,822	1,141,901,437
Intangible assets (net)	15	50,279,435,648	60,550,429,992
Capital work in progress	16	38,887,727	2,188,696,129
Intangible assets under development	17	20,632,446,081	24,337,401,961
Goodwill on consolidation	18	327,441,628	600,679,336
Deferred tax asset (net)	8	14,634,274	723,387,487
Non-current investments	19	11,271,036	7,352,067
Long-term loans and advances	20	1,510,531,046	1,820,927,529
Long-term trade receivables	21	181,708,008	190,978,042
Other non-current assets	22	260,890,840	833,852,680
		76,375,182,112	92,395,606,659
Current assets			
Current investments	23	232,332,764	332,291,939
Inventories	24	89,246,973	121,153,059
Trade receivables	21	522,071,677	190,876,334
Cash and bank balances	25	4,013,379,216	508,873,186
Short-term loans and advances	20	418,077,923	600,973,818
Other current assets	22	126,876,868	1,423,031,596
		5,401,985,422	3,177,199,933
TOTAL		81,777,167,534	95,572,806,592
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

N Jayendra
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

Consolidated Statement of Profit and Loss

for the eighteen months period ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Income			
Revenue from operations:			
Revenue from projects	26	12,892,241,319	5,242,661,356
Other operating revenues	27	694,817,088	177,392,919
Other income	28	163,920,420	96,817,802
Total income		13,750,978,826	5,516,872,077
Expenses			
Project expenses	29	5,288,498,711	1,504,008,441
Employee benefits expenses	30	378,998,884	208,566,986
Other expenses	31	557,247,458	290,292,155
Exceptional items	36	207,722,901	379,736,848
Total expenses		6,432,467,953	2,382,604,430
Earnings before interest, tax, depreciation and amortisation (EBITDA)		7,318,510,873	3,134,267,647
Finance costs	32	3,580,467,180	2,062,929,609
Depreciation/amortisation	33	3,759,510,213	1,682,375,460
Share of (profit)/loss from investment in associates		(3,918,970)	622,798
Profit/(loss) before tax expenses and minority interest		(17,547,549)	(611,660,220)
Profit/(Loss) from continuing operations before tax expense and minority interest		(118,009,488)	(1,168,389,869)
Less: Tax expenses on continuing operations			
Current tax		173,686,297	29,854,743
Deferred tax (credit)/charge		(27,068,064)	7,429,196
MAT credit entitlement		(150,348,073)	(11,760,000)
Short provision for earlier years		927,629	(1,901,686)
Net tax expense from continuing operations		(2,802,212)	23,622,253
Profit/(loss) after tax expenses but before minority interest from continuing operations		(115,207,276)	(1,192,012,122)
Minority interest from continuing operations		(73,189,666)	9,113,618
Profit/(loss) after minority interest from continuing operations		(42,017,610)	(1,201,125,739)
Profit/(Loss) from discontinuing operations before tax expense and minority interest		100,461,939	556,729,649
Less: Tax expenses on discontinuing operations			
Current tax		114,347,512	152,389,515
Deferred tax (credit)/charge		120,067,437	(391,728,776)
MAT credit entitlement		(25,638,462)	-
Short provision for earlier years		486,284	1,686
Net tax expense from discontinuing operations		209,262,771	(239,337,575)
Profit/(loss) after tax expenses but before minority interest from discontinuing operations		(108,800,832)	796,067,224
Minority interest from discontinuing operations		18,553,499	(2,543,561)
Profit/(loss) after minority interest from discontinuing operations	34	(127,354,332)	798,610,785
Profit/(loss) after minority interest from continuing and discontinuing operations		(169,371,942)	(402,514,954)
Earnings per share ('EPS') Rupees:	35		
From continuing operations, basic and diluted		(0.04)	(1.60)
From discontinuing operations, basic and diluted		(0.14)	1.06
Nominal value of equity share (Rupees)		2.00	2.00
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

Consolidated

Cash Flow Statement

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
A. Cash flow from operating activities:		
Profit/(Loss) from continuing operations before tax expense	(118,009,488)	(1,168,389,869)
Profit/(Loss) from discontinuing operations before tax expense	100,461,939	556,729,649
	(17,547,549)	(611,660,220)
Adjustments for :		
Employees stock options	(1,689,589)	14,439,264
Depreciation and amortisation	3,759,510,213	1,682,375,460
Gratuity and leave encashment	8,871,205	(873,391)
Interest income	(45,525,416)	(28,190,178)
Interest paid	3,525,696,352	2,028,996,979
Share of (profit) / loss from investment in associates	(3,918,970)	622,798
(Profit)/Loss on sale of current investments	(38,009,809)	(14,858,157)
Write back of provision for liabilities	(25,131,311)	(52,388,480)
Exceptional items	207,722,901	379,736,848
Provision for loans and advances, debts and other assets	71,076,272	1,625,090
Assets written off	64,488,479	51,080,955
Loss on sale of assets	326,014	-
Provision for periodic maintenance expenses	165,555,953	351,680,826
	7,688,972,293	4,414,248,014
Operating profit before working capital changes	7,671,424,744	3,802,587,794
Adjustments for :		
Trade and other receivables, loans and advances and other assets	(5,226,745,735)	(449,669,047)
Inventories	(20,203,108)	(5,766,512)
Trade and other payables, provisions and other liabilities	3,362,317,922	889,963,508
	(1,884,630,921)	434,527,950
Cash generated from the operations	5,786,793,822	4,237,115,744
Direct taxes paid	(144,489,235)	(76,318,354)
Net cash from operating activities	5,642,304,588	4,160,797,390
B. Cash flow from investment activities :		
Capital purchases after adjusting capital creditors	(10,260,791,057)	(3,616,699,750)
Purchase of current investments	(5,490,667,671)	(2,253,737,738)
Proceeds from sale of current investments	5,523,553,583	2,172,782,041
Intercorporate deposits :		
Granted during the period	(39,635,419)	(130,337,263)
Refund of intercorporate deposit	2,466,059,176	32,550,000
Other deposits and bank balances	(91,390,582)	109,224,605

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Proceeds from divestment of subsidiaries	1,381,647,271	-
Amount received from/(paid) to minority shareholders	-	(215,492,085)
Interest received	27,266,246	81,006,433
Net cash used in investment activities	(6,483,958,454)	(3,820,703,758)
C. Cash flow from financing activities :		
Proceeds from issuance of equity share capital	7,140,000	2,588,929,946
Capital grant received	1,246,575,920	803,200,000
Proceeds from borrowings	6,359,932,614	1,849,060,458
Repayment of loans	(3,985,205,044)	(4,184,334,301)
Interest paid	(2,905,674,115)	(1,706,394,162)
Share issue expenses	-	(58,569,506)
Net cash from financing activities	722,769,375	(708,107,565)
Net increase / (decrease) in cash and cash equivalents	(118,884,491)	(368,013,934)
Cash and cash equivalents, end of the period	389,988,695	508,873,186
Cash and cash equivalents, beginning of the period	508,873,186	876,887,120
Net increase / (decrease) in cash and cash equivalents	(118,884,491)	(368,013,934)
Components of cash and cash equivalents :		
Cash and cheques on hand	2,869,815	7,957,444
Funds in transit	-	75,000
With banks :		
On current accounts	385,868,882	499,590,742
On deposit accounts	1,250,000	1,250,000
Cash and cash equivalents, end of the period	389,988,695	508,873,186
Note: Figures in brackets denotes outflows		
Summary of significant accounting policies		

As per our report of even date

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

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

1 Background

Gammon Infrastructure Projects Limited a listed company and its subsidiaries, joint ventures and associates, are engaged in the development of various infrastructure projects under the Public Private Partnership ('PPP') model in sectors like transportation, energy and urban infrastructure through several special purpose vehicles ("SPVs"). Each project is governed by a separate concession agreement ('the Contract') signed between the client ('grantor') and the SPV. Majority of the projects secured are from the Government, (Central or State) or an organisation or body floated by the Government.

2 Accounting policies

a. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006, as specified in Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on an accrual basis of accounting and under the historical cost convention. The accounting policies are consistent with those used in the previous period.

b. Principles of consolidation

i) Holding company and subsidiaries :

The consolidated financial statements comprise of the financial statements of GAMMON INFRASTRUCTURE PROJECTS LIMITED ("the Company") and its subsidiary companies (the Company and its subsidiaries are hereinafter referred to as 'the Group'). The consolidated financial statements has been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard - 21 ('AS-21') "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.

The consolidated financial statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

The financial statements of the entities used for consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2016.

The excess of cost of investments of the Group over its share of equity in the subsidiary is recognised as goodwill. The excess of share of equity of subsidiary over the cost of investments is recognised as capital reserve.

ii) Interest in joint venture companies :

The Group's interest in the joint ventures, in the nature of jointly controlled entities are included in these consolidated financial statements using the proportionate consolidation method as per the Accounting Standard - 27 ('AS-27') "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, on a line by line basis.

iii) Investments in associate companies :

Investments in associate companies are accounted under the equity method as per the Accounting Standard - 23 ('AS-23') "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. The statement of profit and loss reflects the Group's share of the results of operations of the associates.

The excess of the Group's cost of investment over its share of net assets in the associate on the date of acquisition of investment is disclosed as goodwill. The excess of the Group's share of net assets in the associate over the cost

of its investment is disclosed as capital reserve. Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

- iv) 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 / annuity collection rights" against the development and construction services rendered. Since the development and construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT/DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries/ holding companies, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

- v) Minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:
- The amount of equity attributed to minority at the date on which investment in a subsidiary relationship came into existence.
 - The minority share of movement in equity since the date parent subsidiary relationship came into existence.
 - Minority interest share of net profit/(loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the group.

2.1 Summary of other significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

b. Revenue recognition

Revenue is recognised to the extent, that it is probable that the economics benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

i) **Infrastructure development business :**

Toll revenue from operations of tollable roads is recognised on usage and recovery of the usage charge thereon.

The cash compensation due on account of multiple entries of cars has been accounted on accrual basis as per the order of Government of Kerala for which Supplementary Concession Agreement is being worked out between the Government of Kerala, Greater Cochin Development Authority and Cochin Bridge Infrastructure Company Limited (a Group company).

The annuity income earned from Build, Operate, Transfer ('BOT') projects is recognised on a time basis over the period during which the annuity is earned. Revenues from bonus and other claims are recognised upon acceptance from customer / counterparty.

Revenue by way of berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharfage, barge freight, other charges etc. are recognised on an accrual basis and is billed as per the terms of the contract with the customers at the rates approved by Tariff Authority for Marine Ports (TAMP) as the related services are performed.

Other operating income is recognised on an accrual basis.

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

ii) Operations and maintenance revenues :

Revenue on Operations & Maintenance (O & M) contracts are recognised over the period of the contract as per the terms of the contract.

iii) Construction contract revenues :

Revenue from construction contracts is recognised on the basis of percentage completion method. The percentage of work completed is determined by the expenditure incurred on the job till date to the total expected expenditure of the contract.

Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period. Foreseeable losses on contract are fully provided for in the respective accounting period.

iv) Developer fees :

Revenue on developer fees is recognised on an accrual basis

v) Interest income :

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

vi) Dividend income :

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

c. Tangible assets

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on tangible fixed assets is provided on the Straight Line Method ('SLM') at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956 or the rates based on the estimated useful lives of the fixed assets, whichever is higher. Depreciation on tangible fixed assets purchased / installed during the year/ period is calculated on a pro-rata basis from the date of such purchase / installation.

Gains or losses arising from derecognition of tangible fixed assets 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 and loss when the asset is derecognised.

d. Intangible assets and Intangible assets under development

Intangible assets are stated at cost of construction less accumulated amortised amount and accumulated impairment losses, if any. Costs include direct costs of construction of the project and costs incidental and related to the construction activity. Costs incidental to the construction activity, including financing costs on borrowings attributable to construction of the project road, have been capitalised to the project road till the date of completion of construction. Such assets include self constructed assets under the BOT (Annuity) scheme, concession rights in respect of tollable roads, etc.

Intangible assets comprising project road, project port and project bridge are amortised on a straight line basis, from the date they are put to use, over the balance period of the Contract. The amortisation period and the amortisation method are reviewed at each financial year end. Concession rights are amortised on the pro-rata basis of actual tollable traffic volume for the period over the total projected tollable traffic volume over the toll periods granted

for the project. The projections for the total traffic volume are based on the report of independent professionals for this purpose. The volume of the traffic is reviewed on periodic intervals for its consistency and appropriateness. If the right to collect toll being amortised is revised on account of the material change in the projected traffic volume arising out of the periodic review, the amortisation would be revised accordingly.

Intangible assets also comprise of rights of Operations and Maintenance ('O&M') and an amount paid to Mumbai Port Trust towards upfront fees for construction and operation of an offshore terminal (License Fees Intangible). The O&M intangible results in income stream for the Group for a period of 14 years. The rights are therefore amortised over the period of 14 years on straight line basis. The license fees intangible asset being rights of O&M are amortised over the period of the subsistence of its rights commencing from the date the project becomes operational.

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 and loss when the asset is derecognised.

Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include direct costs of development of the project road and costs incidental and related to the development activity. Costs incidental to the development activity, including financing costs on borrowings attributable to development of the project road, are capitalised to the project road till the date of completion of development.

e. Impairment

The carrying amounts of all assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The test for impairment is done on an annual basis on the intangible asset, irrespective of the indicators for impairment.

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.

g. Inventories

Stores and consumables are valued at lower of cost and net realisable value and is determined using the weighted average method. Net realisable value is the estimated selling price less estimated cost necessary to make the sale.

Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated contracts.

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

h. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

i. Provision for taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws and to the same taxable entity. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where any company within the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the said company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the said company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

j. Foreign currency translation

Initial recognition :

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the

transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences :

Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

k. Preliminary and share issue expenses

Preliminary and share issue expenses (net of taxes) incurred are charged to the security premium account, if available, or to the statement of profit and loss.

l. Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

m. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

n. Employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates only one defined benefit plan for its employees i.e. gratuity liability. The costs of providing this benefit are determined on the basis of actuarial valuation at the each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss and are not deferred.

o. Employee share based payments ('ESOP')

The Group uses the intrinsic value (excess of the share price on the date of grant over the exercise price) method of accounting prescribed by the Guidance Note ('GN') on 'Accounting for employee share-based payments' issued by the Institute of Chartered Accountants of India ('ICAI') ('the guidance note') to account for its Employee Stock Option Scheme (the 'ESOP' Scheme) read with SEBI (Employees stock option scheme or Employees Stock Purchase) Guidelines, 1999. Compensation expense is amortised over the vesting period of the option on SLM basis.

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

p. Grants received

The Group on receipt of construction grant, received as equity support from grantors, accounts the same as capital reserves. The grant related to operations not forming part of equity support is credited to the statement of the Profit and Loss on a pro-rata basis in the year when the same is due and receivable and when the related costs are incurred.

q. Deferred payment liability

The deferred payment liability represents the cash payout (Negative grant) payable to the grantor as per the terms of the Contract at the end of the concession period is added to the cost of respective asset. The said deferred payment liability does not carry any interest thereon.

r. Minority interest

Minority interest comprises of amount of equity attributable to the minority shareholders at the date on which investments are made by the Group and further movements in their share in the equity, subsequent to the date of the investments.

s. Segment reporting

Identification of segments :

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organisational structure and the internal reporting system of the Group.

t. Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

u. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

v. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

w. Measurement of EBITDA

The Group measures EBITDA on the basis of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3 The consolidated financial statements comprise of the financial statements of Gammon Infrastructure Projects Limited ('GIPL') (the holding company), its subsidiary companies, joint ventures and associates consolidated on the basis of the relevant accounting standards as discussed in note 2b above.

a. Subsidiaries :

Following subsidiary companies (incorporated in India) have been consolidated in these financial statement as per AS-21 as at March 31, 2016.

a. Subsidiaries :

Following subsidiary companies (incorporated in India) have been consolidated in these financial statement as per AS-21 as at March 31, 2016.

Particulars	Voting power & beneficial interest	
	As at March 31, 2016	As at September 30, 2014
Andhra Expressway Limited ('AEL') upto February 28, 2016 (refer note 3a(ii))	0.00%	100.00%
Aparna Infraenergy India Private Limited ('AIPL') upto February 28, 2016 (refer note 3a(ii))	0.00%	100.00%
Birimtrapur Barkote Highway Private Limited ('BBHPL')	100.00%	100.00%
Cochin Bridge Infrastructure Company Limited ('CBICL')	97.66%	97.66%
Chitoor Infrastructure Company Private Limited ('CICPL')	100.00%	100.00%
Earthlink Infrastructure Projects Private Limited ('EIPPL')	100.00%	100.00%
Gammon Logistics Limited ('GLL')	100.00%	100.00%
Gammon Projects Developers Limited (GPDL)	100.00%	100.00%
Gammon Renewable Energy Infrastructure Projects Limited ('GREIPL')	100.00%	100.00%
Gammon Road Infrastructure Limited ('GRIL')	100.00%	100.00%
Gammon Seaport Infrastructure Limited ('GSIL')	100.00%	100.00%
Ghaggar Renewable Energy Private Limited ('GREPL')	100.00%	100.00%
Gorakhpur Infrastructure Company Limited ('GICL') upto February 28, 2016 (refer note 3a(ii))	0.00%	96.53%
Haryana Biomass Power Limited ('HBPL')	100.00%	100.00%
Jaguar Projects Developers Limited ('JPDL')	100.00%	100.00%
Kosi Bridge Infrastructure Company Limited ('KBICL') upto February 28, 2016 (refer note 3a(ii))	0.00%	100.00%
Lilac Infraprojects Developers Limited ('LIDL')	100.00%	100.00%
Marine Project Services Limited ('MPSL')	100.00%	100.00%
Mormugao Terminal Limited ('MTL') upto March 31, 2016 (refer note 3a(iii))	0.00%	100.00%
Mumbai Nasik Expressway Limited ('MNEL') upto February 28, 2016 (refer note 3a(ii))	0.00%	79.99%
Patna Buxar Highways Limited ('PBHL') upto March 31, 2016 (refer note 3a(iii))	0.00%	100.00%
Pataliputra Highways Limited ('PHL') upto March 31, 2016 (refer note 3a(iii))	0.00%	100.00%
Patna Highway Projects Limited ('PHPL')	100.00%	100.00%
Pravara Renewable Energy Limited ('PREL')	100.00%	100.00%
Ras Cities and Townships Private Limited ('RCTPL')	100.00%	100.00%
Rajahmundry Expressway Limited ('REL') upto February 28, 2016 (refer note 3a(ii))	0.00%	100.00%
Rajahmundry Godavari Bridge Limited ('RGBL')	71.43%	63.00%
Satluj Renewable Energy Private Limited ('SREPL')	100.00%	100.00%
Sidhi Singrauli Road Project Limited ('SSRPL')	100.00%	100.00%
Sikkim Hydro Power Ventures Limited ('SHPVL')	100.00%	100.00%
Segue Infrastructure Projects Private Limited ('SIPPL')	100.00%	100.00%
Tada Infrastructure Development Company Limited ('TIDCL')	100.00%	100.00%

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Tangri Renewable Energy Private Limited ('TREPL')	100.00%	100.00%
Tidong Hydro Power Limited ('THPL')	51.00%	51.00%
Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL') (refer note 3a(ii))	100.00%	100.00%
Vizag Seaport Private Limited ('VSPL')	73.76%	73.76%
Yamuna Minor Minerals Private Limited ('YMMPL')	100.00%	100.00%
Yamunanagar Panchkula Highway Private Limited ('YPHPL')	100.00%	100.00%
Youngthang Power Ventures Limited ('YPVL')	100.00%	100.00%

- i) 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:

Particulars	As at March 31, 2016			As at September 30, 2014		
	Equity shares Nos.	Amount Paid ₹	Beneficial interest %	Equity shares Nos.	Amount Paid ₹	Beneficial interest %
AEL	-	-	0.00%	7,540,050	126,651,866	26.00%
CICPL	10,000	100,000	100.00%	10,000	100,000	100.00%
EIPPL	10,000	100,000	100.00%	10,000	100,000	100.00%
GICL	-	-	0.00%	14,947,238	149,472,380	27.53%
KBICL	-	-	0.00%	12,562,831	125,628,310	26.01%
REL	-	-	0.00%	7,540,050	119,575,780	26.00%
SIPPL	10,000	100,000	100.00%	10,000	100,000	100.00%
THPL	25,500	255,000	51.00%	25,500	255,000	51.00%

- ii) During the period ended March 31, 2016, the Company has transferred its entire holding including beneficial interest in favour of BIF India Holdings Pte Ltd for which it entered into a Share Purchase Agreement (SPA) for the following entities:
- AEL
 - AIPL
 - GICL
 - KBICL
 - MNEL
 - REL

Further, the SPA with BIF India Holdings Pte Limited, covers sale of another 3 subsidiaries, PREL, SHPVL and VGRPPL in respect of which certain conditions precedent are in the process of being satisfied. Since the date of the balance sheet, the sale transaction's long stop date with respect to PREL's and SHVPL's for satisfaction of the conditions precedents have expired on May 26, 2016 while that of VGRPPL is August 26, 2016.

The Company has re-evaluated the fair value of PREL and SHPVL through external valuers. The fair value of these two subsidiaries is higher than the investment value in these subsidiaries. As a result the assets of these subsidiaries were not impaired.

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

b. Joint venture entities :

The following jointly controlled entities have been considered applying AS-27 on the basis of audited accounts (except stated otherwise) for the period ended March 31, 2016.

i) **Details of joint ventures entered into by the Group :**

Particulars	% of Interest As at March 31, 2016	% of Interest As at September 30, 2014
Joint venture companies		
Blue Water Iron Ore Terminal Private Limited ('BWOTPL')	10.12%	10.12%
Indira Container Terminal Private Limited ('ICTPL')	50.00%	50.00%
GIPL - GIL JV	95.00%	95.00%
SEZ Adityapur Limited ('SEZAL')	38.00%	38.00%

In the absence of financial statements of BWOTPL and SEZAL no effects are taken in these financial statements for the current period. The balances as at 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.

The results of ICTPL are not audited but have been subjected to a limited review by their statutory auditors.

ii) **The proportionate share of assets, liabilities, income and expenditure of the joint ventures consolidated in the accounts is tabulated hereunder:**

Particulars	As at March 31, 2016	As at September 30, 2014
Assets		
Non-current assets		
Fixed assets :		
Tangible assets (net)	6,270,126	10,756,446
Intangible assets (net)	125,000,000	125,000,000
Intangible assets under development	3,546,794,574	2,852,552,244
Long-term loans and advances	67,202,717	68,294,955
Non current trade receivables	2,995,430	-
Other non-current assets	5,000,000	5,594,889
Current assets		
Inventories	56,335,000	56,335,000
Trade receivables	42,433,853	3,108,386
Cash and cash equivalents	33,030,871	3,385,608
Short-term loans and advances	5,832,438	5,920,784
Other current assets	2,544,068	1,421,377
Total Assets	3,893,439,076	3,132,369,689
Liabilities		
Non-current liabilities		
Long-term borrowings	1,549,212,656	1,995,987,944
Long-term provisions	157,268	325,187
Current liabilities		
Trade payables, current	44,537,626	693,249
Other current liabilities	1,781,699,717	727,458,043
Short-term provisions	1,274,280	105,824
Total liabilities	3,376,881,546	2,724,570,247

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2016	As at September 30, 2014
Reserves and surplus		
Deficit in the statement of profit and loss :		
Opening balance	(283,576,819)	(268,337,259)
Loss during the current period	68,380,773	(15,239,559)
Adjustment on account of effect of depreciation on first time application of Schedule II	(1,293,407)	
Total reserves and surplus	(216,489,452)	(283,576,818)
Total reserves, surplus and liabilities	3,160,392,094	2,440,993,429

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Income		
Revenue from projects	91,884,390	1,088,410
Other income	1,517,806	-
Total income	93,402,196	1,088,410
Expenses		
Project expenses	2,478,630	17,076,733
Employee benefit expenses	3,435,069	4,560,141
Other expenses	12,370,094	2,665,508
Exceptional items	-	-
Finance cost	-	6,400,000
Depreciation and amortisation	1,987,028	790,611
Total expenses	20,270,821	31,492,993
Profit before tax	73,131,375	(30,404,583)
Provision for tax	4,450,602	-
Profit after tax	68,680,773	(30,404,583)
Capital commitments	3,073,485,988	3,139,880,000

c. Associates :

The following associates have been accounted by applying the equity method in accordance with the Accounting Standard (AS) – 23 "Accounting for Investment in Associates in Consolidated Financial Statements".

Particulars	% of Interest As at March 31, 2016	% of Interest As at September 30, 2014
ATSL Infrastructure Projects Limited ('ATSL Infra')*	49.00%	49.00%
Eversun Sparkle Maritime Services Private Limited ('ESMSPL')	30.90%	30.90%
Modern Tollroads Limited (MTRL)*	49.00%	49.00%

* The accounts of ATL Infra and MTRL for the year ended March 31, 2016 have not been received and therefore no effects have been taken in these financial statements in respect of these companies. However, these associates are not carrying out any operations and therefore their impact is not expected to be significant.

4 Share capital

Particulars	As at	
	March 31, 2016	September 30, 2014
i) Authorised equity share capital :		
1,250,000,000 (previous period: 1,000,000,000) equity shares of ₹ 2 each	2,500,000,000	2,000,000,000
Total authorised equity share capital	2,500,000,000	2,000,000,000
ii) Issued and subscribed equity share capital :		
942,580,974 (previous period: 939,880,974) Equity Shares of ₹ 2 each	1,885,161,948	1,878,021,948
Total issued and subscribed equity share capital	1,885,161,948	1,878,021,948
iii) Paid-up equity shares :		
941,770,724 (previous period: 938,200,724) equity shares of ₹ 2 each fully paid-up	1,883,541,448	1,876,401,448
Total paid-up equity shares	1,883,541,448	1,876,401,448
Forfeiture of equity shares :		
Money received (including securities premium) in respect of 162,050 (previous period: 162,050) equity shares forfeited of ₹ 10 each	8,102,500	8,102,500
Total money received of forfeited equity shares	8,102,500	8,102,500
Total net paid-up equity share capital (iii + iv)	1,891,643,948	1,884,503,948

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at		As at	
	March 31, 2016		September 30, 2014	
	Numbers	Amount	Numbers	Amount
Equity shares of ₹ 2 each fully paid-up				
Balance, beginning of the period	938,200,724	1,876,401,448	734,026,438	1,468,052,876
Issued during the year on exercise of Employee Stock Options ('ESOP')	3,570,000	7,140,000	-	-
Issued through the Qualified Institutional Placement ('QIP') (refer note 4d)	-	-	204,174,286	408,348,572
Balance, end of the period	941,770,724	1,883,541,448	938,200,724	1,876,401,448

b. Terms / rights attached to equity shares :

The Company has only one class of shares referred to as 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 equity share holders 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. Bonus equity shares :

The Company had issued bonus shares in the year ended March 2013 to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 5,262,820 equity shares of ₹ 2 each as fully paid by utilising securities premium account aggregating to ₹ 10,525,640.

d. Qualified Institutional Placement :

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

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

e. Shares held by the ultimate holding / holding company and /or their subsidiaries / associates :

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

Particulars	As at March 31, 2016		As at September 30, 2014	
	Numbers	Amount	Numbers	Amount
Equity shares of ₹ 2 each fully paid-up Gammon Power Limited ('GPL'), holding company (wef September 29, 2014)	528,000,000	1,056,000,000	528,000,000	1,056,000,000
Gactel Turnkey Projects Limited ('GTPL'), fellow subsidiary	22,400,000	44,800,000	22,400,000	44,800,000
Total	550,400,000	1,100,800,000	550,400,000	1,100,800,000

f. Details of registered shareholders holding more than 5% shares :

Particulars	As at March 31, 2016		As at September 30, 2014	
	Numbers	Amount	Numbers	Amount
Equity shares of ₹ 2 each fully paid-up GPL	528,000,000	56.06%	528,000,000	56.28%
HDFC Trustee Company Limited - HDFC Infrastructure Fund	78,864,353	8.37%	78,864,353	8.41%
DB International (Asia) Limited	41,488,886	4.41%	57,227,129	6.10%
Total	648,353,239	68.84%	664,091,482	70.78%

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

g. Shares reserved under options to be given :

240,000 (previous period: 5,110,000) equity shares of ₹ 2 each of the Company has been reserved for issue as ESOPs (refer note 5b).

5 Reserves and surplus

Particulars	As at March 31, 2016	As at September 30, 2014
Capital reserve :		
Capital grant : (refer note 5a)		
Balance, beginning of the period	1,728,534,125	1,065,801,476
Add : Capital grant received during the period	1,246,575,920	803,200,000
Add : Capital grant transferred from minority share holders on acquisition of additional holding	71,331,777	88,985,045
Less : Capital grant transferred to minority share holders on grant received during the period	54,584,585	229,452,397
Less : Capital grant transferred on divestment of subsidiary to surplus	403,671,476	-
Balance, end of the period	(A) 2,588,185,761	1,728,534,125

Particulars	As at March 31, 2016	As at September 30, 2014
Securities premium account :		
Balance, beginning of the period	5,619,522,632	3,497,510,764
Add : On issue of ESOP shares	17,424,000	-
Add : On issue of equity shares through a QIP (refer note 4d)	-	2,180,581,374
Less : Share issue expenses during the period	-	58,569,506
Balance, end of the period (B)	5,636,946,632	5,619,522,632
Employee stock options outstanding :		
Employee stock compensation for options (refer note 5b)		
Gross Employee stock compensation for options granted in earlier years/periods	24,528,000	25,536,000
Less : Transferred to Securities premium on issue of ESOP shares	17,424,000	-
Less : Employee stock options forfeited	5,952,000	1,008,000
	1,152,000	24,528,000
Less: Deferred Employee stock options:		
Opening balance	4,572,762	20,020,026
Less: Charge for the period	4,262,411	15,447,264
	310,351	4,572,762
Net employee stock options outstanding (C)	841,649	19,955,238
General Reserve :		
Balance, beginning of the period	313,248,076	313,248,076
Add: Amounts transferred from surplus balance in the statement of profit and loss	-	-
Less: General reserve of divested subsidiaries transferred to Surplus	310,852,576	-
Balance, end of the period (D)	2,395,500	313,248,076
Surplus / (deficit) in the statement of profit and loss :		
Balance, beginning of the period	(53,641,090)	350,841,715
Add : Profit /(Loss) for the period	(169,371,942)	(402,514,954)
Less : Adjustment on account of effect of depreciation on first time application of Schedule II (net of minority share)	3,624,142	-
Add: General Reserve of divested subsidiaries transferred	310,852,576	-
Add: Capital Reserve of divested subsidiary transferred	403,671,476	-
Add: Minority interest in profits/(losses) of subsidiaries for the earlier years/periods	935,793	(1,967,851)
Balance, end of the period (E)	488,822,670	(53,641,090)
Total reserves and surplus (A+B+C+D+E)	8,717,192,212	7,627,618,981

a. Capital grant :

Capital grant includes group's share of grant received by two SPVs of the Group, from NHA and the Government of Andhra Pradesh in the nature of equity support of the grantor.

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

During the current period, two subsidiaries, has received capital grant amounting to ₹ 1,246,575,920 (previous period: ₹ 803,200,000). The Company's share has been accounted for after adjusting the net minority's share in capital grant. Further, during the current period, the Company's share of ₹ 403,671,476 in Capital Grant received by a divested subsidiary has been transferred to the surplus account.

b. Employees stock options ('ESOP') :

During the financial period ending December 31, 2013, 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 the ESOP granted under the aforesaid ESOPs Schemes are summarized herein under :

GIPL ESOP 2013 :	As at March 31, 2016	As at September 30, 2014
ESOP grant date	September 23, 2013	September 23, 2013
Market Price as on grant date of equity shares granted (₹)	6.80	6.80
Exercise price of options granted during the period (₹)	2.00	2.00
Options outstanding at the beginning of the period (nos)	5,110,000	5,320,000
Options lapsed /forfeited during the period (nos)	1,240,000	210,000
Options vested during the period	3,630,000	-
Options granted and vesting outstanding at the end of the period	240,000	5,110,000

Of the aforesaid vested options of 3,630,000; 3,570,000 options were exercised and allotment made against the same.

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

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Net loss as reported	(169,371,942)	(402,514,954)
Add: Stock based compensation expense included in the reported income	(1,689,589)	14,439,264
Less: Stock based compensation expenses determined using fair value of options	(1,789,628)	13,918,455
Net profit / (loss) (adjusted)	(169,271,903)	(401,994,145)
Basic earnings per share as reported	(0.18)	(0.54)
Basic earnings per share (adjusted)*	(0.18)	(0.54)
Diluted earnings per share as reported	(0.18)	(0.54)
Diluted earnings per share (adjusted)*	(0.18)	(0.54)
Weighted average number of equity shares at the end of the period (Nos)	940,464,164	751,227,935
Weighted average number of shares considered for diluted earnings per share (adjusted) (Nos)	940,675,929	754,834,994

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

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

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	23-Sep-13	23-Sep-13	23-Sep-13	23-Sep-13
Vesting date	01-Oct-14	01-Oct-15	01-Oct-16	01-Oct-17
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

6 Minority interest

Particulars	As at March 31, 2016	As at September 30, 2014
Balance, beginning of the period	1,577,795,696	1,577,253,098
Adjustments :		
(Decrease) / Increase in minority's share in equity capital of subsidiaries in the current period	-	(148,800,000)
(Decrease) in minority's share on account of subsidiaries divested	(302,883,439)	-
Capital grant transferred to / (from) minority share holders during the current period	(16,747,192)	140,804,691
Minority interest in profits/(losses) of subsidiaries for the current period	(73,189,666)	6,570,055
Minority interest in profits/(losses) on account of additional depreciation as per Sch II	(455,663)	-
Minority interest in profits/(losses) of subsidiaries for the earlier years	(935,794)	1,967,851
Balance, end of the period	1,183,583,943	1,577,795,696

7 Long-term borrowings

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-Current	Current Maturities	Non-Current	Current Maturities
I Term loans				
[refer undermentioned notes for details of security]				
Indian rupee loans from banks	21,771,770,413	1,041,439,573	25,935,653,965	1,930,085,903
From financial institutions	3,335,976,350	151,999,997	8,949,071,210	1,294,214,413
From others (refer note 7b)	-	93,500,000	127,750,000	49,250,000
	25,107,746,763	1,286,939,570	35,012,475,175	3,273,550,315
II 10.30% intercorporate loan, unsecured				
From a minority shareholder	-	-	-	137,155,000
Amount disclosed under 'Other current liabilities' (refer note 13)	-	(1,286,939,570)	-	(3,410,705,315)
Total long term borrowings	25,107,746,763	-	35,012,475,175	-

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

- a. The above term loans from banks and financial institutions are primarily taken by various project executing entities of the Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets, future receivables and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing company in the Group. Further in few of the Group's entities a corporate guarantee of the Company has been given guaranteeing the repayment of the secured obligations in the event of termination of the Concession Agreement pursuant to occurrence of any Concessionaire Default during the construction period, which shall stand discharged upon occurrence of the CoD.
- b. Loans from others are secured by a pledge of equity shares of a subsidiary and hypothecation of developer fees receivable from some of its SPVs. As the event of certain covenants related to underlying security has been breached the entire outstanding amount has been recalled by the lender and accordingly the outstanding sum due has been classified as current.
- c. During the current period, a subsidiary of the Company engaged in the design, construction, development, operation and maintenance of a road bridge on a Design, Build Finance, Operate and Transfer basis, in the state of Andhra Pradesh started commercial operations from November 1, 2015. However, the commercial operations of the project were delayed on account of reasons not attributable to the subsidiary. These delays led to cost and time overruns for which the subsidiary was required to restructure the project loan availed from a consortium of lenders. As the subsidiary is not able to service its debt obligations the lenders have classified the loan as a non performing asset. However, as the lenders have not recalled the loan, the subsidiary continues to disclose the same under non current liability.
- d. As per the License Agreement signed by a joint venture company (JV) of the Group with its client Mumbai Port Trust (MbPT), certain obligations were required to be completed by MbPT at various sites of the project and hand over these partially developed sites to the JV for carrying out further development work. These included capital dredging at the berth pockets, approach channel and turning circle, filling of Princess and Victoria docks, etc. MbPT till date has not completed these activities. Due to this, there has been a long delay in commencing container operations by over 5 years. The continuing delays has resulted in the lenders classifying the asset as a non performing asset. These delays has resulted in defaults in payment of loan instalments by the JV. However, both the JV and MbPT have initiated discussions in reviving the project by restructuring the same. The entire process is likely to be completed by the end of the next financial year. In the interim, MbPT has granted permission to the JV to use its completed berths for commencing RORO operations for one year on trial basis. A part of the revenue earned from these operations is being used to meet the lenders obligations. Considering the steps initiated by the JV and MbPT and as the loans have not yet been recalled by the lenders the JV continues to disclose the loans under long term borrowings as a non current liability.
- e. Interest rates :
The above mentioned long-term loans from banks and financial institution carry an interest rate which is at a spread above/below the bank's base rate or bank prime lending rate or G-sec rate or at a negotiated rate. The spread ranges from 50 to 300 basis points. In case of a consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof.

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

- f. Schedule of repayments of the term loans :

Particulars	As at March 31, 2016	As at September 30, 2014
Installments payable between one to two years	1,286,939,570	3,273,550,315
Installments payable between 2 to 5 years	5,948,462,510	14,829,782,983
Installments payable beyond 5 years	19,159,284,253	20,182,692,192
Total	26,394,686,333	38,286,025,490

In some of the SPVs sanctions/appraisal for rescheduling of loans have been received. Accordingly the current maturities and the installments payable have been recomputed.

g. Pledge of shares :

The equity shares held by the Company and / or GIL in a subsidiary and /or joint venture company of the Group are pledged with respective lenders or consortium of lenders for the individual secured loan availed by the said subsidiary and / or joint venture company from their respective lenders or consortium of lenders.

Particulars	Face value of equity shares	Number of equity shares pledged	
		March 31, 2016	September 30, 2014
AEL	10.00	-	13,175,970
BBHPL	10.00	2,600	2,600
CBICL	10.00	1,664,019	1,664,019
GICL	10.00	-	27,686,396
KBICL	10.00	-	20,767,040
ICTPL	10.00	16,500,000	16,500,000
MNEL	10.00	-	38,942,800
PBHL	10.00	-	14,589,823
PBPL	1.00	-	22,500,000
PHL	100.00	-	7,350
PHPL	10.00	5,940,000	750,000
REL	10.00	-	14,744,579
RGBL	10.00	140,519,039	118,967,215
SHPVL	10.00	31,995,331	31,995,331
SSRPL	10.00	163,613,200	98,820,560
VSPL	10.00	63,770,015	63,770,015
Total		424,004,204	484,883,698

The change in the balances between September 30, 2014 and March 31, 2016 represent addition /reduction of pledge during the current period.

h. Details of continuing defaults with respect to principal repayments as at March 31, 2016 are as under:

Current period:

Particulars	1 - 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 days & above
GIPL	93,500,000	-	-	-	-
CBICL	1,700,000	1,700,000	1,700,000	1,700,000	-
PREL	38,400,000	-	-	-	-
ICTPL	81,261,886	-	-	63,466,622	305,230,604

Previous period:

Particulars	1 - 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 days & above
GIPL	-	270,000,000	272,500,000	-	-
CBICL	-	-	-	-	-
PREL	-	-	-	-	-
ICTPL	48,242,750	-	-	18,304,225	-

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

8 Deferred tax

Particulars	As at March 31, 2016	As at September 30, 2014
Deferred tax liability on account of:		
- On unabsorbed and timing difference of depreciation / amortisation	5,474,920,656	294,191,582
Deferred tax asset on account of:		
- On unabsorbed and timing difference of depreciation / amortisation	5,455,207,909	266,967,102
- On account of employee benefits	6,196,838	3,818,975
Net deferred tax liability	13,515,909	23,405,505
Deferred tax asset on account of:		
- On unabsorbed and timing difference of depreciation / amortisation	53,078,155	1,413,763,727
- On account of employee benefits	3,944,352	610,083
Deferred tax liability on account of:		
- On unabsorbed and timing difference of depreciation / amortisation	42,388,233	690,986,323
Net deferred tax asset	14,634,274	723,387,487

The Group has recognised deferred tax asset on unabsorbed business losses and depreciation as per tax laws to the extent of deferred tax liability following the EAC opinion that, to the extent of deferred tax liability there is virtual certainty that there will be sufficient profits arising out of reversal of the deferred tax liability to absorb the unabsorbed depreciation / losses. In the current period the deferred tax asset on unabsorbed depreciation and unabsorbed loss is reversed in the absence of deferred tax liability on depreciation.

9 Other long-term liabilities

Particulars	As at March 31, 2016	As at September 30, 2014
Deferred payment liability (refer note 9a and 9b)	37,470,676,185	39,658,001,685
Margin money deposit *	5,000,000	5,000,000
Performance deposit from vendor	3,850,000	3,850,000
Total other long-term liabilities	37,479,526,185	39,666,851,685

* Received from a joint venture against bank guarantee issued from GIPL's limits.

- a. VGRPPL has commenced toll operations from September 1, 2014, being the appointed date as per the terms of the concession agreement for the project. As per the terms of the said agreement VGRPPL is required to pay an amount of ₹ 575,700,000 as additional concession fee on an annual basis which is to be increased by an annual escalation factor upto the end of the concession period. It has recognized the total additional concession fees payable over the concession period as a part of Intangible Assets - 'Toll Collection rights' and is amortising it over the period of the concession agreement in terms of Schedule XIV of the Companies Act 1956 for BOT contracts and a corresponding obligation has been recorded as Deferred payment liabilities under Long term liabilities.
- b. Upto previous period deferred payment liability included the negative grant of 1,200,000,000 to be paid by a subsidiary of the Company as per the terms of the Concession Agreement signed by it with NHAI. On divestment of the said subsidiary, the deferred payment liability stands reduced by the said amount payable to NHAI.

10 Provisions

Particulars	As at March 31, 2016		As at September 30, 2014	
	Long -Term	Short-Term	Long -Term	Short-Term
Provision for employee benefits				
Provision for gratuity (refer note 10a)	7,324,806	1,889,020	8,607,293	841,832
Provision for leave encashment	13,796,348	5,734,895	7,729,438	13,592,057
	21,121,154	7,623,915	16,336,731	14,433,889
Other provisions				
Provision for taxation (net of advance tax)	-	139,404,742	-	183,754,461
Provision for periodic maintenance (refer note 10b)	-	-	313,240,728	1,137,725,826
	-	139,404,742	313,240,728	1,321,480,287
Total provisions	21,121,154	147,028,657	329,577,459	1,335,914,175

a. Gratuity :

Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The schemes of all the Group companies except for the one joint venture SPV is unfunded.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet.

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Current service cost	1,609,845	3,799,935
Interest cost on benefit obligation	1,120,568	698,119
Expected return on plan asset	(27,724)	(73,732)
Actuarial (gain)/loss	(454,240)	(3,317,991)
	2,248,450	1,106,331
Less : Gratuity capitalised	280,646	298,705
Add : Gratuity expenses of divested subsidiaries	551,033	-
Net benefit expense	2,518,837	807,626

The changes in the present value of the defined benefit obligation are as follows :

Particulars	As at March 31, 2016	As at September 30, 2014
Opening defined benefit obligation	9,449,125	8,942,978
Current service cost	1,624,578	3,664,345
Interest cost on benefit obligation	1,070,209	643,492
Actuarial (gain)/loss	(419,737)	(3,162,702)
Past service cost	-	-
Less : Benefit paid	2,510,348	638,988
Closing defined benefit obligation	9,213,826	9,449,125

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

The gratuity scheme of a joint venture SPV is funded with an insurance company in the form of a qualifying insurance policy. The details of fair value of the plan assets is as follows :

Particulars	As at March 31, 2016	As at September 30, 2014
Fair value of plan assets at the beginning of the period	287,517	186,454
Expected return on plan assets	27,724	73,732
Contributions	(86,373)	(297,290)
Actuarial (gain)/loss on plan assets	(1,034)	200,256
Prior year value of plan assets	59,028	124,365
Fair value of plan assets at the end of the period	286,863	287,517

Period ended	Actuarial (gain)/loss	Experience adjustment	Changes in actuarial assumptions
March 31, 2016	(454,460)	(4,261,367)	(4,715,827)
September 30, 2014	(3,317,991)	1,522,919	(1,795,072)
December 31, 2013	(1,016,016)	(175,392)	(840,624)
March 31, 2013	(1,175,419)	(1,718,246)	542,827
March 31, 2012	264,881	392,746	(127,865)

The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	Period ended March 31, 2016	Period ended September 30, 2014
Discount rate	7.86%	8.70%
Expected rate of return on planned assets	8.00%	8.00%
Attrition rate	3% to 1%	2%
Salary escalation	5%	5%
Retirement age	60 years	60 years

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

b Periodic maintenance expenses:

The movement of provisions during the year as required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) is as under:

Particulars	March 31, 2016	September 30, 2014
Balance, beginning of the period	1,450,966,554	1,099,285,728
Add : Additions during the period	-	351,680,826
Less : Reversed on account of divestment of subsidiaries	1,450,966,554	-
Balance, end of the period	-	1,450,966,554

11 Short-term borrowings

Particulars	As at March 31, 2016	As at September 30, 2014
Loans from banks		
Working capital loan (refer note 11a, 11b and 11c)	1,06,73,02,930	64,46,58,803
Total	1,06,73,02,930	64,46,58,803
The above amount includes		
Unsecured borrowings	73,60,30,441	58,58,27,283
Secured borrowings	33,12,72,489	5,88,31,520

- a. Working capital loan availed by the Company is secured against pledge of fixed deposits and equity shares of some of its subsidiaries.
- b. During the current period PREL has availed working capital loan which is secured by first charge on its inventory, receivables, fuel stock, other current assets and a second charge its fixed assets located at Kolhar and Lohagaon, Ahmednagar, in the state of Maharashtra.
- c. During the current period, VSPL has also availed working capital facilities from the banks. The working capital loan is repayable on demand while the cash credit facility will be repaid in facilities equal periodic bimonthly reduction in drawing power, i.e., ₹ 16,700,000 (previous period: ₹ Nil) every two months

Interest rate on above short term borrowings varies between 12% to 13.35% p.a.

12 Trade payables

Particulars	As at March 31, 2016	As at September 30, 2014
Dues to MSME parties	-	-
Other than MSME parties	1,025,155,886	201,014,414
Total trade payables	1,025,155,886	201,014,414

13 Other current liabilities

Particulars	As at March 31, 2016	As at September 30, 2014
Other liabilities		
Current maturities of long-term borrowings payable (refer note 7)		
to banks, financial institutions and others	1,286,939,570	3,273,550,315
to minority shareholder	-	137,155,000
Interest accrued and due (refer note 13d)		
to banks	977,312,172	246,460,582
to financial institution	-	27,864,242
to others	3,330,253	6,468,986
Interest accrued but not due		
to related party - ICTPL	1,782,445	1,421,377
to banks	29,338,280	72,733,811
to financial institution	-	4,280,544
to minority shareholders	-	32,511,371
Advances received from clients		
from related party - GIL	-	96,022,753
from others	36,982,850	159,930,712
Deferred income to joint venture	-	7,050,060
Advance received from sub contractors	100,000,000	100,000,000
Deferred payment liability (additional concession fees)	685,083,000	587,693,750
Dues against capital expenditure payable:		
to related party - GIL	258,914,681	1,473,670,096
to others	195,419,708	241,074,335
Dues to related parties (refer note 13a)	179,812,421	242,397,222
Money received in trust kept in escrow account (refer note 13b)	626,311,564	-
Amount of share application money received in subsidiaries (refer note 13c)	170,000,000	219,001,000
Duties and taxes payable	77,439,964	35,518,853
Others	494,683,040	304,185,740
Total other liabilities	5,123,349,948	7,268,990,750

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

a. Details of dues to related parties :

Particulars	As at March 31, 2016	As at September 30, 2014
to related parties :		
GIL - ultimate holding company	936,126	60,154,276
GIPL - GIL JV	-	135,983
BWIOTPL	-	74,034
ICTPL	2,356,295	5,512,929
MTRL	26,520,000	26,520,000
Ansaldocaldaie Boilers India Private Limited, ('ABIPL') a subsidiary of the ultimate holding company	150,000,000	150,000,000
Total dues to related parties	179,812,421	242,397,222

b. The Company has received money of ₹ 624,100,000/- along with interest accrued thereon amounting to ₹ 2,211,564/- towards dues to its ultimate holding company, GIL, as part of the SPA. The said money has been kept as a Fixed Deposit in the escrow account pending satisfaction of certain condition precedents as per the SPA.

c. Amount due to minority shareholders includes share application money received from minority shareholders of VGRPPL ₹ Nil (previous period : ₹ 49,000,000), RCTPL ₹ 170,000,000 (previous period : ₹ 170,000,000) and SREPL ₹ Nil (previous period : ₹ 1,000).

d. Details of continuing defaults in payment of interest on loans as at March 31, 2016 are as under:

Current period:

Particulars	1 - 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 days & above
GIPL	4,794,609	-	-	-	-
CBICL	782,114	749,551	820,375	839,506	3,436,325
PHPL	83,058,938	55,056,554	13,610,000	-	-
PREL	19,121,065	17,799,163	19,088,221	-	-
RGBL	61,269,169	67,902,739	48,483,319	-	-
VSPL	-	27,369,799	-	-	-
ICTPL	32,424,889	30,016,960	31,802,286	31,492,591	430,724,252

Previous period:

Particulars	1 - 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 days & above
GIPL	2,784,278	2,179,767	2,179,767	-	-
MNEL	16,977,158	-	-	-	-
RGBL	58,366,618	60,429,394	-	-	-
VSPL	27,864,242	-	-	-	-
ICTPL	25,308,626	29,323,086	26,292,915	25,417,142	3,670,818

14 Tangible assets

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Earth Moving and Machinery	Furniture and Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Cost or valuation										
As at January 01, 2014	237,647,966	188,358,707	27,042,264	999,615,925	120,797	21,505,387	21,285,483	43,938,182	34,870,982	1,574,385,693
Additions	18,950,000	-	-	94,500	-	720,699	1,090,046	2,144,218	1,375,000	24,374,463
Sales/disposals/adjustments	18,754,628	-	-	-	-	310,120	174,725	337,280	-	19,576,753
As at September 30, 2014	237,843,338	188,358,707	27,042,264	999,710,425	120,797	21,915,966	22,200,804	45,745,120	36,245,982	1,579,183,403
Additions	-	-	421,048,129	1,933,694,703	-	606,191	868,703	13,066,525	2,855,340	2,372,139,591
Sales/disposals/adjustments	187,610,276	-	2,229,972	18,525,973	120,797	3,487,158	6,050,398	22,115,214	21,218,893	261,358,681
As at March 31, 2016	50,233,062	188,358,707	445,860,421	2,914,879,155	-	19,034,999	17,019,109	36,696,431	17,882,429	3,689,964,313
Accumulated Depreciation										
As at January 01, 2014	-	-	18,262,989	320,401,932	75,198	5,354,983	4,164,477	26,037,934	13,369,730	387,667,243
Charge for the year	-	-	1,805,529	36,906,848	10,219	3,159,935	814,079	4,527,428	2,518,888	49,742,926
On sale/disposals/adjustments	-	-	-	-	-	27,818	20,397	79,988	-	128,203
As at September 30, 2014	-	-	20,068,518	357,308,780	85,417	8,487,100	4,958,159	30,485,374	15,888,618	437,281,966
Charge for the period	-	-	9,510,587	127,826,475	16,120	6,861,243	11,075,353	19,707,767	7,843,039	182,840,584
On sale/disposals/adjustments	-	-	2,229,972	5,034,162	101,537	1,505,659	4,628,816	21,418,681	13,175,232	48,094,059
As at March 31, 2016	-	-	27,349,133	480,101,093	-	13,842,684	11,404,696	28,774,460	10,556,425	572,028,491
Net Block										
As at September 30, 2014	237,843,338	188,358,707	6,973,746	642,401,645	35,380	13,428,866	17,242,645	15,259,746	20,357,364	1,141,901,437
As at March 31, 2016	50,233,062	188,358,707	418,511,288	2,434,778,062	-	5,192,315	5,614,413	7,921,971	7,326,004	3,117,935,822

Depreciation charge for the current period of ₹ 182,804,584 (previous period: ₹ 49,742,926) includes depreciation capitalised ₹ 4,307,034 (previous period: ₹ 2,269,920) and adjustment on account of effect of depreciation on first time application of Schedule II (net of minority interest) ₹ 9,720,331 (previous period: ₹ Nil) and the depreciation of ₹ Nil (Previous Period ₹4,600,000) which was written back on unrealised portion of a bridge asset in the earlier periods, was written off in the previous period as the said asset has been unilaterally taken over by the client.

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Project roads (Annuity) (refer note 15a)	Project bridge (Annuity) (refer note 15b)	Project berths (refer note 15c)	Toll concession rights (refer note 15d)	Operations and maintenance rights (refer note 15e)	License fees (refer note 15f)	Total
Cost or valuation							
As at January 01, 2014	12,257,860,799	5,442,900,445	2,259,064,267	9,271,761,955	250,000,000	125,000,000	29,606,587,466
Additions	-	-	-	39,045,695,435	-	-	39,045,695,435
Sales/disposals/adjustments	-	257,438,683	-	-	-	-	257,438,683
As at September 30, 2014	12,257,860,799	5,185,461,762	2,259,064,267	48,317,457,390	250,000,000	125,000,000	68,394,844,218
Additions	-	-	169,539,851	10,703,597,967	-	-	10,873,137,818
Sales/disposals/adjustments	12,257,860,799	5,185,461,762	-	9,271,761,955	71,578,841	-	26,786,663,357
As at March 31, 2016	-	-	2,428,604,118	49,749,293,402	178,421,159	125,000,000	52,481,318,679
Amortisation							
As at January 01, 2014	3,806,983,589	853,229,270	703,598,909	872,421,536	141,855,340	-	6,378,088,644
Charge for the year	560,806,414	686,651,642	65,154,887	313,214,897	13,674,615	-	1,639,502,455
On sale/disposals/adjustments	-	173,176,873	-	-	-	-	173,176,873
As at September 30, 2014	4,367,790,003	1,366,704,039	768,753,796	1,185,636,433	155,529,955	-	7,844,414,226
Charge for the period	1,425,227,143	432,107,188	131,768,257	1,578,703,201	22,891,204	-	3,590,696,993
On sale/disposals/adjustments	5,793,017,146	1,798,811,227	-	1,641,399,815	-	-	9,233,228,188
As at March 31, 2016	-	-	900,522,053	1,122,939,819	178,421,159	-	2,201,883,031
Net Block							
As at September 30, 2014	7,890,070,796	3,818,757,723	1,490,310,471	47,131,820,957	94,470,045	125,000,000	60,550,429,992
As at March 31, 2016	-	-	1,528,082,065	48,626,353,583	-	125,000,000	50,279,435,648

Notes:

a. Project road (Annuity):

Project roads pertain to the costs incurred by AEL, REL and GICL for developing and constructing of three road projects as per individual Concession Agreements executed with NHAI. The roads have been developed and constructed under the Build Operate and Transfer (Annuity) basis. By virtue of developing and constructing these roads, AEL, REL and GICL have an intangible right to receive half yearly annuities from NHAI as per the terms set out in the Concession Agreements. During the current period as the Company has divested its entire stake in AEL, REL and GICL the intangible rights are transferred to the new investor.

- b. Project bridge (Annuity):**
Project bridge includes costs incurred by KBICL on development and construction of a road bridge across the Kosi river in the state of Bihar as per the terms of the Concession Agreement entered into with NHAI under the Build, Operate and Transfer (Annuity) basis. By virtue of developing and constructing the bridge, KBICL has an intangible right to receive half yearly annuity from NHAI as per the terms set out in the Concession Agreement. However, during the current period as the Company has divested its entire stake in KBICL the intangible rights are transferred to the new investor.
- c. Project berth:**
Project berths pertains to all the cost incurred by VSPL for the construction of two berths at Vishakapatnam port, as per the license agreement executed with Vizag Port Trust ('VPT') a statutory body governing the entire Vishakapatnam port. These agreements encompasses the construction, operation and maintenance of the two berths on a Build, Operate, Transfer basis. VSPL is allowed to levy charges from the users of the berth and other facilities of the VSPL from the date of commencement of the commercial operations upto November 2031. The commercial operations on certification by VPT commenced in two phases, Phase 1 from July, 2004 and the second phase from September, 2005.
- d. Toll concession rights:**
Toll concession rights pertains to the costs for construction of road or bridge projects by CBICL, MNEL, RGLB and VGRPPL on a Build, Operate Transfer (Toll) basis. CBICL, MNEL, RGLB and VGRPPL have an intangible right to collect user fees from the users of the road / bridge constructed. The details are as under:
- i. During the previous period, the Greater Cochin Development Authority has sought to end/obstruct the toll collection by unilaterally sealing the toll booth of CBICL. CBICL believes it has the right to collect toll at the bridge upto April 27, 2020. Necessary legal recourse has been initiated. The unamortised project costs of ₹ 84,261,810 alongwith the unrealised profit of the Group amounting to ₹ 4,600,000 is transferred to other current assets under Project expenses pending settlement. Pending the outcome of the legal proceeding, no adjustments have been made in the financial statements.
 - ii. Toll concession rights also includes the costs incurred by MNEL for development and construction of a highway road as per the Concession Agreement executed with NHAI on a Build, Operate and Maintenance (Toll) basis. By virtue of developing and constructing the highway road, MNEL has an intangible right to collect toll fees from users of the highway road as per the terms set out in the Concession Agreement. However, during the current period as the Company has divested its entire stake in MNEL the intangible rights are transferred to the new investor.
 - iii. VGRPPL had achieved financial closure for the project on April 10, 2013. However since the drawdowns did not commence within the specified time limit, for which it has sought for revalidation of the sanction and the same is awaited. Pending which, the toll concession rights are being amortised over the revenues projected by VGRPPL considering normal traffic between September 1, 2014 and September 30, 2014 after adjusting for escalation of prices as per the provisions of the concession agreement. The effect of the financial closure model for the amortization of the toll collection rights would be given once the same is revalidated.
 - e. Operations & maintenance rights includes upfront amount paid by the Company to its ultimate holding company, GIL, for revision of the terms of the sub-contract agreement signed between them for Operations and Maintenance of the road project in the state of Andhra Pradesh. The said upfront fees were capitalised as an intangible asset which were to be amortised over the life of the said agreement upto November 2019. However, during the current period, the Company has divested its entire stake in the two subsidiaries AEL and REL, due to which the operations and maintenance of the road project will not be carried out by the Company. As such the intangible right of the Company is written off.
 - f. License fees pertains to the fees paid by a SPV of the Company, ICTPL to Mumbai Port Trust ('MbPT') as per the concession agreement signed between them for providing the license to construct, operate and maintain a offshore container terminal in the Mumbai Port. The said intangible will provide the right to the SPV to charge the users of the offshore container terminal when it commences operations. The intangible will be amortised from the date the commercial operations commences.
 - g. Figures have been regrouped wherever necessary.

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

16 Capital work-in-progress

Particulars	As at March 31, 2016	As at September 30, 2014
Expenses incurred on construction, acquisition of self owned asset	1,785,597,948	1,804,807,296
Developer fees	13,596,000	13,596,000
Borrowing costs	551,836,199	301,983,964
Employee benefit expenses	12,566,723	22,178,262
Other expenses	21,193,593	46,577,160
Depreciation	589,969	627,959
	2,385,380,432	2,189,770,642
Less : Capital work-in-progress written off	2,346,492,705	1,074,513
Total capital work-in-progress	38,887,727	2,188,696,129

17 Intangible assets under development

Particulars	As at March 31, 2016	As at September 30, 2014
Contract expenditure (refer note 38, 39 and 40)	20,241,549,025	16,820,595,044
Developer fees	1,112,231,449	1,649,687,693
Concession fees	142,443,663	98,205,298
Borrowing costs	8,929,760,388	6,024,344,223
Employee benefit expenses	200,249,211	191,148,746
Other expenses	703,813,905	693,419,567
Depreciation	11,049,357	7,744,015
	31,341,096,999	25,485,144,586
Less : Miscellaneous income	5,052,951	12,409,238
	31,336,044,048	25,472,735,349
Less : Capitalised during the period	10,703,597,967	-
Less : Written off as exceptional items (refer note 36)	-	379,736,848
Less : Transferred to Project expenses pending settlement (refer note 22 and 40)	-	755,596,540
Total intangible assets under development	20,632,446,081	24,337,401,961

18 Goodwill on consolidation

Particulars	As at March 31, 2016	As at September 30, 2014
Goodwill on consolidation	734,915,007	734,915,007
Less : Capital reserve on consolidation	130,506,196	130,506,196
Net of goodwill over capital reserve	604,408,811	604,408,811
Less: Goodwill / capital reserve of divested subsidiaries	273,237,708	-
Less: Goodwill amortised upto September 30, 2007	3,729,475	3,729,475
Total goodwill on consolidation	327,441,628	600,679,336

19 Non-current investments

Particulars	Face value	As at March 31, 2016		As at September 30, 2014	
		Numbers	Amount	Numbers	Amount
Trade investments in associates (Unquoted ordinary equity shares, unless otherwise stated)					
ESMSPL	10	2,143,950	16,447,432	2,143,950	12,528,462
MTRL	10	24,470	165,941	24,470	165,941
ATSL Infra	10	24,450	160,029	24,450	160,029
			16,773,402		12,854,433
Less : Provision for diminution in value of investment			5,552,366		5,552,366
Total trade investments in associates			11,221,036		7,302,067
Trade investments in others (Unquoted ordinary equity shares, unless otherwise stated)					
Indian Highways Management Company Limited	10	5,000	50,000	5,000	50,000
			50,000		50,000
Total non-current investments			11,271,036		7,352,067

Particulars	ESMSPL		Modern Tollroads Limited		ATSL Infra	
	March 31, 2016	September 30, 2016	March 31, 2016	September 30, 2016	March 31, 2016	September 30, 2016
Original cost of investment	21,439,500	21,439,500	244,700	244,700	244,500	244,500
Goodwill included in original cost	5,552,366	5,552,366				
Add :						
Opening balance of accumulated losses	(8,911,038)	(8,324,983)	(78,759)	(60,587)	(84,471)	(65,899)
Add : Profit/(Losses) during the period	3,918,970	565,373	-	(18,121)	-	(18,447)
Add : Adjustments during the period	-	(1,151,428)	-	(50)	-	(125)
Closing balance of accumulated losses	(4,992,068)	(8,911,038)	(78,759)	(78,759)	(84,471)	(84,471)
Carrying amount of investment	16,447,432	12,528,462	165,941	165,941	160,029	160,029

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

20 Loans and advances :

Unsecured, considered good unless stated otherwise

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-current	Current	Non-current	Current
Capital advances				
to related parties				
GIL	156,336,042	-	413,883,731	-
GPL	-	-	20,000,000	-
to Others (refer note 20a)	409,577,946	-	506,407,793	-
(A)	565,913,988	-	940,291,524	-
Deposits				
Security deposits	30,367,743	111,704	33,783,178	111,705
Other deposits	12,758,559	1,693	5,896,000	257,493
(B)	43,126,302	113,397	39,679,178	369,198
Advance recoverable in cash or in kind				
to related parties (refer note 20b)	879,250	32,604,628	871,632	54,068,052
to others	55,783,701	91,087,294	60,576,569	304,411,916
Considered doubtful	1,064,952	5,860,931	1,164,952	2,112,009
	57,727,903	129,552,854	62,613,153	360,591,978
Less : Provision made towards doubtful advances	(1,064,952)	(5,860,931)	(1,164,952)	(2,112,009)
(C)	56,662,951	123,691,923	61,448,201	358,479,969
Intercompany loans given				
to related parties				
ICTPL	189,264,561	-	149,629,142	-
GIL	1,073,466	-	1,073,466	-
to others	-	200,000,000	50,133,751	200,000,000
Considered doubtful	3,892,000	-	3,892,000	-
	194,230,027	200,000,000	204,728,359	200,000,000
Provision for doubtful deposits	(3,892,000)	-	(3,892,000)	-
(D)	190,338,027	200,000,000	200,836,359	200,000,000
Advance income-tax (net of provision)	(E)	392,746,583	-	-
MAT credit entitlement (refer note 20c)	(F)	117,178,491	-	-
Advance towards equity commitment				
to related party				
MTRL	12,994,800	-	12,994,800	-
to others	115,650,892	-	-	-
(G)	128,645,692	-	12,994,800	-
Other loans and advances				
Cenvat/VAT/Service tax recoverable	15,919,012	68,135,931	37,449,540	15,045,433
Prepaid expenses	-	26,136,673	4,953,109	27,079,219
(H)	15,919,012	94,272,604	42,402,649	42,124,652
Total Loans and Advances (A + B + C + D + E + F + G + H)	1,510,531,046	418,077,923	1,820,927,529	600,973,818

- a. An amount of ₹ 393,360,000 (previous period: ₹ 479,248,000) is receivable by some subsidiaries of the Company for cancellation of purchase of land agreements.

b. Advance recoverable in cash or in kind from related parties

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-current	Current	Non-current	Current
to related parties :				
GIL	879,250	25,354,901	871,632	43,725,774
ICTPL	-	11,558,002	-	10,216,191
GIPL - GIL JV	-	78,417	-	77,817
MDEPL	-	48,271	-	-
MTRL	-	-	-	48,271
	879,250	32,604,628	871,632	54,068,052

- c. Some of the eligible SPVs' of the Group have availed the tax holiday period under section 80 IA of the Income-tax Act, 1962. As such the eligible SPVs' Group during this period of tax holiday have to pay the Minimum Alternate Tax ('MAT') based on the profits as per their profits in the financial statements during the tax holiday period. The MAT paid by these SPVs during the said tax holiday period is available for adjustment against the normal tax payable by the said SPVs after the tax holiday period.

21 Trade receivables

Unsecured, considered good unless stated otherwise

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-current	Current	Non-current	Current
Outstanding for a period exceeding six months from the date they are due for payment				
From related party - GIL	-	-	-	8,261,111
From others				
- considered good (refer note 40)	181,708,008	86,621,391	190,978,042	34,735,076
- considered doubtful	28,467,958	461,569	21,622,804	4,781,177
	210,175,965	87,082,960	212,600,846	47,777,364
Less : Provision for doubtful debts	(28,467,958)	(461,569)	(21,622,804)	(4,781,177)
	181,708,008	86,621,391	190,978,042	42,996,187
Other receivables	-	435,450,286	-	147,880,147
	-	435,450,286	-	147,880,147
Total trade receivables	181,708,008	522,071,677	190,978,042	190,876,334

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

22 Other assets

Unsecured, considered good unless stated otherwise

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-current	Current	Non-current	Current
Accrued income (refer note 22a)	-	19,784,389	-	1,234,251,301
Unbilled work in progress	-	3,352,598	-	3,352,598
Project expenses pending settlement (refer note 15d(i), 17, 40 and 42)	-	88,861,810	755,596,540	88,861,810
Other bank balances (refer note 22b and 25)	242,773,781	-	59,739,800	91,643,400
(A)	242,773,781	111,998,796	815,336,339	1,418,109,108
Interest accrued receivable				
Considered good :				
Related parties				
GIL	-	1,043,170	594,889	238,342
ICTPL	12,412,854		12,393,888	
Others	5,704,206	13,834,902	5,527,564	4,684,146
Considered doubtful	-	692,183	-	692,183
(B)	18,117,059	15,570,255	18,516,341	5,614,671
Less : Provision made	-	(692,183)	-	(692,183)
	18,117,059	14,878,072	18,516,341	4,922,488
Total other assets (A + B)	260,890,840	126,876,868	833,852,680	1,423,031,596

- a. Accrued income included amount of ₹ Nil (previous period: ₹ 1,169,567,920) receivable from NHAI against the annuities, ₹ Nil (previous period: ₹ 60,124,085) towards grant from NHAI, ₹ Nil (previous period: ₹ 7,911,894) from a client and other ₹ 19,784,389 (previous period: ₹ Nil). These were unbilled revenues accrued in previous period.
- b. Balances in escrow bank accounts includes an amount of ₹ Nil (previous period: ₹ 22,015) of the Initial Public Offer, made by the Company, pertains to the refund orders not encashed by the investors. This amount has been transferred to Investors Protection Fund in the year 2015.

23 Current investments

Particulars	As at March 31, 2016		As at September 30, 2014	
	Nos	Rupees	Nos	Rupees
Non-trade investments (valued at cost unless otherwise stated)				
Investment in mutual fund				
Birla Mutual Fund - Growth schemes		-	654,571	135,819,394
HDFC Liquid Fund - Growth scheme		-	158,917	4,128,051
Reliance Liquid Fund - Treasury Plan - Growth	147,340	200,284,565	-	
ICICI Prudential Liquid - Regular Plan - Growth	54,494	32,048,199	732,788	143,344,494
Total non-trade investments (current)	201,834	232,332,764	1,546,277	283,291,939
Trade investments (valued at cost unless otherwise stated)				

Particulars	As at March 31, 2016		As at September 30, 2014	
	Nos	Rupees	Nos	Rupees
Investment in equity shares of ₹ 10 each :				
MDEPL	-	-	4,900,000	49,000,000
Total trade investments (current)	-	-	4,900,000	49,000,000
Total current investments	201,834	232,332,764	6,446,277	332,291,939
Market value of investment in mutual funds		233,818,502		290,399,795

24 Inventories

Particulars	As at March 31, 2016	As at September 30, 2014
Raw material	4,941,335	26,158,502
Stores and consumables (at lower of cost and net realisable value computed on weighted average method)	27,970,638	35,306,959
Construction work in progress (EPC)	56,335,000	59,687,598
Total inventories	89,246,973	121,153,059

The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard - 7 'Construction Contracts' notified by the Companies (Accounting Standards) Rules' 2006, (as amended) are as under:

Particulars	March 31, 2016	September 30, 2014
Contract revenue recognised for the period	2,784,765,780	493,478,629
Aggregate amount of cost incurred as at the end for the financial period for all contracts in progress	2,230,218,950	470,630,703
Aggregate amount of income recognized as at the end of the financial period for all contracts in progress	554,546,830	126,730,433
Contract advances outstanding as at the end of the financial period	-	-
Gross amount due from customers for contract work	-	-
Gross amount due to customers for contract work	-	-

25 Cash and bank balances

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Balances with Scheduled Banks :				
in Current Accounts	-	385,868,882	-	499,590,742
Cash on hand	-	2,869,815	-	7,957,444
Cheques on hand	-	-	-	75,000
Fixed Deposit with banks for a period less than three months	-	1,250,000	-	1,250,000
Total	-	389,988,696	-	508,873,186

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2016		As at September 30, 2014	
	Non-current	Current	Non-current	Current
Other bank balances				
Balances in escrow account	-	479,877,201	8,280	1,661,286
Debt service reserve account	-	1,168,114	-	9,134,111
Fixed Deposit in escrow account	-	3,141,345,205	-	-
Fixed Deposit with banks for a period exceeding three months	-	1,000,000	900,000	80,848,003
Fixed Deposit as margin money for bank guarantee issued	179,000,000	-	-	-
Fixed Deposit under lien	63,773,781	-	58,831,520	-
	242,773,781	3,623,390,520	59,739,800	91,643,400
Amounts disclosed under Other assets (refer note 22)	(242,773,781)	-	(59,739,800)	(91,643,400)
Total	-	3,623,390,520	-	-
Total cash and bank balances	-	4,013,379,216	-	508,873,186

26 Revenue from projects

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Annuity income (refer note 26b)	4,228,406,995	2,745,574,513
Toll revenue (refer note 26c)	3,411,975,435	1,019,307,059
Revenue from port operations (refer note 26d)	1,846,598,711	814,671,428
Revenue from road maintenance	230,926,413	159,570,076
Revenue from power projects	340,885,179	-
Revenue from developer activities	48,682,806	10,059,652
Revenue from contract income (refer note 24a)	2,784,765,780	493,478,629
Total revenue from projects	12,892,241,319	5,242,661,356

- The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. During the current period, expenses on construction activity and developer fees incurred by the operator on the project with the Group were considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the revenue from such contracts were considered realised by the Group and not eliminated for consolidation under AS-21 Consolidated Financial Statements. The revenue during the current year from such contracts are not eliminated to the extent of ₹ 2,833,448,586 (previous period: ₹ 503,538,281).
- During the previous period, some of the SPV had received bunched up annuity amounting to ₹321,300,000 (previous period: ₹ 673,444,444) on account of the delay caused not on account of the SPV. The SPV has amortised the intangible asset proportionately for the portion related to the bunched up annuity.
- During the previous period one of the road project SPV had started generating revenue. The project is under implementation however, the SPV as per the License Agreement signed with NHAI has a right to collect the user fees from the vehicles using the road. The total revenue collected during the current period 1,240,627,305 (previous period: ₹ 60,653,810).
- During the current period, MbPT has permitted ICTPL on a trial basis to commence RORO operations on a revenue share basis. ICTPL has handled 60 vessels till date.

27 Other operating revenue

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Income from operating grant	251,555,185	141,053,410
Income from change of scope	143,554,410	-
Excess periodic maintenance provision in divested subsidiaries written back	228,736,402	-
Recoupment of joint venture partner's losses	70,971,091	-
Others	-	36,339,509
Total other operating revenue	694,817,088	177,392,919

28 Other income

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Interest income from :		
Intercorporate deposits from related parties		
- GIL	233,266	116,421
- ICTPL	300,000	7,348,899
from others	-	1,951,523
Bank deposits	28,620,279	16,120,117
Others	16,371,871	2,653,218
	45,525,416	28,190,178
Miscellaneous income :		
Profit on sale of other investments	38,009,809	14,858,157
Provision no longer required written back	25,131,311	52,388,480
Others	55,253,883	1,380,986
	118,395,003	68,627,624
Total other income	163,920,420	96,817,802

29 Project expenses

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Changes in inventory of materials used in maintenance activities:		
Opening stock of materials	26,158,502	-
Add : Purchases	174,066,658	26,158,502
Less: Capitalised	(5,666,988)	-
Less: Loss due to fire	(52,109,193)	-
Less : Closing stock of materials	4,941,335	26,158,502
	137,507,644	-
Sub-contracting expenses	2,049,113,770	554,490,408
Construction contract expenditure	2,322,763,950	365,659,786
Repairs and maintenance of equipment	215,807,484	103,728,017

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Revenue share and royalty on revenue	130,851,899	56,848,713
Other project expenses	266,898,012	71,600,692
Periodic maintenance expenses	165,555,953	351,680,826
Total project expenses	5,288,498,711	1,504,008,441

30 Employee benefits expense

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Salaries, wages and bonus	333,120,051	177,526,325
Contributions to provident fund	10,867,726	5,210,083
Directors' remuneration including contributions to provident fund (refer note 30a)	14,400,000	7,200,000
Staff welfare expenses	13,429,492	5,064,706
Provision for leave encashment	8,871,205	(873,391)
Employees 'ESOP' compensation cost (net)	(1,689,589)	14,439,264
Total employee benefits expense	378,998,884	208,566,986

- a. During the previous period on account of inadequacy of profits, the Company has paid managerial remuneration in respect of two personnel in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable. The total amount paid in excess of the limits as computed under the respective regulations is ` 20,449,402. The Company's application for waiver of the recovery has been rejected by the Ministry of Corporate affairs. However the Company is making a review petition to the Ministry to review its decision. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of S197 read with Schedule V to the Companies Act 2013 is ` 18,395,890 for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

31 Other expenses

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Professional, legal and consultancy fees	92,583,706	28,687,021
Insurance charges	23,493,857	18,153,770
Power and fuel	69,827,572	68,567,441
Travelling, Motor Car and conveyance expenses	30,172,313	15,573,794
Rent paid	35,764,617	18,616,917
Communication expenses	5,901,724	3,433,117
Payment to statutory auditors (refer note 31a)	13,747,838	10,088,903
Directors' fees and commission	5,930,000	1,530,000
Guarantee bond commission	18,052,599	4,392,331
Bank charges	4,194,130	2,273,940
Tender document expenses	-	178,232
Preliminary and share issue expenses	2,965,200	-
Miscellaneous expenses	118,723,138	50,893,690

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Provision for doubtful debts, advances & bad debts	71,076,272	1,625,090
Assets written off	64,488,479	51,080,955
Loss on sale of fixed assets	326,014	-
Loss from joint venture (refer note 31b)	-	15,196,954
Total other expenses	557,247,458	290,292,155

a. Payment to auditors

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Auditors of the Company and its components:		
Audit of the Company:		
Statutory audit and tax audit Fees of the Company	2,610,000	3,075,560
Other services	1,519,000	374,500
Out of pocket expenses	155,807	108,761
	4,284,807	3,558,821
Audit of components of the Company:		
Statutory audit and tax audit fees	4,923,421	4,476,998
Other services	1,644,393	597,066
	6,567,814	5,074,064
Total payment made to the auditors of the Company and its components	10,852,621	8,632,885
Other auditors:		
Other components' auditors fees	2,895,217	1,456,018
Total payment made to the other auditors	2,895,217	1,456,018
Total	13,747,838	10,088,903

* During the previous period payment to auditors does not include ₹ 6,160,470 paid for QIP related work which was charged to Securities Premium.

- b. Pursuant to supplementary agreement dated December 23, 2011 with Noatum Ports S.L., co-venturer in ICTPL, the group is liable to bear and discharge all financial obligations and contributions in relation to ICTPL. Hence the entire loss of ICTPL has been absorbed by the Group. For the current year since ICTPL has made a profit the previous losses are recouped and shown under operating income.

32 Finance costs

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Interest expense:		
- to banks, financial institution and others	3,290,288,071	2,028,772,596
- to related parties		
ICTPL on margin money	300,000	224,383
- towards cash credit facilities	7,286,978	-
	3,525,696,352	2,028,996,979
Other finance costs	54,770,828	33,932,630
Total finance cost	3,580,467,180	2,062,929,609

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

33 Depreciation and amortisation

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Depreciation on tangible asset (refer note 14)	182,840,584	49,742,926
Less: Depreciation capitalised during the period	4,307,034	2,269,920
Less: Adjustment of depreciation effect on first time application of Schedule II (net of minority share)	9,720,331	-
Depreciation on tangible assets charged to statement of profit and loss (A)	168,813,219	47,473,006
Depreciation on intangible asset (refer note 15)	3,590,696,993	1,639,502,455
Less: Unrealised profit of the Company	-	4,600,000
Depreciation on intangible assets charged to statement of profit and loss (B)	3,590,696,993	1,634,902,455
Total depreciation and amortisation (A + B)	3,759,510,213	1,682,375,460

34 Statement of Profit and loss from continuing and discontinuing operations

Particulars	Eighteen months period ended March 31, 2016			Nine months period ended September 30, 2014		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Income						
Revenue from operations:						
Revenue from projects	5,400,070,149	7,492,171,170	12,892,241,319	1,486,713,101	3,755,948,255	5,242,661,356
Other operating revenues	436,869,575	257,947,513	694,817,088	36,303,309	141,089,610	177,392,919
Other income	(112,447,317)	276,367,737	163,920,420	60,190,019	36,627,782	96,817,802
Total income	5,724,492,406	8,026,486,420	13,750,978,826	1,583,206,430	3,933,665,647	5,516,872,077
Expenses						
Project expenses	3,786,988,198	1,501,510,513	5,288,498,711	808,858,306	695,150,135	1,504,008,441
Employee benefits expenses	299,406,742	79,592,142	378,998,884	180,522,020	28,044,966	208,566,986
Other expenses	367,803,178	189,444,280	557,247,458	214,337,429	75,954,727	290,292,155
Exceptional items	(192,621,195)	400,344,096	207,722,901	379,736,848	-	379,736,848
Total expenses	4,261,576,922	2,170,891,031	6,432,467,953	1,583,454,603	799,149,828	2,382,604,430
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,462,915,484	5,855,595,389	7,318,510,873	(248,173)	3,134,515,820	3,134,267,647
Finance costs	1,212,674,105	2,367,793,075	3,580,467,180	597,875,693	1,465,053,916	2,062,929,609
Depreciation/amortisation	372,169,837	3,387,340,375	3,759,510,213	569,643,206	1,112,732,255	1,682,375,460
Share of (profit)/loss from investment in associates	(3,918,970)	-	(3,918,970)	622,798	-	622,798
Profit/(loss) before tax expenses and minority interest	(118,009,488)	100,461,939	(17,547,549)	(1,168,389,869)	556,729,649	(611,660,220)
Less: Tax expenses						
Current tax	199,324,759	88,709,050	288,033,809	156,244,258	26,000,000	182,244,258
Deferred tax (credit)/charge	(27,068,064)	120,067,437	92,999,373	7,429,196	(391,728,776)	(384,299,580)
MAT credit entitlement	(175,986,535)	-	(175,986,535)	(138,149,515)	126,389,515	(11,760,000)
Short provision for earlier years	927,629	486,284	1,413,913	(1,901,686)	1,686	(1,900,000)
Net tax expense	(2,802,212)	209,267,771	206,465,559	23,622,253	(239,337,575)	(215,715,322)
Profit/(loss) after tax expenses but before minority interest	(115,207,276)	(108,800,832)	(224,008,109)	(1,192,012,122)	796,067,224	(395,944,898)
Minority interest from continuing operations	(73,189,666)	18,553,499	(54,636,166)	9,113,618	(2,543,561)	6,570,056
Profit/(loss) after minority interest	(42,017,610)	(127,354,332)	(169,371,942)	(1,201,125,739)	798,610,785	(402,514,954)

Balance sheet of continuing and discontinuing operations

Particulars	As at March 31, 2016			As at September 30, 2014		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Equity and liabilities						
Shareholders funds	10,631,135,313	(22,299,153)	10,608,836,160	8,430,734,284	1,081,388,645	9,512,122,929
Minority interest	1,183,583,943	-	1,183,583,943	1,273,912,257	303,883,439	1,577,795,696
Non-current liabilities	25,146,612,818	37,475,297,193	62,621,910,011	20,630,338,139	54,401,971,685	75,032,309,825
Current liabilities	6,602,627,071	760,210,347	7,362,837,419	5,067,707,764	4,382,870,378	9,450,578,142
TOTAL	43,563,959,145	38,213,208,387	81,777,167,533	35,395,640,952	60,177,165,640	95,572,806,592
Assets						
Fixed assets	35,665,864,749	38,402,840,530	74,068,705,279	28,605,321,252	59,613,108,267	88,218,429,519
Goodwill on consolidation	327,441,628	-	327,441,628	327,441,628	273,237,708	600,679,336
Other non-current assets	1,978,279,817	755,387	1,979,035,204	(907,824,248)	4,484,322,052	3,576,497,804
Current assets	5,192,700,009	209,285,413	5,401,985,422	765,895,184	2,411,304,749	3,177,199,933
TOTAL	43,164,286,203	38,612,881,330	81,777,167,533	28,790,833,816	66,781,972,775	95,572,806,592

Cash flow attributable to continuing and discontinuing operations

Particulars	Eighteen months period ended March 31, 2016			Nine months period ended September 30, 2014		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Cash flow from / (used in) operating activities	1,259,253,352	4,383,051,235	5,642,304,588	1,934,881,596	2,225,915,794	4,160,797,390
Cash flow from / (used in) investing activities	(32,147,147,124)	25,663,188,670	(6,483,958,454)	35,658,460,328	(39,479,164,086)	(3,820,703,758)
Cash flow from / (used in) financing activities	18,753,131,665	(18,030,362,290)	722,769,375	(36,987,810,712)	36,279,703,147	(708,107,565)
Net cash flow inflows/(outflows)	(12,134,762,106)	12,015,877,615	(118,884,491)	605,531,212	(973,545,145)	(368,013,934)

35 Earnings per share (EPS)

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Profit/(loss) after tax		
From continuing operations	(42,017,610)	(1,201,125,739)
From discontinuing operations	(127,354,332)	798,610,785
Outstanding equity shares at the end of the period	941,770,724	938,200,724
Weighted average number of equity shares outstanding during the period - Basic	940,464,164	751,227,935
Weighted average number of equity shares outstanding during the period - Diluted	940,675,929	754,834,994
From continuing operations		
Earnings Per Share - Basic (₹)	(0.04)	(1.60)
Earnings Per Share - Diluted (₹) *	(0.04)	(1.60)
From discontinuing operations		
Earnings Per Share - Basic (₹)	(0.14)	1.06
Earnings Per Share - Diluted (₹) *	(0.14)	1.06

* 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	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Nominal value of equity shares (₹ per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	938,200,724	734,026,438
Add : Issue of equity share through the qualified institutions placement	-	204,174,286
Add : Issue of equity shares against options granted to employees	35,70,000	-

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Total number of equity shares outstanding at the end of period	941,770,724	938,200,724
Weighted average number of equity shares at the end of the period	940,464,164	751,227,935
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	940,464,164	751,227,935
Add : Equity shares for no consideration arising on grant of stock options under ESOP	211,765	4,348,235
Less : Equity shares for no consideration arising on grant of stock options under ESOP forfeited / lapsed (included above)	-	741,176
Weighted average number of equity shares used in calculating diluted EPS	940,675,929	754,834,994

36 Exceptional items

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Divestment of subsidiaries:		
Loss on divestment of subsidiaries (refer note 36a, 36b and 36c)	79,327,783	-
Sundry balances written back / Write off on divestment of SPV's	(6,651,393)	-
Intangible asset written off	71,578,839	-
Fixed asset written off	1,880,770	-
Professional fees in connection with disposal of SPV's	61,477,709	-
	207,613,708	-
Others:		
Loss due to fire (net of insurance claim) (refer note 36d)	109,193	-
Provision towards investments, loans and advances (refer note 36e)	-	379,736,848
	109,193	379,736,848
Total	207,722,901	379,736,848

- a. The Company has during the period transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for its following six subsidiaries:
- AEL
 - AIPL (through PHL being 100% subsidiary of the Company)
 - GICL
 - KBICL
 - MNEL
 - REL

The SPA covered the sale of another 3 subsidiaries PREL, SHPVL and VGRPPL to BIF India Holdings Pte Ltd., in respect of which certain condition precedent were required to be satisfied. In respect of PREL and SHPVL the long stop date expired on May 26, 2016. The long stop date for VGRPPL is August 26, 2016. Since the long stop date of PREL and SHPVL has crossed, the Company got a fresh valuation done to determine possible diminution in the value of investment from an external valuer and based on such valuation report has concluded that there is no diminution in the value of investment of PREL and SHPVL.

The releases of pledge in respect of some of the shares of subsidiaries are in progress although the necessary documents and authorities have been granted in favour of the purchaser. In respect of these shares, the registered shareholder continues to be the Company.

As a consequence of the sale of these six subsidiaries, the O&M contracts between the said subsidiaries and the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. An amount of ₹ 71,578,839 has been charged to the statement of profit and loss under Exceptional items. Similarly various tangible assets at the project sites of these subsidiaries used by the Company to carry out its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six subsidiaries aggregating to ₹ 6,651,393. These amounts are debited to the statement of profit and loss under Exceptional items. Further there has also been a reversal of O&M income pursuant to the aforesaid SPA, of ₹ 135,578,757 which has been effected.

- b. Further, during the current period, the Company has during the period transferred its entire beneficial interest in three other subsidiaries, MTL, PBHL and PHL in favour of Hiten Shah (Purchaser) for which it entered into a Share Purchase Agreement (SPA).
- c. The total cash consideration received on sale of all the nine subsidiaries (refer note 36a and 36b), is ₹ 1,381,491,427. Further, a waiver of ₹ 2,844,097,750 has been received on refund of intercorporate loans received by the Company from the few of the divested subsidiaries including interest payable thereon forms a part of the sale proceeds. The difference between the carrying value of investments and afore mentioned aggregate consideration has been shown as loss on sale of investments after providing towards certain obligations towards the projects.
- d. During the current period, a subsidiary of the Company has lost inventory worth ₹ 52,109,193 due to fire at its plant storage site. It has made a claim to the insurance company for a sum of ₹ 5,200,000. The claim is still under process for admission by the insurance company. The management is certain of recovering its loss and has accordingly recognised the claim amount. Therefore the net loss of ₹ 109,193 is shown under Exceptional items.
- e. During the previous period, two wholly owned subsidiaries namely Birmitrapur Barkote Highway Private Limited and Yamunanagar Panchkula Highway Private Limited have terminated the contracts with NHAI on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Environment and Forest clearances and on cessation of the operations, accounts of these two subsidiaries were not prepared on the going concern basis. The exceptional item represents the write off of the expenditure incurred on these two projects amounting to ₹ Nil (previous period: ₹ 379,736,848).
- 37** Significant accounting policies and notes to this consolidated financial statement are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements, which fairly presents the needed disclosures.
- 38** During the previous period, one of the wholly owned subsidiary namely Youngthang Power Ventures Limited which has a license to develop a hydro power project in Himachal Pradesh has initiated correspondence with the State Government for exiting from the project primarily due to inability of the state government in resolving the local agitations related to environmental issues because of which the subsidiary was forced to stop its geological studies at the project site. The subsidiary has paid an upfront premium of ₹528,525,000 to the State Government and the Group's exposure towards the project excluding the upfront premium is ₹ 149,968,713 (previous period: ₹ 144,620,933). The subsidiary has made a claim against the amounts spent on the project till date. The management believes that it has a strong case in this matter.
- 39** During the previous period, the Mormugao Port Trust ('MPT') has unilaterally sought to terminate the concession agreement with one of the wholly owned subsidiary namely Mormugao Terminal Limited (MTL) citing non-compliance with certain terms of the concession agreement. MPT also encashed the bid security bank guarantee for ₹ 20,000,000. The subsidiary has taken legal action in the matter including filing of arbitration. The Group's exposure towards the project is ₹ 59,526,703 (previous period: ₹ 57,121,823) (including guarantees of ₹20,000,000). Pending outcome of the legal proceedings, no adjustments have been made to the consolidated financial statements. The management believes that it has a strong case in this matter. MTL has been disposed off during the current period and is not a subsidiary as at the Balance Sheet date.
- 40** During the previous period, one of the wholly owned subsidiary of the Group namely Patna Buxar Highways Limited (PBHL) has initiated correspondence with NHAI towards closure of its project on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Forest clearances. Subsequently vide its letter dated 29th August 2014, the NHAI unilaterally terminated the concession agreement and also invoked the bank guarantee of ₹ 112,911,000. The subsidiary has since, on October 22, 2014 referred the dispute to a conciliation procedure, contemplated in the terms of the concession arrangement by which it has sought to claim compensation towards the project related expenses and also the repayment against the invocation of the guarantee. The Group's total exposure to this project including guarantees invoked and project expenses is ₹ Nil (previous period: ₹ 755,596,540) which is transferred to other current assets under project expenditure pending settlement. Pending conclusion of the conciliation procedure and reliefs under the terms of the concession agreement, no adjustments have been made to the consolidated financial statement. The management believes that it has a strong case in this matter. PBHL has been disposed off during the current period and is not a subsidiary as at the Balance Sheet date.
- 41** During the previous year, Pravara Renewable Energy Limited (PREL - a wholly owned subsidiary of the Company) had withdrawn the petition filed with the Hon. Bombay High Court for approval of the Scheme for its merger with the

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Company.

- 42** During the previous period, the Greater Cochin Development Authority has sought to end/obstruct the toll collection by unilaterally sealing the toll booth of one of the subsidiary namely Cochin Bridge Infrastructure Company Limited. The subsidiary believes it has the right to collect toll at the bridge upto April 27, 2020. Further necessary legal recourse is being initiated. The Group's total exposure towards the project includes ₹ 84,261,810 (previous period: ₹ 84,261,810) towards the unamortised project costs and ₹ 178,712,578 (previous period: ₹ 178,712,578) towards trade receivables and Corporate guarantee from the Company of ₹ 75,678,432 (previous period: ₹ 97,417,333). Pending outcome of the legal proceedings, no adjustments have been made to the consolidated financial statements. The management believes that it has a strong case in this matter.
- 43** A joint venture company in the Group, which has executed a License Agreement with its client Mumbai Port Trust (MbPT) for developing a container terminal in Mumbai Port under the BOT scheme, could not commence operations till date due to the non-fulfillment of certain obligations by MbPT. The continuing delays for over 5 years has resulted in the account being classified by the lenders as a non performing asset. These conditions indicated existence of significant uncertainty and doubt regarding the joint venture's ability to continue as going concern and its ability to realise its assets and discharge its liabilities in the normal course. However, a process has been initiated by MbPT and the joint venture to revive the project by restructuring it from a single cargo terminal to a multi clean cargo terminal. This involves both MbPT and the joint venture to determine a mutually acceptable replacement cost of the facilities constructed by the joint venture. Thereafter MbPT will invite fresh bids for the project. The joint venture will have a First Right of Refusal to match the preferred bid or accept the replacement cost and exit the project. In the interim the joint venture has been granted permission by MbPT to operate Roll On Roll Off vessels on trial basis for one year on a revenue share basis. The trial commercial operations have commenced since July 21, 2015. The management believes that considering the process initiated by MbPT to revive the project, the financials of the joint venture has been prepared on going concern basis and as such no impairment of the asset is required.
- 44** One of the SPV having a tolling bridge project, commenced operations from November 1, 2015 and toll is being collected from that date. During the period, the SPV has incurred cash loss and its current liabilities exceed the current assets by ₹ 239,500,200 as at March 31, 2016. The current monthly toll collections is not sufficient to repay the monthly interest on bank borrowings. The SPV is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016. The interest on the said loan has been serviced by the SPV till September 2015. Thereafter, the term loan account of the Company has been classified as a Non Performing Asset. However, the banks have not yet recalled the loans. As such, the loans are continued to be disclosed as a Non-current Liability. The management is exploring opportunities to replace the high cost debts. To achieve the above objective, the SPV has engaged rating agencies to assist it to make a private placement of low cost bonds. In addition to the above, as per the Concession Agreement with Andhra Pradesh Road Development Corporation (APRDC), the SPV is eligible to receive Revenue Shortfall Loan at subsidized rate of interest from the APRDC. The SPV is in the process of making necessary applications with APRDC. The management is strongly of the view that once APRDC satisfies its obligations under the terms of the Concession Agreement and other factors as stated above, the financial viability of the SPV is expected to improve. In view of the above, the financial statements have been prepared on a going concern basis and accordingly, no impairment of assets was required.
- 45** During the previous period, one of the subsidiary of the Company AIPL had achieved all milestones as required under Letter of Arrangement (LOA) for the purpose of the coal linkage for its thermal power project in Nagpur. However, Western Coal Fields India Limited (WCIL) had raised an issue that change of the status from partnership firm to a company amounts to "Assignment" which is prohibited as per LOA. The subsidiary has represented the matter to standing linkage committee, which has upheld the contention of WCIL. The subsidiary has approached the High Court for an interpretation in this regard and pending its decision in the matter. The Hon'ble Court has stayed the matter and directed that no action needs to be taken till further Orders. The management believes that it has a strong case in this matter and expects a favorable response on the same.
- 46** The Company has divested some of its subsidiaries for a cash surplus which reduced the current liability and current asset mis-match. The present mismatch are dependent upon satisfaction of further condition precedents to effect the sale of balance SPV's as detailed in note 34a and 34b above. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the going concern assumption and the carrying values of the assets and liabilities in these audited financial results are appropriate. Accordingly the accompanying financial results do not include any adjustments that may result from these uncertainties.

47 Lease

One of the SPV has taken land on lease from Visakhapatnam Port Trust under non-cancellable operating lease agreements and temporary housing from others under cancellable operating lease agreements. Total rental expense under non-cancellable operating lease was ₹ 8,783,028 (previous period: ₹ 4,368,423) and under cancellable operating leases was ₹ 2,599,271 (previous period: ₹ 715,505) which has been disclosed as lease rentals in the statement of profit and loss.

Further, another SPV has also taken an office premises on a non-cancellable operating lease. The monthly lease rents amounts to ₹1,113,500 (previous period: ₹950,000). The disclosures as per Accounting Standard 19 'Leases' notified under the Companies (Accounting Standards) Rules, 2006 are as under:

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Minimum lease payments :		
Payable not later than 1 year	-	13,110,000
Payable later than 1 year and not later than 5 years	-	3,277,500
Payable later than 5 years	-	-
Lease payment recognised in the statement of profit and loss	8,058,812	905,026

48 Related party transactions

a. Names of the related parties and related party relationships

i) Entities where control exists :

GIL Ultimate holding company (w.e.f September 29, 2014)

GPL Holding company (w.e.f September 29, 2014)

ii) ABIPL a subsidiary of the ultimate holding company**iii) Associates :**

AIPL

ESMSPL

MTRL

iv) Key management personnel :

Kishor Kumar Mohanty

Parag Parikh (upto November 18, 2014)

b. Related party transactions

Transactions	Entities where control exists	Associates	Subsidiary of the ultimate holding company	Key management personnel	Total
Operations and maintenance income from :					
GIL	506,305,699 (158,472,646)	- (-)	- (-)	- (-)	506,305,699 (158,472,646)
Operations & maintenance expenses :					
GIL	506,305,699 (152,307,391)	- (-)	- (-)	- (-)	506,305,699 (152,307,391)
Intangible asset development (contract expenditure) :					
GIL	1,010,280,743 (652,054,883)	- (-)	- (-)	- (-)	1,010,280,743 (652,054,883)
Advances given against EPC contracts to :					
GIL	-	-	-	-	-
	(164,168,000)	(-)	(-)	(-)	(164,168,000)

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Transactions	Entities where control exists	Associates	Subsidiary of the ultimate holding company	Key management personnel	Total
Advances recovered against EPC contracts from :					
GIL	1,522,288 (-)	- (-)	- (-)	- (-)	1,522,288 (-)
Managerial remuneration:					
Mr. Kishor Kumar Mohanty	- (-)	- (-)	- (-)	37,475,890 (17,319,150)	37,475,890 (17,319,150)
Mr. Parag Parikh	- (-)	- (-)	- (-)	3,486,978 (6,557,025)	3,486,978 (6,557,025)
Finance provided for expenses and on account payments :					
GIL	1,016,000 (26,990,136)	- (-)	- (-)	- (-)	1,016,000 (26,990,136)
Finance received for expenses & on account payments :					
GIL	96,306 (13,690,618)	- (-)	- (-)	- (-)	96,306 (13,690,618)
Balances written back :					
GIL	- (3,018,193)	- (-)	- (-)	- (-)	- (3,018,193)
Balances receivable :					
MTRL	- (-)	12,994,800 (13,043,071)	- (-)	- (-)	12,994,800 (13,043,071)
GPL	- (20,000,000)	- (-)	- (-)	- (-)	- (20,000,000)
Outstanding balances payable :					
GIL	700,174,324 (1,161,198,181)	- (-)	- (-)	- (-)	700,174,324 (1,161,198,181)
MTRL	- (-)	26,520,000 (26,520,000)	- (-)	- (-)	26,520,000 (26,520,000)
ABIPL	- (-)	- (-)	150,000,000 (150,000,000)	- (-)	150,000,000 (150,000,000)

(Previous period figures in brackets)

49 Contingent liabilities

Group's share in contingent liability not provided for in the books of accounts.

Particulars	As at March 31, 2016	As at September 30, 2014
Income tax matters	940,855,246	764,913,874
Corporate Guarantees (refer note 49a)	19,512,569,105	1,782,994,904
Disputed statutory liabilities (refer note 49b)	-	177,699,900
Claims against group not acknowledged as debt (refer note 49c)	319,559,345	100,410,381
Counter guarantees given to the bankers	2,277,321,365	3,039,436,991
Total	23,050,305,061	5,865,456,050

- a. The Company has issued corporate guarantees as a security for loan availed by its subsidiaries, amounting to ₹ 19,512,569,105 (previous period: ₹ 1,782,994,904)

- b. An amount of ₹ 177,699,900 claimed by the collector and district registrar, Rajahmundry, pursuant to and Order dated March 15, 2005, as deficit stamp duty payable on the concession agreement entered into between a subsidiary of the Group and NHAI, classifying the concession agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. The subsidiary has impugned the Order by way of a writ petition before the High Court of Andhra Pradesh at Hyderabad. No provision is considered necessary in respect of the said demand, as the management of the subsidiary believes that there is no contravention of the Indian Stamp Act. Further, another subsidiary of the Company has also been served a demand notice towards stamp duty amounting to ₹ 10,319,700 which is before the Controller of Stamps office. The Company has a very good case to succeed in this matter and accordingly no provision for the same is required.
- c. A winding up petition against a subsidiary of the Group, has been filed by a creditor for recovery of ₹14,140,343. The subsidiary is disputing the said amount and has recognised ₹1,685,168 payable as there are claims and counter claims by both parties. Pending the final outcome of such proceedings, the claim from the trade payable is disclosed as a contingent liability. The management of the said subsidiary is of the view that the same would be settled and does not expect any additional liabilities towards the same.
- d. The Company has received a letter for transfer of shares in 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.
- e. During the current period on account of the delays in financial closure of a subsidiary of the Company, the project is not expected to complete the construction phase within the scheduled completion period as initially envisaged. The management of the subsidiary is in active discussion with NHAI including obtaining permission for a harmonious substitution of the parent with another entity. The subsidiary does not expect exercising of the penal provisions of the concession agreement by NHAI. The Independent Engineer, has recommended a penalty of ₹ 432,788,000 to NHAI for delays upto March 31, 2016.
- f. Contingent liability on account of contractual obligations of a joint venture company in the Group is ₹ 54,034,436.

50 Commitments

a. Capital commitments

The total capital commitment as on March 31, 2016 is ₹ 33,137,740,048 (previous period : ₹ 78,818,258,937). The capital commitments are in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.

b. Export obligations

Particulars	As at March 31, 2016	As at September 30, 2014
Under EPCG Scheme (net of discharge report filed)	228,966,912	228,966,912
Total	228,966,912	228,966,912

c. Other commitments

- i) In terms of the individual contracts signed by SPVs they are required to carry major periodic maintenance of the roads they are operating as a part of commitment against receipt of Tolling Rights and / or Annuities. The said SPVs have made provisions towards the same in their respective financial statements.
- ii) Buyback and / or purchase of shares of subsidiaries ₹ 898,799,739 (previous period ₹ 999,818,173).

Notes to the Consolidated financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

51 Expenditure in foreign currency

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
Technical and professional services (net of taxes)	275,803	2,344,549
Purchase of spares	941,903	-
Total	1,217,706	2,344,549

52 Segment reporting

The Group's operations constitutes a single business segment namely "Infrastructure Development" as per Accounting Standard (AS) - 17 "Segment Reporting". Further the Group's operations are within single geographical segment which is India.

Infrastructure activities comprise of all the activities of investing in infrastructure projects, providing advisory services and operating and maintaining of Public Private Partnership Infrastructure Projects.

53 Derivative instruments and unhedged foreign currency exposure

There are no derivative instruments outstanding as at March 31, 2016 and as at September 30, 2014. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2016 and as at September 30, 2014.

54 Disclosure as required under schedule III of the Companies Act, 2013

The disclosure of breakup of net assets and profit after tax, entity wise is given in Statement 1 attached.

55 Previous period's comparatives

Previous period's figures have been regrouped / reclassified wherever necessary. The current period is of eighteen months from October 1, 2014 to March 31, 2016. The comparative figures for the previous period are for a period of nine months from January 1, 2014 to September 30, 2014. The figures for both these periods are therefore not strictly comparable.

As per our report of even date

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

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS ENDED MARCH 31, 2016

(All amounts in Indian rupees unless otherwise stated)

53 Statement 1**Entity wise disclosure of breakup of net assets and profit after tax**

	Net assets		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company:				
G IPL	72.12%	7,65,07,53,224	55.38%	(9,37,93,297)
Subsidiaries:				
BBHPL	0.01%	8,02,256	0.05%	(83,045)
CBICL	0.05%	49,44,514	10.95%	(1,85,48,575)
CICPL	(0.00%)	(2,57,178)	(0.35%)	5,95,532
EIPPL	0.04%	47,66,808	(2.28%)	38,68,760
GLL	(0.55%)	(5,82,69,040)	0.06%	(1,03,548)
GPDL	(0.01%)	(6,09,104)	0.02%	(30,083)
GREIPL	(0.01%)	(15,47,329)	0.01%	(19,686)
GRIL	(0.22%)	(2,34,97,735)	(0.09%)	1,47,326
GSIL	0.00%	1,70,213	0.01%	(20,936)
GREPL	(0.00%)	(1,27,461)	0.01%	(19,880)
HBPL	(0.01%)	(5,87,667)	0.01%	(19,702)
JPDL	(0.00%)	(1,31,109)	0.45%	(7,57,037)
LIDL	(0.00%)	(2,12,466)	0.07%	(1,22,735)
MPSL	0.01%	13,66,652	0.44%	(7,37,800)
PHPL	(0.08%)	(83,71,746)	1.12%	(18,96,143)
PREL	(0.30%)	(3,18,99,970)	16.51%	(2,79,56,399)
RCTPL	(0.01%)	(12,23,136)	0.01%	(17,309)
RGBL	13.70%	1,45,35,09,262	114.18%	(19,33,82,364)
SREPL	(0.01%)	(6,15,543)	0.01%	(25,054)
SHPV L	(0.06%)	(59,88,438)	0.04%	(70,679)
SIPPL	0.02%	17,68,439	(0.88%)	14,98,507
SSRPL	9.52%	1,01,01,40,228	0.30%	(5,12,071)
TIDCL	(0.00%)	(48,349)	0.01%	(16,267)
TREPL	(0.00%)	(1,19,308)	0.01%	(11,350)
THPL	(0.00%)	(74,259)	0.01%	(10,199)
VGRPPL	0.47%	4,95,16,897	10.14%	(1,71,70,443)
VSPL	(0.50%)	(5,28,74,940)	103.27%	(17,49,12,636)
YMMPL	(0.00%)	(1,92,494)	0.01%	(19,061)
YPHPL	0.02%	21,61,032	0.08%	(1,35,515)
YPVL	(0.29%)	(3,09,58,389)	1.85%	(31,41,767)
Divested subsidiaries:				
AEL	3.45%	36,64,74,185	(69.96%)	11,84,96,970
AIPL	0.00%	1,53,867	(0.28%)	4,76,124
GICL	(4.12%)	(43,69,17,335)	(0.34%)	5,72,445
KBICL	(0.85%)	(9,04,43,597)	27.52%	(4,66,17,843)
MNEL	6.21%	65,83,81,386	20.96%	(3,54,96,271)
MTL	(0.03%)	(33,76,713)	1.92%	(32,49,675)
PBHL	(0.53%)	(5,57,92,402)	0.05%	(77,243)
PHL	(1.25%)	(13,30,62,978)	(25.70%)	4,35,28,879
REL	4.36%	46,30,51,907	(80.97%)	13,71,47,291
Joint Ventures:				
BWIOTPL	(0.01%)	(6,88,821)	0.00%	-
GIPL-GIL JV	(0.02%)	(26,00,992)	1.53%	(25,90,318)
ICTPL	(1.05%)	(11,19,06,192)	(83.81%)	14,19,42,182
PBPL	(0.08%)	(90,00,000)	0.00%	-
SEZAL	(0.00%)	(3,22,356)	0.00%	-
Associates:				
ATSL Infra	(0.00%)	(84,471)	0.00%	-
ESMSPL	0.03%	27,55,566	(2.31%)	39,18,970
MTRL	(0.00%)	(78,759)	0.00%	-
Grand Total	100.00%	10,60,88,36,160	100.00%	(16,93,71,943)

Independent Auditors' Report

To
The Members Of
Gammon Infrastructure Projects Limited

Report on Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Gammon Infrastructure Projects Limited ("the Company"), which comprises of the Balance sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period October 01, 2014 to March 31, 2016 ("Period"), and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis of Qualified Opinion

Attention is invited to note 22a to the standalone financial statement relating to the excess managerial remuneration paid of ₹ 2,04,49,402 /- for the previous period. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery have been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of ₹ 2,04,49,402 /-. For the current period also there is an excess remuneration paid of ₹ 1,83,95,890 /- to the Managing Director which is in excess of the limits specified u/s 197 of the Companies act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the Ministry of Corporate Affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen month period ended 31st March 2016.

Qualified Opinion

Except for the possible effect of the matter mentioned herein above in the basis of qualified opinion, in our opinion and to the best of our information and according to the explanations given to us, the standalone 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 state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the period October 01, 2014 to March 31, 2016.

Emphasis of Matter:

Without qualifying our opinion, we report that:

- a. We invite attention to Note 35 of the Standalone Financial Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to a subsidiary. The Company's exposure towards the said project (funded and non-funded) is ₹ 251,587,013/-. Pending conclusion on these legal matters, no adjustments have been made in these financial statements.
- b. We invite attention to Note 36 of the Standalone Financial Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and is also exploring legal steps. The Company's exposure towards the said project includes investment and loans and advances of ₹ 713,694,045/-. Pending conclusion between the parties, no adjustments have been made in these financial statements.
- c. We invite attention to Note 37 of the Standalone Financial Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of ₹ 1,277,561,752/-(funded and non-funded). The only project of the JV Company has been delayed resulting in the company incurring losses and consequent default in repayment of its debt obligation culminating in the bank facility being designated as NPA. Considering the MBPT permission to allow Ro-Ro operations on a trial basis and based on the management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.
- d. We invite attention to Note 38 of the Standalone Financial Statements, in respect of a tolling bridge project in Andhra Pradesh where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA, Considering the steps the management proposes to take to replace the high cost debts and the terms of the concession agreement in which the Company is eligible for revenue shortfall loans, no provisions is considered necessary against the Company's exposure of ₹ 2,932,871,549/-.
- e. We invite attention to Note 39 of the Standalone Financial Statements, wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets despite the sale of some of the SPVs. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

Independent Auditors' Report

- (d) *Except for the possible effects of the matter mentioned in the basis of qualified opinion above, in our opinion, the aforesaid standalone 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) *The going concern matter described in paragraph e. of our Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Company.*
- (f) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
- (g) 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 31 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no delay in payment of amount to the Investor Education and Protection Fund during the period.

For Natvarlal Vepari & Co.

Chartered Accountants
Firm Registration no.106971W

N Jayendran

Partner
Membership No. 40441
New Delhi, Dated : June 06, 2016

Annexure

referred to in paragraph 1 of Other Legal and Regulatory Requirements of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- (ii) The Company does not have any inventory and hence the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (iii) The Company has not granted any loans to parties covered in the register maintained u/s 189 of the Companies Act 2013. Accordingly sub-clause (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed thereunder. Therefore, the provisions of clause 3(v) of the Companies (Auditors Report) Order 2015 are not applicable to the Company. 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.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues with the appropriate authorities during the period. 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, 2016 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 the dues	Amount	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Demand under u/s 153A	4,53,29,178	A.Y. 2005-06 to A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
	Demand of Penalty u/s 271(1)(c)	1,34,40,400	A.Y. 2007-08	Commissioner of Income-Tax (Appeals)
	Demand under u/s 143(3)	2,53,91,700	A.Y. 2012-13	Commissioner of Income-Tax (Appeals)

- (c) The amount required to be transferred to investor education and protection fund has been transferred within the prescribed time as per the provisions of the extant laws.
- (viii) The Company has no accumulated losses at the end of the financial period. It has not incurred cash losses during the current financial period but had incurred cash losses in the immediately preceding financial period.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution or bank. The company has not borrowed any funds by way of debentures.
- (x) According to the information and explanations given to us and the records examined by us, the terms and conditions of guarantee given by the Company for loans taken by its wholly owned subsidiary companies from banks are not prima facie prejudicial to the interest of the Company.
- (xi) Based on information and explanations given to us by the management, the Company has not obtained any term loans during the period and hence clause 3(Xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (xii) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

For Natvarlal Vepari & Co.

Chartered Accountants
 Firm Registration no.106971W

N Jayendran

Partner
 Membership No. 40441
 New Delhi, Dated : June 06, 2016

Balance Sheet

as at March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2016	As at September 30, 2014
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,891,643,948	1,884,503,948
Reserves and Surplus	4	6,867,490,780	6,288,520,390
		8,759,134,728	8,173,024,338
Non-current liabilities			
Long-term borrowings	5	30,000,000	2,693,356,176
Deferred Tax Liability, Net	6	-	-
Trade payables		-	-
Other long-term liabilities	10	673,602,877	1,101,183,861
Long-term provisions	7	6,143,856	4,209,710
		709,746,733	3,798,749,747
Current Liabilities			
Short-term borrowings	8	799,804,222	644,658,803
Trade payables	9	-	-
- Total outstanding dues of MSME		-	-
- Total outstanding dues of Trade payables other than MSME		626,124,619	99,944,332
Other current liabilities	10	4,436,223,175	3,642,034,724
Short-term provisions	7	169,416,593	188,243,736
		6,031,568,609	4,574,881,595
TOTAL		15,500,450,070	16,546,655,680
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	11	5,044,624	17,806,745
Intangible assets	12	-	94,470,045
Deferred Tax Asset, Net	6	12,576,356	-
Non current investments	13	6,375,196,054	8,079,633,370
Long-term loans and advances	14	4,863,489,444	7,664,850,591
Long-term Trade receivables	17	297,068,668	88,286,831
Other non-current assets	15	273,787,623	101,149,255
		11,827,162,769	16,046,196,837
Current assets			
Current investments	13	232,432,764	62,000,000
Inventories	16	-	1,798,539
Trade receivables	17	46,791,453	15,385,449
Cash and bank balances	18	3,244,790,367	124,206,545
Short term loans and advances	14	128,419,137	292,234,401
Other current assets	15	20,853,580	4,833,909
		3,673,287,301	500,458,843
TOTAL		15,500,450,070	16,546,655,680
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

Statement of Profit and Loss

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
INCOME			
Revenue from operations	19	4,032,002,040	813,555,851
Other income	20	52,774,609	24,509,722
Total Income (I)		4,084,776,649	838,065,573
EXPENDITURE			
Project expenses	21	2,978,896,424	378,882,035
Employee benefit expenses	22	198,267,829	136,164,757
Other expenses	23	199,585,995	89,703,532
Total Expenditure (II)		3,376,750,248	604,750,324
Earnings before interest, tax, depreciation, amortization and exceptional items (I) - (II)		708,026,401	233,315,249
Depreciation and amortisation expenses	11 & 12	33,137,960	17,715,044
Finance Costs	24	523,300,023	534,515,266
Profit / (Loss) before tax and exceptional items		151,588,418	(318,915,061)
Exceptional items Income / (Expense)	32	417,373,691	(391,615,583)
Profit / (Loss) before tax		568,962,109	(710,530,644)
Prior period adjustment		-	-
Profit / (Loss) before tax		568,962,109	(710,530,644)
Tax expenses			
Current Tax		137,150,000	-
MAT credit entitlement		(137,150,000)	-
Deferred Tax		(12,576,356)	(17,159,503)
Total tax expenses		(12,576,356)	(17,159,503)
Profit / (Loss) after tax		581,538,465	(693,371,141)
Earnings per equity share [nominal value of share ₹ 2/-]			
Basic	25	0.62	(0.92)
Diluted		0.62	(0.92)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

N Jayendran
Partner
Membership No.: 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No.: ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

Cash Flow Statement

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	568,962,109	(710,530,644)
Adjustments for :		
Depreciation	33,137,960	17,715,044
Sundry Expenses	26,505	-
(Profit)/Loss on Sale of Assets	(10,000)	-
(Profit)/Loss on Sale of Investments	(8,112,330)	(866,104)
Employees Compensation Expenses	(1,689,589)	14,439,264
Interest Income	(41,308,201)	(22,622,583)
Interest Expenses and other finance cost	523,300,023	534,515,266
Sundry Balances written back	(3,329,919)	-
Sundry Balances written off	27,047,278	-
Provision towards Investments	13,276,780	700,000
Provision for doubtful ICD/advances	14,816,568	16,750,633
Exceptional Items	(417,373,691)	391,615,583
	139,781,384	952,247,103
Operating Profit before Working Capital Changes Movement in working capital:	708,743,493	241,716,459
(Increase) / Decrease in Trade and Other Receivables	(347,247,964)	(76,075,378)
Decrease in Inventories	1,798,539	764,597
Increase / (Decrease) in Trade Payables and other liabilities	1,659,575,887	(830,108,433)
	1,314,126,462	(905,419,214)
CASH GENERATED FROM THE OPERATIONS	2,022,869,955	(663,702,755)
Direct Taxes paid	(109,461,636)	(12,254,672)
Net Cash from Operating Activities	1,913,408,319	(675,957,427)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(243,890)	(154,196)
Sale of Fixed Assets	10,000	-
Loans given to Subsidiaries	(1,858,139,473)	(1,782,140,910)
Loans refund from Subsidiaries	3,673,160,432	1,679,292,216
Other Bank Balances	(3,395,192,179)	62,738,109
Purchase of Investments:		
Subsidiary, Joint Ventures & Associates	(590,299,825)	(821,632,298)
Others	(2,148,001,174)	(423,000,000)
Sale of Investments:		
Subsidiary, Joint Ventures & Associates	1,430,491,427	-
Expenses on sale of Investments	(61,477,709)	-
Others	1,936,780,741	410,866,104
Advance paid for purchase of share	(115,650,892)	-
Interest received	36,558,918	10,447,970
Net Cash from Investment activities	(1,092,003,624)	(863,583,005)

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Eighteen months period ended March 31, 2016	Nine months period ended September 30, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(626,837,792)	(358,943,553)
Proceeds from Long Term Borrowings	1,078,571,257	1,049,752,000
Repayment of Long Term Borrowings	(1,526,123,180)	(1,565,229,801)
Net Proceeds from Short term borrowings	155,145,419	437,041,452
Repayment of short term borrowings	-	(572,194,962)
Proceeds from issue of Share Capital & Share Premium	7,140,000	2,530,360,440
Net Cash from Financing activities	(912,104,296)	1,520,785,576
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(90,699,601)	(18,754,855)
Closing Balances	22,745,052	113,444,653
Opening Balances	113,444,653	132,199,509
NET INCREASE IN CASH AND CASH EQUIVALENTS	(90,699,601)	(18,754,855)
Note: Figure in brackets denote outflows		
Components of Cash and Cash Equivalents		
Cash on hand	483,425	412,891
With Banks :		
On Current Account	22,261,627	113,031,762
	22,745,052	113,444,653

As per our report of even date

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

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

1. 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.

2. Basis of Preparation

The Financial Statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 as specified in section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

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.

The accounting policies discussed more fully below, are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

b. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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.

Developer fees & other advisory services:

Revenue on Developer Fees is recognized on an accrual basis.

Construction contract revenues :

Revenue from construction contracts is based on actual cost incurred after considering actual work certified and profit is evaluated by adopting the percentage of completion method of accounting. The percentage of completion is determined by the expenditure incurred on the job till date to the total estimated expenditure of the contract.

Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period. Foreseeable losses are fully provided for in the respective accounting period.

Interest income:

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income:

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

c. Fixed Assets and depreciation

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Gains or losses arising from derecognition of tangible assets 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 and loss when the asset is derecognised.

Intangible assets are rights of Operations and Maintenance ('O&M') which results in an O&M income stream for the Company for a period of 14 years. The rights are therefore amortised over the period of 14 years on SLM basis.

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

d. Impairment

The carrying amounts of all assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The test for impairment is done on an annual basis on the intangible asset, irrespective of the indicators for impairment.

e. 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 lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

f. Inventories

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

b) Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.

g. Provision for Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

tax authorities in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where any company within the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the said company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the said company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

h. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight line basis over the lease term.

i. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the year attributed to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent assets are neither recognised nor disclosed in financial statements.

k. Share Issue Expenses

Share Issue Expenses (net of tax benefits) are charged to the Securities Premium Account, if available, or to the Statement of Profit and Loss.

l. Employee Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year when the contributions are due.

Gratuity liability, a defined benefit obligation, is provided for on the basis of, an actuarial valuation on projected unit credit method, made at the end of each financial year.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

m. Employee Share – based payment plans ('ESOP')

The Company uses the intrinsic value (excess of the net realisable value on the date of grant over the exercise price) method of accounting prescribed by the Guidance Note ('GN') on 'Accounting for employee share-based payments' issued by the Institute of Chartered Accountants of India ('ICAI') ('the guidance note') to account for its Employee Stock Option Scheme read with SEBI (Employees stock option scheme or Employees Stock Purchase) Guidelines, 1999. Compensation expense is amortised over the vesting period of the option on SLM basis.

n. Foreign currency translation

Initial recognition :

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences :

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

o. Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

p. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

q. Measurement of Earnings before interest, tax, depreciation and amortisation (EBITDA)

The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

3 Share capital

Particulars	As at	
	March 31, 2016	September 30, 2014
i) Authorised shares :		
1,250,000,000 (previous year: 1,000,000,000) Equity shares of ₹ 2/- each	2,500,000,000	2,000,000,000
Total	2,500,000,000	2,000,000,000
ii) Issued and subscribed shares :		
942,580,974 (previous year : 939,010,974) Equity Shares of ₹ 2/- each	1,885,161,948	1,878,021,948
Total	1,885,161,948	1,878,021,948
iii) Paid-up shares :		
941,770,724 (previous year : 938,200,724) Equity Shares of ₹ 2/- each	1,883,541,448	1,876,401,448
Total	1,883,541,448	1,876,401,448
iv) Shares forfeited :		
Amount received (including securities premium) in respect of 162,050 (previous year : 162,050) equity shares of ₹ 10/- each forfeited	8,102,500	8,102,500
Total	8,102,500	8,102,500
Total paid-up share capital (iii + iv)	1,891,643,948	1,884,503,948

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

Particulars	As at		As at	
	March 31, 2016		September 30, 2014	
	Number	Amount	Number	Amount
Equity share of ₹ 2/- each fully paid-up				
Balance, beginning of the period	938,200,734	1,876,401,448	734,026,438	1,468,052,876
Issued during the period	3,570,000	7,140,000	204,174,286	408,348,572
Balance, end of the period	941,770,724	1,883,541,448	938,200,724	1,876,401,448

b) Terms / rights attached to equity shares :

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

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

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

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

Particulars	As at		As at	
	March 31, 2016		September 30, 2014	
	Number	Amount	Number	Amount
Equity shares of ₹ 2/- each fully paid up				
Gammon Power Limited, Holding Company (w.e.f Sept 29, 2014)	528,000,000	1,056,000,000	528,000,000	1,056,000,000
Gactel Turnkey Projects Limited, Fellow Subsidiary	22,400,000	44,800,000	22,400,000	44,800,000
	550,400,000	1,100,800,000	550,400,000	1,100,800,000

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

Shareholders holding more than 5% shares in the Company	As at March 31, 2016		As at September 30, 2014	
	Number	Percentage	Number	Percentage
Equity shares of ₹ 2/- each fully paid up				
Gammon Power Limited	52,80,00,000	56.06%	52,80,00,000	56.28%
HDFC Trustee Company Limited - HDFC Infrastructure Fund	7,88,64,353	8.37%	7,88,64,353	8.41%
DB International (Asia) Limited	4,14,88,886	4.41%	5,72,27,129	6.10%
	64,83,53,239	68.84%	66,40,91,482	70.78%

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) The Company had issued bonus shares in the year ended Mar'13 to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 5,262,820 equity shares of ₹ 2 each as fully paid by utilising securities premium account aggregating to ₹ 10,525,640 /-

g) Shares reserved under options to be given.

240,000 (previous period : 5,110,000) equity shares have been reserved for issue as Employee Stock Options. For further details refer note 4.1

4 Reserves and surplus

Particulars	As at March 31, 2016	As at September 30, 2014
Securities premium account:		
Balance, beginning of the period	5,619,522,632	3,497,510,764
Add : Premium on issue of shares [refer note 3(c)]	-	2,180,581,374
Add : Premium on issue of ESOP shares	17,424,000	-
Less : Share issue expenses	-	58,569,506
	5,636,946,632	5,619,522,632
Employee stock options outstanding:		
Employee stock compensation for options		
Gross Employee stock compensation for options granted in earlier years	24,528,000	25,536,000
Less : Transfer to Securities premium on issue of ESOP shares	17,424,000	-
Less : Employee stock options forfeited	5,952,000	1,008,000
	1,152,000	24,528,000
Less: Deferred Employee stock options:		
Opening balance	4,572,762	20,020,026
Add: Deferred employee stock compensation on options granted during the period	-	-
Less: Charge for the period	4,262,411	15,447,264
	310,351	4,572,762
Net Employee stock options outstanding	841,649	19,955,238
General Reserve:		
Balance, beginning of the period	2,395,500	2,395,500
Balance, end of the period	2,395,500	2,395,500
Surplus in the statement of profit and loss		
Balance as per the last financial statements	646,647,020	1,340,018,161
Less: Adjustment of additional depreciation	(878,486)	-
Add : Profit /(loss) for the period	581,538,465	(693,371,141)
Net surplus in the statement of profit and loss	1,227,306,999	646,647,020
Total Reserves and Surplus	6,867,490,780	6,288,520,390

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

4.1 Employees stock options ('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 the ESOP granted under the aforesaid ESOPs Schemes are summarized herein under :

GIPL ESOP 2013 :

Particulars	Period ended March 31, 2016	Period ended September 30, 2014
Grant Date	September 23, 2013	September 23, 2013
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	51,10,000	53,20,000
Options granted during the period	-	-
Options lapsed /forfeited during the period	12,40,000	2,10,000
Options vested during the period	36,30,000	-
Options granted and vesting outstanding at the end of the period	2,40,000	51,10,000

Of the aforesaid vested options of 3630000, 3575000 options were exercised and allotment made against the same.

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

Particulars	period ended March 31, 2016	period ended September 30, 2014
Net loss as reported	581,538,465	(693,371,141)
Add: Stock based compensation expense included in the reported income	(1,689,589)	14,439,264
Less: Stock based compensation expenses determined using fair value of options	(1,789,628)	13,918,455
Net profit / (loss) (adjusted)	581,638,504	(692,850,332)
Basic earnings per share as reported	0.62	(0.92)
Basic earnings per share (adjusted)	0.62	(0.92)
Diluted earnings per share as reported	0.62	(0.92)
Diluted earnings per share (adjusted)*	0.62	(0.92)
Weighted average number of equity shares at the end of the period	940,464,164	751,227,935
Weighted average number of shares considered for diluted earnings per share	940,675,929	754,834,994

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

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

Particulars	First vesting	Second vesting	Third vesting	Fourth vesting
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	39.31%	44.25%	42.29%	41.78%
Risk-free interest rate (%)	9.86%	9.02%	8.96%	9.03%
Grant date	23-Sep-13	23-Sep-13	23-Sep-13	23-Sep-13
Vesting date	1-Oct-14	1-Oct-15	1-Oct-16	1-Oct-17
Fair value of share price (₹)	6.40	6.40	6.40	6.40
Exercise price (₹)	2.00	2.00	2.00	2.00

5 Long-term borrowings

Particulars	Non-current portion		Current maturities	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Term loans				
Inter-corporate deposit (ICD) from subsidiaries (unsecured):				
- Vizag Seaport Pvt Ltd (VSPL)	-	-	1,105,338,645	1,115,100,000
- Mumbai Nasik Expressway Ltd (MNEL)	-	1,048,738,686	-	-
- Kosi Bridge Infrastructure Company Limited (KBICL)	-	121,270,199	-	-
- Andhra Expressway Ltd (AEL)	-	504,041,466	-	-
- Rajahmundry Expressway Ltd (REL)	-	891,555,825	-	-
- Ras Cities & Township Pvt Ltd (RCTPL)	30,000,000	-	-	-
Term loan from Financial Institutions	-	-	-	542,500,000
Term loan from Others	-	127,750,000	93,500,000	49,250,000
Less: disclosed as Other Current liabilities (See Note 10)	-	-	(1,198,838,645)	(1,706,850,000)
	30,000,000	2,693,356,176	-	-
The break-up of above:				
Secured	-	127,750,000	93,500,000	591,750,000
Unsecured	30,000,000	2,565,606,176	1,105,338,645	1,115,100,000
	30,000,000	2,693,356,176	1,198,838,645	1,706,850,000

I Details of ICD from VSPL :

This ICD currently carries an interest rate of 12.45% pa (PY 12.45% pa). The outstanding balance as on March 31, 2016 is overdue.

II Details of Term loan from Others:

a) This secured term loan carries an interest rate of 14.50% p.a. It's repayment is in 7 semi-annual structured installments from June 2014 to June 2017.

b) It is secured by the following:

(i) Pledge of 26% shares of SSRPL including pledge of 26% of the incremental share capital as and when the same is issued;

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

- (ii) Hypothecation over the O&M Fees from AEL deposited in the Escrow Account;
 - (iii) Hypothecation over the income from the O&M Fees income arising from the GIL O&M Sub-contract;
 - (iv) Hypothecation over the O&M Fees to be received from AEL in the Borrower and deposited in the Escrow Account;
 - (v) Hypothecation over the developer fee payable by SSRPL to the Borrower under the SSRPL Developer Fee Agreement and deposited in the Escrow Account; and
 - (vi) Hypothecation over the developer fee payable by VGRPPL to the Borrower under the VGRPPL Developer Fee Agreement and deposited in the Escrow Account.
- c) As the event of certain covenants related to underlying security has been breached the entire outstanding amount has been recalled by the lender and accordingly the outstanding sum due has been classified as current.

List of continuing defaults

Particulars	March 31, 2016		September 30, 2014	
	Principal outstanding	Interest Outstanding	Principal outstanding	Interest Outstanding
ICD from VSPL	1,105,338,645	-	28,762,500	81,194,061
ICD from MNEL	-	-	-	87,039,620
Term loan from IDFC	-	-	542,500,000	4,280,544
Term loans from IREP Credit capital Private Limited	93,500,000	3,330,253	-	-

Term loans from Others include overdue amount to IREP Credit capital Private Limited (formerly known as Avanti Traders Private limited) for which there are penal provisions of interest on default which are not accounted as the same are under negotiation.

6 Deferred tax

The major components of deferred tax assets and liabilities are as given below:

Particulars	As at March 31, 2016	As at September 30, 2014
Deferred Tax Liability on account of :		
- Depreciation due to timing difference	-	18,335,923
Deferred Tax Asset on account of :		
- Depreciation due to timing difference	8,660,077	-
- Employee benefits	3,916,279	5,909,998
- Unabsorbed depreciation	-	3,759,973
- Unabsorbed losses	-	8,665,952
Deferred Tax Asset, net	12,576,356	-

The Company has recognised deferred tax asset on unabsorbed business losses and depreciation as per tax laws to the extent of deferred tax liability following the EAC opinion that, to the extent of deferred tax liability there is virtual certainty that there will be sufficient profits arising out of reversal of the deferred tax liability to absorb the unabsorbed depreciation / losses. In the current year the deferred tax asset on unabsorbed depreciation and unabsorbed loss is reversed in the absence of deferred tax liability on depreciation.

7 Provisions

Particulars	Non-current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Provision for employee benefits :				
- Leave Encashment	4,523,192	-	4,146,100	10,677,148
- Gratuity	1,620,664	4,209,710	1,026,153	215,782
	6,143,856	4,209,710	5,172,253	10,892,930
Provision for Project Obligations			26,000,000	
Provision for taxation, net of advance tax	-	-	138,244,340	177,350,806
	-	-	164,244,340	177,350,806
Total Provisions	6,143,856	4,209,710	169,416,593	188,243,736

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 AS 29:

Particulars	Opening	Additions	Utilisations	Closing
Provision for Project Obligations	-	26,000,000	-	26,000,000

7.1 Gratuity :

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.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

Net employees benefit expense (recognized in Employee benefit cost)

Particulars	period ended March 31, 2016	period ended September 30, 2014
Current service cost	603,830	2,027,980
Interest cost	577,527	253,600
Actuarial (gain)/loss	(1,679,609)	(1,458,316)
Total	(498,252)	823,264

Experience adjustments

Particulars	Period ended March 31, 2016	Period ended September 30, 2014	Period ended December 31, 2013	Year ended March 31, 2013	Year ended March 31, 2012
Actuarial (gain)/loss	(1,679,609)	(1,458,316)	(1,052,032)	(201,096)	337,441
Experience adjustment	(4,330,650)	(1,522,919)	(568,820)	(389,191)	493,895
Changes in actuarial assumptions	2,651,041	64,603	(483,212)	188,095	(156,454)

The provision for gratuity as at March 31, 2016 is ₹ 2,646,817/- (as on September 30, 2014: ₹ 4,425,492).

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

The changes in the present value of the defined benefit obligation are as follows

Particulars	period ended March 31, 2016	period ended September 30, 2014
Defined benefit obligation at the beginning	4,425,492	3,602,228
Expense for the period	(498,252)	823,264
Net liability transfer in	-	-
Less : Benefit paid	1,280,423	-
Defined benefit obligation at the end	2,646,817	4,425,492

As the Company's gratuity obligation is fully unfunded, the Company does not expect to contribute any amounts to its gratuity plan in the next annual period.

The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	period ended March 31, 2016	period ended September 30, 2014
Discount rate	7.86%	8.70%
Expected rate of return on plan assets	Not applicable	Not applicable
Attrition rate	3% to 1%	2.00%
Retirement age	60 years	60 years
Salary Escalation	5.00%	5.00%

8 Short-term borrowings

Particulars	As at March 31, 2016	As at September 30, 2014
Bank overdraft (Unsecured except to the extent of ₹ 63,773,781/- (previous period ₹58,831,520/-) which is against pledge of fixed deposits) (Interest rate on this overdraft facility is currently 13.35% (previous period 13.25%))	799,804,222	644,658,803
Total Short Term Borrowings	799,804,222	644,658,803

9 Trade payables

Particulars	Current	
	March 31, 2016	September 30, 2014
Trade payables - Micro, small and medium enterprises	-	-
Trade payables - Others	626,124,619	99,944,332
Total trade payables	626,124,619	99,944,332

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.

10 Other liabilities

Particulars	Non-current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
(a) i) Current maturities of long-term borrowings (note 5)	-	-	1,105,338,645	1,706,850,000
(a) ii) Principal due and payable	-	-	93,500,000	-
(b.i) Interest accrued and due to related parties	-	-	-	168,233,681
(b.ii) Interest accrued but not due to related parties	3,623,412	2,842,754	-	65,400,095
(b.iii) Interest accrued and due to others	-	-	3,330,253	4,280,544.00
(b.iv) Interest accrued but not due to others	-	-	1,464,356	7,143,812
(c) Other dues - related parties	-	-	12,322,038	9,982,309
(d) Mobilisation advance received from related parties	659,979,465	1,088,341,107	954,889,958	777,177,999
(e) Advance received for sale of subsidiary's equity shares (refer note 31 (3))	-	-	26,520,000	26,520,000
(f) Deposit received towards Margin Money from related parties	10,000,000	10,000,000	-	-
(g) Duties and Taxes payable	-	-	46,992,596	11,620,867
(h) Advance from customers - related parties	-	-	122,197,960	146,019,089
(i) Due to EPC Customers (refer note 19)	-	-	1,331,132,666	601,138,298
(j) Deposit received from contractor	-	-	100,000,000	100,000,000
(k) Money received in trust - kept in escrow account*	-	-	626,311,564	-
(l) Other Liabilities	-	-	12,223,139	17,668,030
Total other current liabilities:	673,602,877	1,101,183,861	4,436,223,175	3,642,034,724

*The Company has received money in trust parked in escrow account towards due to Gammon India Limited, the ultimate parent, as part of the SPA to be discharged on satisfaction of certain conditions amounting to ₹ 624,100,000/- along with interest accrued thereon amounting to ₹ 2,211,564/- which is part of Fixed Deposit in escrow account.

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Plant & Machinery	Earth Moving Machinery	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Leasehold improvements	Total
Cost or valuation								
As at January 1, 2014	1,357,236	120,797	3,446,646	4,923,230	5,524,954	8,227,685	8,683,462	32,284,010
Additions	-	-	67,000	49,599	37,597	-	-	154,196
Sales/Disposals	-	-	-	-	-	-	-	-
As at September 30, 2014	1,357,236	120,797	3,513,646	4,972,829	5,562,551	8,227,685	8,683,462	32,438,206
Additions	-	-	59,356	104,135	80,399	-	-	243,890
Sales/Disposals	1,357,236	120,797	564,107	162,350	8,250	3,821,866	-	6,034,606
As at March 31, 2016	-	-	3,008,895	4,914,614	5,634,700	4,405,819	8,683,462	26,647,490
Accumulated Depreciation								
As at January 1, 2014	353,915	75,198	509,174	880,522	3,117,112	3,907,018	1,748,093	10,591,032
Charge for the period	48,218	10,219	153,863	157,241	492,634	584,616	2,593,638	4,040,429
On Sale/Disposals	-	-	-	-	-	-	-	-
As at September 30, 2014	402,133	85,417	663,037	1,037,763	3,609,746	4,491,634	4,341,731	14,631,461
Adjustment in opening block	-	-	-	263,099	470,692	144,695	-	878,486
Charge for the period	207,635	16,120	544,988	1,811,158	1,381,029	1,944,094	4,341,731	10,246,755
On Sale/Disposals	609,768	101,537	251,951	81,454	3,255	3,105,871	-	4,153,836
As at March 31, 2016	-	-	956,074	3,030,566	5,458,212	3,474,552	8,683,462	21,602,866
Net Block								
As at September 30, 2014	955,103	35,380	2,850,609	3,935,066	1,952,805	3,736,051	4,341,731	17,806,745
As at March 31, 2016	-	-	2,052,821	1,884,048	176,488	931,267	-	5,044,624

12 Intangible Assets :

Particulars	O&M Rights (refer note 2.1 c)
Cost or valuation	
As at January 1, 2014	250,000,000
Additions	-
Sales/Disposals	-
As at September 30, 2014	250,000,000
Additions	-
Sales/Disposals	250,000,000
As at March 31, 2016	-
Accumulated Ammortisation	
As at January 1, 2014	141,855,340
Charge for the year	13,674,615
On Sale/Disposals	-
As at September 30, 2014	155,529,955
Charge for the period	22,891,204
On Sale/Disposals	178,421,159
As at March 31, 2016	-
Net Block	
As at September 30, 2014	94,470,045
As at March 31, 2016	-

* Pursuant to the first time applicability of Schedule II of the Companies Act, 2013 to the Company from October 1, 2014, the Company has revised the depreciation rate on fixed assets as per the useful life specified in the said Schedule. Due to this, depreciation for the period from October 1, 2014 to March 31, 2016 is higher by ₹ 7,484,957/-.

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

13.1 Non-current investments

Particulars	Face Value Rupees	As at March 31, 2016		As at September 30, 2014	
		Nos.	Amount	Nos.	Amount
Trade Investments, in Subsidiary Companies:					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
Andhra Expressway Limited	10.00	-	-	21,459,950	256,969,000
Birmiltrapur Barkote Highway Pvt Ltd	10.00	10,000	100,000	10,000	100,000
Cochin Bridge Infrastructure Company Limited	10.00	6,250,070	62,500,700	6,250,070	62,500,700
Gammon Logistics Limited	10.00	2,550,000	25,500,000	2,550,000	25,500,000
Gammon Projects Developers Limited	10.00	250,000	2,500,000	250,000	2,500,000
Gammon Renewable Energy Infrastructure Limited	10.00	50,000	500,000	50,000	500,000
Gammon Road Infrastructure Limited	10.00	50,000	500,000	50,000	500,000
Gammon Seaport Infrastructure Limited	10.00	50,000	500,000	50,000	500,000
Gorakhpur Infrastructure Company Limited	10.00	-	-	37,458,063	374,580,630
Haryana Biomass Power Limited	10.00	50,000	14,600,000	50,000	14,600,000
Jaguar Projects Developers Limited	10.00	50,000	500,000	50,000	500,000
Kosi Bridge Infrastructure Company Limited	10.00	-	-	35,737,169	357,371,690
Lilac Infra Projects Developers Limited	10.00	50,000	500,000	50,000	500,000
Marine Project Services Limited	10.00	50,000	500,000	50,000	500,000
Mormugao Terminal Limited	10.00	-	-	50,000	500,000
Mumbai Nasik Expressway Limited	10.00	-	-	41,595,000	415,950,000
Pataliputra Highway Limited	100.00	-	-	15,000	1,033,850
Patna Buxar Highways Limited	10.00	-	-	56,114,703	561,147,030
Patna Highway Projects Limited	10.00	50,000,000	500,000,000	2,500,000	25,000,000
Pravara Renewable Energy Limited	10.00	47,920,000	479,200,000	17,400,000	174,000,000
Rajahmundry Expressway Limited	10.00	-	-	21,459,950	256,969,000
Rajahmundry Godavari Bridge Limited	10.00	153,537,650	1,649,670,657	126,078,750	1,375,081,657
Satluj Renewable Energy Private Limited	10.00	4,000	40,000	4,000	40,000
Sidhi Singrauli Road Projects Ltd	10.00	170,410,000	1,704,100,000	170,410,000	1,704,100,000
Sikkim Hydro Power Ventures Limited	10.00	62,735,942	627,359,420	62,735,942	627,359,420
Tada Infra Development Company Limited	10.00	50,000	500,000	50,000	500,000
Vijayawada Gundugolanu Road Project Pvt Ltd	10.00	-	-	10,000	100,000
Vizag Seaport Private Limited	10.00	64,313,847	698,080,277	64,313,847	698,080,277
Yamunanagar Panchkula Highway Pvt Ltd	10.00	19,050,000	190,500,000	19,050,000	190,500,000
Youngthang Power Ventures Limited	10.00	14,450,000	144,500,000	14,450,000	144,500,000
			6,102,151,054		7,271,983,254

Particulars	Face Value Rupees	As at March 31, 2016		As at September 30, 2014	
		Nos.	Amount	Nos.	Amount
Beneficial Interest in Equity Shares :					
Andhra Expressway Limited	10.00	-	-	7,540,050	126,651,866
Chitoor Infra Company Private Limited	10.00	10,000	100,000	10,000	100,000
Gorakhpur Infrastructure Company Limited	10.00	-	-	14,947,238	149,472,380
Kosi Bridge Infrastructure Company Limited	10.00	-	-	12,562,831	125,628,310
Rajahmundry Expressway Limited	10.00	-	-	7,540,050	119,575,780
Earthlink Infrastructure Projects Pvt Ltd	10.00	10,000	100,000	10,000	100,000
Segue Infrastructure Projects Pvt Ltd	10.00	10,000	100,000	10,000	100,000
Tidong Hydro Power Limited	10.00	25,500	255,000	25,500	255,000
			555,000		521,883,336
Trade Investments in Joint venture entities:					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
Blue Water Iron Ore Terminal Private Limited	10.00	3,051,808	30,518,080	3,051,808	30,518,080
Indira Container Terminal Private Limited	10.00	24,375,840	243,758,400	24,375,840	243,758,400
SEZ Adityapur Limited	10.00	19,000	190,000	19,000	190,000
			274,466,480		274,466,480
Beneficial Interest in Equity Shares :					
Indira Container Terminal Private Limited	10.00	26,407,160	264,071,600	26,407,160	264,071,600
			264,071,600		264,071,600
Trade Investments in Associates :					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
ATSL Infrastructure Projects Limited	10.00	24,450	244,500	24,450	244,500
Eversun Sparkle Maritimes Services Private Limited	10.00	2,143,950	21,439,500	2,143,950	21,439,500
Modern Tollroads Limited	10.00	24,470	244,700	24,470	244,700
			21,928,700		21,928,700
Less: Provision for diminution in value of Investment in					
ATSL Infrastructure Projects Limited			244,500		-
Birmitrapur Barkote Highway Pvt Ltd			100,000		100,000
Blue Water Iron Ore Terminal Private Limited			30,518,080		30,000,000
Chitoor Infra Company Private Limited			100,000		100,000
Eversun Sparkle Maritimes Services Private Limited			21,439,500		13,300,000
Gammon Logistics Limited			25,500,000		25,500,000
Gammon Projects Developers Limited			2,500,000		-

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Face Value Rupees	As at March 31, 2016		As at September 30, 2014	
		Nos.	Amount	Nos.	Amount
Gammon Seaport Infrastructure Limited			400,000		400,000
Haryana Biomass Power Limited			14,600,000		14,600,000
Jaguar Projects Developers Limited			500,000		-
Lilac Infra Projects Developers Limited			500,000		100,000
Modern Tollroads Limited			244,700		-
Satluj Renewable Energy Private Limited			40,000		-
Segue Infrastructure Projects Pvt Ltd			100,000		100,000
SEZ Adityapur Limited			190,000		-
Tada Infra Development Company Limited			500,000		-
Yamunanagar Panchkula Highway Pvt Ltd			190,500,000		190,500,000
			287,976,780		274,700,000
Total non-current investments			6,375,196,054		8,079,633,370

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

Name of Party	Nature	Relation	Purpose	Period ended (Amount in ₹)	
				31-Mar-16	30-Sep-14
Pataliputra Highway Limited	Investment	Subsidiary		579,755,400	-
Patna Buxar Highways Limited	Investment	Subsidiary		255,848,860	-
Mormugao Terminal Limited	Investment	Subsidiary	Increase in equity interest	61,964,940	-
Rajahmundry Godavari Bridge Limited	Investment	Subsidiary		274,589,000	-
Patna Highway Projects Limited	Investment	Subsidiary		475,000,000	-
Pravara Renewable Energy Limited	Investment	Subsidiary		305,200,000	-

13.2 Current investments (lower of cost and net realisable value)

Trade Investments (unquoted) in Subsidiaries held for sale:

	Face Value Rupees	As at March 31, 2016		As at September 30, 2014	
		Nos.	Amount	Nos.	Amount
Vijayawada Gundugolanu Road Project Pvt Ltd.	10.00	10,000	100,000		
Trade Investments (unquoted) in Joint venture entities :	10.00	-	-	4,900,000	49,000,000
Maa Durga Expressways Private Limited					

Investments in Mutual Funds (Quoted)

Mutual fund scheme	Units	Amount	Units	Amount
ICICI Liquid plan - Growth (NAV Mar'16 - ₹ 223.8540, Sept'14 ₹ 198.2644)	147,340.412	32,048,199	65,772.298	13,000,000
Reliance Liquid fund - Treasury plan - Growth (NAV Mar'16 - ₹ 3685.4971)	54,493.534	200,284,565		
Total		232,332,764		13,000,000

Total current investments		<u>232,432,764</u>	<u>62,000,000</u>
Aggregate Book Value of Unquoted Investments		<u>6,375,296,054</u>	<u>8,128,633,370</u>

13.3 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 Rupees	No. of Equity shares pledged as at	
		31-Mar-16	30-Sep-14
Pledge of shares of SPV's which are being held as on March 31, 2016			
Sidhi Singrauli Road Project Limited	10/-	163,613,200	98,820,560
Rajahmundry Godavari Bridge Limited	10/-	140,519,039	118,967,215
Vizag Seaport Private Limited	10/-	63,770,015	63,770,015
Sikkim Hydro Power Ventures Limited	10/-	31,995,331	31,995,331
Indira Container Terminal Private Limited	10/-	16,500,000	16,500,000
Patna Highway Projects Limited	10/-	5,940,000	750,000
Cochin Bridge Infrastructure Company Limited	10/-	1,664,019	1,664,019
Birmiritrapur Barkote Highway Private Limited	10/-	2,600	2,600
Pledge of shares of SPV's which are sold during the period			
Andhra Expressway Limited	10/-	-	13,175,970
Rajahmundry Expressway Limited	10/-	-	14,744,579
Mumbai Nasik Expressway Limited	10/-	-	38,942,800
Gorakhpur Infrastructure Company Limited	10/-	-	27,686,396
Kosi Bridge Infrastructure Company Limited	10/-	-	20,767,040
Patna Buxar Highways Limited	10/-	-	14,589,823
Pataliputra Highway Limited	100/-	-	7,350

The change in the balances between September 30, 2014 and March 31, 2016 in the SPV's which are held as on March 31, 2016 represent additional / reduction of pledge during the period ended March 31, 2016

14. Loans and Advances

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Security Deposit				
Unsecured, Considered good				
- leave and license	1,000,000	1,010,000	-	-
- O & M Contract Deposit	99,500	3,373,819	-	-
- Others	4,700	4,700	-	-
(A)	1,104,200	4,388,519	-	-
Intercorporate Deposits paid				
Related parties (refer note 14.1)				
- Unsecured, Considered good	4,430,203,525	7,456,132,431	-	-
- Unsecured, Considered doubtful	186,530,540	174,404,343	-	-
Others				
- Unsecured, Considered doubtful	3,892,000	3,892,000	-	-
	4,620,626,065	7,634,428,774	-	-
Less: Provision for doubtful ICD's	190,422,540	178,296,343	-	-
(B)	4,430,203,525	7,456,132,431	-	-

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Advance recoverable in cash or in kind				
Related party (refer note 14.3)				
Unsecured, Considered good				
Dues from Ultimate holding company :	-	-	4,928,423	4,928,423
Dues from Subsidiary companies :	108,435,475	-	46,752,242	169,694,183
Dues from Joint Ventures :	-	-	25,553,432	23,048,010
Dues from Associates :	-	-	48,271	48,271
Unsecured, Considered doubtful	-	-	-	-
Dues from Subsidiary Companies :	-	-	16,620,345	15,503,740
Dues from Joint Ventures :	-	-	1,568,346	-
	108,435,475	-	95,471,059	213,222,627
Others:				
Considered good	-	-	6,468,577	1,171,538
Considered doubtful	-	-	2,118,929	2,112,009
	-	-	8,587,506	3,283,547
	108,435,475	-	104,058,565	216,506,174
Less: Provision for doubtful advance recoverable in cash or in kind	-	-	20,307,620	17,617,249
(C)	108,435,475	-	83,750,945	198,888,925
Other Loans and advances				
(Unsecured, Considered good)				
Advance Income Tax (Net of Provision for Taxation)	195,100,552	140,434,841	-	-
Advance to contractors	-	-	-	58,602,470
Prepaid expenses	-	-	476,054	1,243,452
Service tax credit receivable / VAT refund receivable	-	-	44,192,138	33,499,554
Advance for purchase of share	115,650,892	-	-	-
(D)	310,751,444	140,434,841	44,668,192	93,345,476
Share application money paid				
Related parties (refer note 14.2)	12,994,800	63,894,800	-	-
(E)	12,994,800	63,894,800	-	-
Total Loans and Advances (A + B + C + D + E)	4,863,489,444	7,664,850,591	128,419,137	292,234,401
Total of Loans and Advances with related parties	4,738,164,340	7,694,431,574	77,282,368	192,742,193

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

Company Name	March 31, 2016	September 30, 2014
Interest bearing considered good		
Indira Container Terminal Pvt Limited	-	299,258,284
Total (A)	-	299,258,284
Interest free considered good		
Aparna Infraenergy India Pvt Limited	-	386,784,095
Cochin Bridge Infrastructure Company Limited	90,478,724	67,536,850
Earthlink Infrastructure Projects Pvt Limited	128,458,000	650,000
Gammon Projects Developers Limited	-	1,284,431
Gammon Renewable Energy Infrastructure Limited	25,120,000	51,120,000
Ghaggar Renewable Energy Private Limited	-	122,558
Gammon Road Infrastructure Limited	14,613,700	23,013,700
Gorakhpur Infrastructure Company Limited	-	2,454,072,721
Indira Container Terminal Pvt Limited	375,387,956	-
Mormugao Terminal Limited	-	18,542,437
Pataliputra Highway Limited	-	584,755,417
Patna Buxar Highways Limited	-	174,499,220
Patna Highway Projects Limited	646,050,000	944,250,000
Pravara Renewable Energy Limited	191,655,550	401,808,943
Rajahmundry Godavari Bridge Limited	221,275,000	225,000,000
Sikkim Hydro Power Ventures Limited	438,429,818	373,767,406
Sutluj Renewable Energy Private Limited	-	990,000
Sidhi Singrauli Road Projects Limited	352,716,042	73,716,042
Tidong Hydro Power Limited	18,032,095	17,950,993
Vijayawada Gundugolanu Road Project Pvt Limited	1,347,429,031	785,149,031
Youngthang Power Ventures Limited	580,557,609	571,860,303
Total (B)	4,430,203,525	7,156,874,147
Total (A + B)	4,430,203,525	7,456,132,431
Interest free considered doubtful		
Gammon Logistics Limited	15,834,610	15,800,902
Gammon Road Infrastructure Limited	8,400,000	-
Birmitrapur Barkote Highway Pvt Limited	60,802,515	60,802,515
Yamunanagar Panchkula Highway Pvt Limited	91,553,426	91,445,926
Chitoor Infra Company Private Limited	988,000	100,000
Ghaggar Renewable Energy Private Limited	897,558	775,000
Sutluj Renewable Energy Private Limited	2,490,000	1,500,000
Segue Infrastructure Projects Pvt Limited	250,000	250,000
Yamunanagar Minor Mineral Pvt Limited	730,000	730,000
Gammon Projects Developers Limited	4,584,431	3,000,000
Total	186,530,540	174,404,343

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

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

Company Name	March 31, 2016	September 30, 2014
Modern Toll Roads Limited	12,994,800	12,994,800
Vijayawada Gundugolanu Road Project Private Limited	-	50,900,000
Total	12,994,800	63,894,800

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

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Unsecured, Considered good				
Dues from Ultimate holding company :				
- Gammon India Ltd	-	-	4,928,423	4,928,423
Dues from Subsidiary companies :				
- Aparna Infraenergy India Private Ltd	-	-	-	1,381,800
- Birmitrapur Barkote Highways Private Ltd	-	-	252,080	16,598
- Cochin Bridge Infrastructure Company Ltd	-	-	11,182,656	820,630
- Chitoor Infra Energy Private Ltd	-	-	6,600	-
- Earthlink Infrastructure Projects Pvt Ltd (Satyavedu)	-	-	6,600	-
- Gammon Logistics Ltd	-	-	1,530,302	1,400,333
- Gammon Project Developers Ltd	-	-	14,494	-
- Gammon Renewable Energy Infrastructure Ltd	-	-	35,599	25,549
- Gammon Road Infrastructure Ltd	-	-	76,224	416,574
- Gammon Seaport Infrastructure Ltd	-	-	12,397	-
- Ghaggar Renewable Energy Pvt Ltd	-	-	11,202	-
- Gorakhpur Infrastructure Company Ltd	-	-	-	2,134,813
- Haryana Biomass Power Ltd	-	-	12,316,324	12,306,274
- Jaguar Projects Developers Ltd	-	-	210,000	-
- Kosi Bridge Infrastructure Company Ltd	-	-	-	229,147
- Lilac Infraprojects Developers Ltd	-	-	198,781	85,000
- Marine Projects Services Ltd	-	-	9,530	-
- Mormugao Terminal Ltd	-	-	-	37,973,241
- Mumbai Nasik Expressway Ltd	-	-	-	4,200,271
- Pataliputra Highway Ltd	-	-	-	300
- Patna Buxar Highways Ltd	-	-	-	81,913,039
- Patna Highway Projects Ltd	31,111,505	-	-	-
- Pravara Renewable Energy Ltd	66,297,997	-	-	73,937
- Rajahmundry Expressway Ltd	-	-	-	10,580
- Rajahmundry Godavari Bridge Ltd	-	-	32,193,488	664,243
- Ras Cities and Townships Limited	-	-	8,700	-
- Satluj Renewable Energy Pvt Ltd	-	-	14,373	-
- Segue Infrastructure Projects Ltd	-	-	6,600	-

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
- Sidhi Singrauli Road Project Ltd	11,025,973	-	-	18,270,101
- Sikkim Hydro Power Ventures Ltd	-	-	1,556,354	391,217
- Tada Infra Development Company Ltd	-	-	1,904,133	1,797,133
- Tangri Renewable Energy Pvt Ltd	-	-	19,929	8,427
- Tidong Hydro Power Limited	-	-	95,607	-
- Vijaywada Gundugulanu Road Project Pvt Ltd	-	-	788,630	21,033,142
- Yamuna Minor Minerals Pvt Ltd	-	-	53,466	34,016
- Yamunanagar Panchkula Highways Private Ltd	-	-	73,361	11,558
- Youngthang Power Ventures Ltd	-	-	795,157	-
Dues from Joint Venture entities :				
- Indira Container Terminal Pvt Ltd	-	-	25,553,432	21,491,889
- GIPL - GIL JV	-	-	1,568,346	1,556,121
Dues from Associates :				
- Modern TollRoads Ltd	-	-	48,271	48,271
Total	108,435,475	-	95,471,059	213,222,627

15 Other assets

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Interest accrued receivable				
From related parties, considered good (refer note 15.1)	31,013,842	42,284,230	-	-
From Banks, considered good	-	-	17,500,982	1,481,311
From others, considered doubtful	-	-	692,183	692,183
	31,013,842	42,284,230	18,193,165	2,173,494
Less: Provision for doubtful Interest accrued receivable	-	-	692,183	692,183
Non-current bank balances (Refer note 18)	242,773,781	58,865,025	-	-
Unbilled Work in progress	-	-	3,352,598	3,352,598
Total Other current assets	273,787,623	101,149,255	20,853,580	4,833,909

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

Company Name	March 31, 2016	September 30, 2014
Cochin Bridge Infrastructure Company Limited	1,746,501	1,746,501
Gorakhpur Infrastructure Company Limited	-	11,270,388
Indira Container Terminal Private Limited	24,787,776	24,787,776
Patna Highway Projects Limited	1,933,028	1,933,028
Pravara Renewable Energy Limited	2,546,537	2,546,537
Total	31,013,842	42,284,230

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

16 Inventories

Particulars	As at March 31, 2016	As at September 30, 2014
Stores and Materials at site (at lower of cost computed at weighted average method and net realisable value)	-	1,798,539
Total Inventories	-	1,798,539

17 Trade Receivables

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Unsecured				
Outstanding for a period exceeding six months				
Considered good	-	-	24,915,860	8,261,111
Considered doubtful	-	-	48,767,142	48,767,142
Other receivables	297,068,668	88,286,831	21,875,593	7,124,338
	<u>297,068,668</u>	<u>88,286,831</u>	<u>95,558,595</u>	<u>64,152,591</u>
Provision for doubtful debt			(48,767,142)	(48,767,142)
Total trade receivables	297,068,668	88,286,831	46,791,453	15,385,449
<i>Note: Receivables from related parties are as follows:</i>				
Ultimate Holding Company:				
Gammon India Limited			-	8,261,111
Subsidiaries:				
Gorakhpur Infrastructure Company Ltd.			-	7,000,000
Birmitrapur Barkote Highway Pvt Ltd (fully provided)			48,767,142	48,767,142
Sidhi Singrauli Road Projects Ltd			335,283,270	88,411,169
Viyayawada Gundugolanu Road Project Pvt Ltd			3,000,000	-
Total			387,050,412	152,439,422

18 Cash and bank balances

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Cash and cash equivalents				
Balances with Scheduled Banks :				
in Current Accounts	-	-	22,261,627	113,031,762
Cash on hand	-	-	483,425	412,891
	-	-	<u>22,745,052</u>	<u>113,444,653</u>
Other bank balances				
Balances in escrow account	-	33,505	479,877,201	1,627,781
Debt service reserve account	-	-	1,168,114	9,134,111
Fixed Deposit in escrow account	-	-	2,741,000,000	-

Particulars	Non-Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
Fixed Deposit as margin for BG issued	179,000,000	-	-	-
Fixed Deposit under lien (refer note 8)	63,773,781	58,831,520	-	-
	242,773,781	58,865,025	3,222,045,315	10,761,892
Amounts disclosed under Other non-current assets (Refer note 15)	(242,773,781)	(58,865,025)	-	-
Total Cash and bank balances	-	-	3,244,790,367	124,206,545

19 Revenue:

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Construction contract revenue	2,784,765,780	473,623,678
Developer's Fees	48,682,806	10,059,652
Operating and Maintenance Income	742,500,093	298,722,646
Works Contract Income	138,507,784	-
Periodic Maintenance Income	317,545,577	-
Advisory Fees	-	31,149,875
Total Revenue	4,032,002,040	813,555,851

The disclosures as per provisions of clauses 38, 39 and 41 of Accounting Standard 7 (Construction Contracts) notified by the Companies (Accounting Standard) Rules' 2006, as amended are as under:

Particulars	March 31, 2016	September 30, 2014
Contract revenue recognised for the period	2,784,765,780	473,623,678
Aggregate amount of cost incurred as at the end of the financial period for all contracts in progress,	2,179,209,540	450,775,752
Aggregate amount of income recognised as at the end of the financial period for all contracts in progress,	605,556,240	126,730,433
Contract Advances outstanding as at the end of the financial period	1,614,869,423	1,865,519,106
Retention amount due from customers as at the end of the financial period	297,068,668	88,286,831
Gross Amount due from Customers for contract work	310,367,410	-
Gross Amount due to customers for contract work	1,331,132,666	601,138,298

20 Other income

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Interest Income :	41,308,201	22,622,583
Profit on Sale of current Investments	8,112,330	-
Profit on Sale of non-current Investments (net)	-	866,104
Profit on Sale of assets	10,000	-
Write back of provision for advances	3,329,919	-
Insurance claims received	-	1,019,235
Miscellaneous Income	14,159	1,800
Total Other income	52,774,609	24,509,722

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

21 Project expenses

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Changes in inventory of consumables:		
Opening stock of materials	1,798,539	2,563,136
Less : Transferred	973,544	-
Less : Closing stock of materials	-	1,798,539
	824,995	764,597
Operation and Maintenance expenses	798,861,889	31,224,193
Sub-contractor expenses	2,179,209,540	346,893,245
Total Project expenses	2,978,896,424	378,882,035

22 Employee benefits expenses:

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Salaries, wages and bonus	185,954,939	114,734,392
Contributions to Provident Fund	5,442,072	3,312,501
Staff Welfare Expenses	8,560,407	3,678,600
Employees 'ESOP' compensation cost (net of reversal)	(1,689,589)	14,439,264
Total Employee benefits expenses	198,267,829	136,164,757

- 22 a) During the previous period on account of inadequacy of profits, the company has paid managerial remuneration in respect of two personnel in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable. The total amount paid in excess of the limits as computed under the respective regulations is ₹ 20,449,402/-. The Company's application for waiver of the recovery has been rejected by the Ministry of Corporate affairs. However the Company is making a review petition to the Ministry to review its decision. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of S197 read with Schedule V to the Companies Act 2013 is ₹ 18,395,890/- for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

23 Other expenses

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
- Plant Hire Charges	3,558,398	2,781,414
- Professional Fees	14,309,696	6,283,285
- Rent	19,178,131	8,103,227
- Power & Fuel	30,136,264	16,580,948
- Travelling Expenses	5,149,377	2,576,602
- Communication	2,751,734	1,422,474
- Insurance	2,263,112	3,218,913
- Remuneration to Auditors	4,284,807	3,558,821
- Office Maintenance	7,510,689	2,911,841
- Rates & Taxes	22,008,693	8,349,169
- Bank Charges	526,281	39,054
- Printing & Stationary	1,401,221	609,612
- Postage & Courier	618,702	111,093
- Security	3,328,659	1,656,477

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
- Motor Car Expenses	6,000,195	2,709,000
- Directors Fees & Commission	5,740,000	1,500,000
- Business Development Expenses	569,218	581,888
- Annual Report Expenses	936,116	1,326,300
- Guarantee Bond Commission	1,136,036	595,250
- Sundry Expenses	13,038,041	7,337,532
- Provision for Doubtful Debts / Advances	14,816,568	16,750,633
- Sundry balances written off	27,047,278	-
- Provision for Diminution in Value of Investments of subsidiaries	13,276,780	700,000
Total Other expenses	199,585,995	89,703,532
Payment to auditors		
Audit fee including limited review fee	3,050,000	2,950,560
Tax audit fee	360,000	125,000
Certifications & other services	719,000	374,500
Reimbursement of expenses	155,807	108,761
Total payments to auditors	4,284,807	3,558,821

(Note: For the previous period the fees excludes remuneration paid to auditors of ₹ 6,000,000/- and reimbursement of expenses of ₹ 160,470/- towards the QIP issue which are adjusted in Securities premium as share issue expenses)

24 Finance Costs:

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Interest Paid On :		
Intercorporate Loans:		
from Subsidiaries	286,245,491	210,362,913
from others	41,040,091	222,342,860
Banks Loans	163,124,160	76,907,003
Interest on Margin Money Deposit	900,822	448,767
Other finance costs	31,989,459	24,453,723
Total Finance Costs	523,300,023	534,515,266

25 Earnings Per Share ('EPS') :

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	18 months ended March 31, 2016	9 months ended September 30, 2014
Net Profit / (Loss) as per Statement of Profit and Loss	581,538,465	(693,371,141)
Outstanding equity shares at period end	941,770,724	938,200,724
Weighted average Number of Shares outstanding during the period - Basic	940,464,164	751,227,935
Weighted average Number of Shares outstanding during the period - Diluted	940,675,929	754,834,994
Earnings per Share - Basic (₹)	0.62	(0.92)
Earnings per Share - Diluted (₹) *	0.62	(0.92)

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

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Reconciliation of weighted number of outstanding during the period:

Particulars	March 31, 2016	September 30, 2014
Nominal Value of Equity Shares (₹ per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	938,200,724	734,026,438
Add : Issue of Equity Shares	3,570,000	204,174,286
Total number of equity shares outstanding at the end of the period	941,770,724	938,200,724
Weighted average number of equity shares at the end of the period	940,464,164	751,227,935
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	940,464,164	751,227,935
Add : Equity shares arising on grant of stock options under ESOP	211,765	4,348,235
Less : Equity shares arising on grant of stock options under ESOP forfeited / lapsed (included above)	-	741,176
Weighted average number of equity shares used in calculating diluted EPS	940,675,929	754,834,994

26 Expenditure in Foreign Currency :

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Professional Fees (Net of TDS & Service Tax)	275,803	425,639
Total	275,803	425,639

27 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, 2016	Maximum Amount Outstanding during the period
Subsidiaries :		
Aparna Infraenergy India Pvt Ltd	-	402,092,427
	(376,336,238)	(376,336,238)
Birimtrapur Barkote Highway Pvt Ltd	60,802,515	60,802,515
	(60,802,515)	(60,802,515)
Cochin Bridge Infrastructure Co Limited	92,225,225	92,225,225
	(69,283,351)	(69,283,351)
Chitoor Infrastructure Company Pvt Ltd	988,000	988,000
	(100,000)	(100,000)
Earthlink Infrastructure Projects Pvt Ltd	128,458,000	128,458,000
	(650,000)	(650,000)
Gammon Logistics Limited	15,834,610	15,834,610
	(15,800,902)	(15,800,902)
Gammon Project Developers Limited	4,584,431	4,584,431
	(4,284,431)	(7,146,000)
Gammon Renewable Energy Infrastructure Limited	25,120,000	51,120,000
	(51,120,000)	(51,120,000)
Ghaggar Renewable Energy Private Limited	897,558	897,558
	(897,558)	(897,558)

Particulars	Balance as on March 31, 2016	Maximum Amount Outstanding during the period
Gammon Road Infrastructure Limited	23,013,700 (23,013,700)	23,013,700 (23,013,700)
Gammon Seaport Infrastructure Limited	-	-
Gorakhpur Infrastructure Company Limited	11,270,388 (11,270,388)	2,465,343,109 (2,465,343,109)
Kosi Bridge Infrastructure Company Limited	-	245,541,093 (245,541,093)
Mormugao Terminal Limited	-	21,472,136 (18,542,437)
Mumbai Nasik Expressway Limited	-	-
Pataliputra Highway Limited	-	584,755,417 (584,755,417)
Patna Buxar Highways Limited	-	175,984,220 (174,499,220)
Patna Highway Projects Limited	647,983,028 (946,183,028)	1,119,183,028 (946,183,028)
Pravara Renewable Energy Limited	194,202,087 (404,355,480)	194,202,087 (404,355,480)
Rajahmundry Godavari Bridge Limited	221,275,000 (225,000,000)	274,589,000 (605,000,000)
Satluj Renewable Energy Private Limited	2,490,000 (2,490,000)	2,490,000 (2,490,000)
Segue Infrastructure Project Pvt Ltd	250,000 (250,000)	250,000 (250,000)
Sidhi Singrauli Road Projects Ltd	352,716,042 (73,716,042)	352,716,042 (706,854,360)
Sikkim Hydro Power Ventures Limited	438,429,818 (373,767,406)	438,429,818 (373,767,406)
Tidong Hydro Power Limited	18,032,095 (17,950,993)	18,032,095 (17,950,993)
Viyayawada Gundugolanu Road Project Pvt Ltd	1,347,429,031 (785,149,031)	1,347,429,031 (785,149,031)
Yamuna Minor Mineral Pvt Ltd	730,000 (730,000)	730,000 (730,000)
Yamunanagar Panchkula Highway Pvt Ltd	91,553,426 (91,445,926)	91,553,426 (217,540,480)
Youngthang Power Ventures Limited	580,557,609 (571,860,303)	580,557,609 (571,860,303)
Associates and Joint Venture Companies :		
Indira Container Terminal Private Limited	400,175,732 (324,046,060)	400,175,732 (324,046,060)

(Previous year figures in brackets)

The repayment for all ICD's is due on March 31, 2018. All ICD's are interest free.

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

- b) Details of investments by loanees in the share of subsidiaries of the Company:

Loanee	Investment in Subsidiary	As on 31-Mar-16 (No. of shares)	As on 30-Sep-14 (No. of shares)
Pataliputra Highway Limited	Aparna Infraenergy India Private Limited	-	499,910
Gammon Projects Developers Limited	Chitoor Infra Company Private Limited	10,000	10,000
	Ras Cities & Townships Private Limited	10,000	10,000
	Earthlink Infrastructure Projects Private Limited	10,000	10,000
	Segue Infrastructure Projects Private Limited	10,000	10,000
	Ghaggar Renewable Energy Pvt Ltd	3,750	3,750
	Tangri Renewable Energy Pvt Ltd	3,750	3,750
	Yamuna Minor Minerals Pvt Ltd	3,750	3,750
	Satluj Renewable Energy Pvt Ltd	4,000	4,000
	Gammon Seaport Infrastructure Limited	Ghaggar Renewable Energy Pvt Ltd	2,500
Gammon Renewable Energy Infrastructure Projects Limited	Tangri Renewable Energy Pvt Ltd	2,500	2,500
	Yamuna Minor Minerals Pvt Ltd	2,500	2,500
	Ghaggar Renewable Energy Pvt Ltd	3,750	3,750
	Tangri Renewable Energy Pvt Ltd	3,750	3,750
	Yamuna Minor Minerals Pvt Ltd	3,750	3,750
Satluj Renewable Energy Pvt Ltd	Satluj Renewable Energy Pvt Ltd	2,000	2,000
	Aparna Infraenergy India Private Limited	-	15
	Ghaggar Renewable Energy Pvt Ltd	-	15

28. Details of Joint Ventures

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

Sr. no.	Name of the Joint Venture	% of Interest as at	
		31-Mar-16	30-Sep-14
1	Blue Water Iron Ore Terminal Private Ltd (BWIOTPL) *	10.12%	10.12%
2	Indira Container Terminal Private Ltd	50.00%	50.00%
3	SEZ Adityapur Ltd	38.00%	38.00%
4	GIPL - GIL JV	95.00%	95.00%

All the above joint ventures entities are incorporated in India.

* GIPL had entered into a Joint Venture agreement for 31% equity stake in BWIOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWIOTPL. BWIOTPL has initiated the process of liquidation and the group management believes that it does not have any obligation to further contribute in the equity capital of BWIOTPL. Accordingly the interest is restricted to 10.12%.

- b) Details of share of Assets, Liabilities, Income, Expenditure and Capital Commitments in the Joint Ventures.
In the absence of financials from the aforementioned Joint Venture's except Indira Container Terminal Private limited

the details of Assets, Liabilities, Income, Expenditure and Capital Commitments has not been given. The exposure in all these Joint ventures are provided for.

Name of the Joint Venture	Share of Assets	Share of Liabilities	Share of Income	Share of Expenditure	Share of Commitments	Contingent Liabilities
Indira Container Terminal Private Limited	3,849,594,673	3,522,641,956	186,204,391	40,570,419	4,887,700,724	5,40,34,436
	(3,086,405,696)	(2,831,130,664)	-	(15,196,955)	(3,139,877,262)	-

29. Related Party Disclosure

a. Relationships :

Entity where control exists :

- | | |
|---|--|
| 1 Gammon India Limited - Ultimate Holding Company (w.e.f Sept 29, 2014) | 2 Gammon Power Limited - Holding Company (w.e.f Sept 29, 2014) |
|---|--|

Subsidiaries:

- | | |
|---|---|
| 1 Andhra Expressway Limited (upto 29/02/16) | 23 Mumbai Nasik Expressway Limited (upto 29/02/16) |
| 2 Aparna Infraenergy India Pvt Ltd (upto February 29, 2016) | 24 Mormugao Terminal Limited (upto 31/03/16) |
| 3 Birmitrapur Barkote Highway Pvt Ltd | 25 Pataliputra Highway Limited (upto 31/03/16) |
| 4 Chitoor Infrastructure Company Private Limited | 26 Patna Buxar Highway Limited (upto 31/03/16) |
| 5 Cochin Bridge Infrastructure Company Limited | 27 Patna Highway Projects Limited |
| 6 Dohan Renewable Energy Private Limited (upto 4/02/14) | 28 Pravara Renewable Energy Limited |
| 7 Earthlink Infrastructure Projects Pvt Ltd | 29 Ras Cities and Townships Private Limited |
| 8 Gammon Logistics Limited | 30 Rajahmundry Expressway Limited (upto 29/02/16) |
| 9 Gammon Projects Developers Limited | 31 Rajahmundry Godavari Bridge Limited |
| 10 Gammon Renewable Energy Infrastructure Limited | 32 Satluj Renewable Energy Private Limited |
| 11 Gammon Road Infrastructure Limited | 33 Segue Infrastructure Projects Pvt Ltd |
| 12 Gammon Seaport Infrastructure Limited | 34 Sidhi Singrauli Road Project Ltd |
| 13 Ghaggar Renewable Energy Private Limited | 35 Sikkim Hydro Power Ventures Limited |
| 14 Gorakhpur Infrastructure Company Limited (upto 29/02/16) | 36 Sirsa Renewable Energy Private Limited (upto 30/07/14) |
| 15 Haryana Biomass Power Limited | 37 Tada Infra Development Company Limited |
| 16 Indori Renewable Energy Private Limited (upto 3/06/14) | 38 Tangri Renewable Energy Private Limited |
| 17 Jaguar Projects Developers Limited | 39 Tidong Hydro Power Limited |
| 18 Kasavati Renewable Energy Private Limited (upto 4/02/14) | 40 Vijaywada Gundugolanu Road Project Pvt Ltd |
| 19 Kosi Bridge Infrastructure Company Limited (upto 29/02/16) | 41 Vizag Seaport Private Limited |
| 20 Lilac Infraprojects Developers Limited | 42 Yamuna Minor Minerals Private Limited |
| 21 Markanda Renewable Energy Private Limited (upto 3/06/14) | 43 Yamunanagar Panchkula Highway Pvt Ltd |
| 22 Marine Projects Services Limited | 44 Youngthang Power Ventures Limited |

Joint Ventures:

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

Associates:

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

Key Management Personnel:

- 1 Kishor Kumar Mohanty
- 2 Parag Parikh (upto 18/11/14)

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

b. Details of related parties transactions for the period ended on March 31, 2016

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Operations & Maintenance Income :	506,305,699	148,535,081	-	-	654,840,780
	(158,472,646)	(108,750,000)	(-)	(-)	(267,222,646)
- Gammon India Ltd	506,305,699	-	-	-	506,305,699
	(158,472,646)	(-)	(-)	(-)	(158,472,646)
- Mumbai Nasik Expressway Ltd	-	148,535,081	-	-	148,535,081
	(-)	(108,750,000)	(-)	(-)	(108,750,000)
Developer's Fees :	-	48,682,806	-	-	48,682,806
	(-)	(10,059,652)	(-)	(-)	(10,059,652)
- Sidhi Singrauli Road Project Ltd	-	48,682,806	-	-	48,682,806
	(-)	(10,059,652)	(-)	(-)	(10,059,652)
Advisory Fees & other services:	-	-	-	-	-
	(-)	(31,149,875)	(-)	(-)	(31,149,875)
- Pravara Renewable Energy Ltd	-	-	-	-	-
	(-)	(31,149,875)	(-)	(-)	(31,149,875)
Rent Paid :	-	15,252,041	-	-	15,252,041
	(-)	(6,427,610)	(-)	(-)	(6,427,610)
- Youngthang Power Ventures Ltd	-	15,252,041	-	-	15,252,041
	(-)	(6,427,610)	(-)	(-)	(6,427,610)
EPC income:	-	2,784,765,780	-	-	2,784,765,780
	(-)	(477,472,288)	(-)	(-)	(477,472,288)
- Sidhi Singrauli Road Project Ltd	-	2,784,765,780	-	-	2,784,765,780
	(-)	(477,472,288)	(-)	(-)	(477,472,288)
Share application money paid :	-	579,789,000	-	-	579,789,000
	(-)	(13,360,000)	(-)	(-)	(13,360,000)
- Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(-)	(13,360,000)	(-)	(-)	(13,360,000)
- Pravara Renewable Energy Ltd	-	305,200,000	-	-	305,200,000
	(-)	(-)	(-)	(-)	-
- Rajahmundry Godavari Bridge Ltd	-	274,589,000	-	-	274,589,000
	(-)	-	-	-	-
Conversion of ICD given into share application and subsequent allotment	-	774,681,750	-	-	774,681,750
	(-)	(-)	(-)	(-)	(-)
- Mormugaon Terminal Ltd	-	21,442,130	-	-	21,442,130
	(-)	(-)	(-)	(-)	-
- Patliputra Highway Ltd	-	579,755,400	-	-	579,755,400
	(-)	(-)	(-)	(-)	-
- Patna Buxar Highway Ltd	-	173,484,220	-	-	173,484,220
	(-)	(-)	(-)	(-)	-
Conversion of Share application money given into ICD:	-	50,900,000	-	-	50,900,000
	(-)	(-)	(-)	(-)	(-)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	50,900,000	-	-	50,900,000
	(-)	(-)	(-)	(-)	-

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Advance received for Client:	-	493,100,000	-	-	493,100,000
	(168,371,429)	(833,115,352)	(-)	(-)	(833,115,352)
- Gammon India Ltd	-	-	-	-	-
	(168,371,429)	(-)	(-)	(-)	(168,371,429)
- Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(-)	(122,500,000)	(-)	(-)	(122,500,000)
- Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(-)	(710,615,352)	(-)	(-)	(710,615,352)
- Vijaywada Gundugolanu Road Project Pvt Ltd	-	493,100,000	-	-	493,100,000
	(-)	-	(-)	(-)	-
Amount liquidated/adjusted towards the above finance:	-	743,443,684	-	-	743,443,684
	(158,472,646)	(714,994,780)	(-)	(-)	(714,994,780)
- Gammon India Ltd	-	-	-	-	-
	(158,472,646)	(-)	(-)	(-)	(158,472,646)
- Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(-)	(80,000,000)	(-)	(-)	(80,000,000)
- Patna Buxar Highways Ltd	-	-	-	-	-
	(-)	(51,646,493)	(-)	(-)	(51,646,493)
- Sidhi Singrauli Road Project Ltd	-	693,443,684	-	-	693,443,684
	(-)	(456,203,923)	(-)	(-)	(456,203,923)
- Vijaywada Gundugolanu Road Project Pvt Ltd	-	50,000,000	-	-	50,000,000
	(-)	(-)	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	-	-	-
	(-)	(127,144,364)	(-)	(-)	(127,144,364)
Provision for ICD:	-	10,125,639	-	-	10,125,639
	(-)	(165,644,074)	(-)	(-)	(165,644,074)
- Birmirapur Barkote Highway Pvt Ltd	-	-	-	-	-
	(-)	(60,802,515)	(-)	(-)	(60,802,515)
- Gammon Logistics Ltd	-	33,708	-	-	33,708
	(-)	(10,395,633)	(-)	(-)	(10,395,633)
- Gammon Project Developers Ltd	-	1,584,431	-	-	1,584,431
	(-)	(3,000,000)	(-)	(-)	(3,000,000)
- Gammon Road Infrastructure Ltd	-	8,400,000	-	-	8,400,000
	(-)	-	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	-	107,500	-	-	107,500
	(-)	(91,445,926)	(-)	(-)	(91,445,926)
Managerial Remuneration:	-	-	-	40,962,868	40,962,868
	(-)	(-)	(-)	(23,876,175)	(23,876,175)
- Mr. K. K. Mohanty	-	-	-	37,475,890	37,475,890
	(-)	(-)	(-)	(17,319,150)	(17,319,150)
- Mr. Parag Parikh	-	-	-	3,486,978	3,486,978
	(-)	(-)	(-)	(6,557,025)	(6,557,025)

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Investment in equity shares of:	-	1,890,393,260	-	-	1,890,393,260
	(-)	(13,360,000)	(-)	(-)	(13,360,000)
- Patna Buxar Highways Ltd		255,848,860			255,848,860
	(-)	(-)	(-)	(-)	(-)
- Patliputra Highway Ltd		579,755,400			579,755,400
	(-)	(-)	(-)	(-)	(-)
- Patna Highway Projects Ltd		475,000,000			475,000,000
	(-)	(-)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd		305,200,000			305,200,000
	(-)	(-)	(-)	(-)	(-)
- Rajahmundry Godavari Bridge Ltd	-	274,589,000	-	-	274,589,000
	(-)	(-)	(-)	(-)	(-)
- Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(-)	(13,360,000)	(-)	(-)	(13,360,000)
Inter corporate loans given to:	-	1,304,133,889	376,425,403	-	1,440,152,292
	(-)	(1,090,935,780)	(240,407,000)	(-)	(1,318,842,780)
- Gorakhpur Infrastructure Co. Ltd	-	111,989,889	-	-	111,989,889
	(-)	(731,852,721)	(-)	(-)	(731,852,721)
- Indira Container Terminal Ltd	-	-	376,425,403		376,425,403
	(-)	(-)	(240,407,000)	(-)	(240,407,000)
- Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
	(-)	(12,500,000)	(-)	(-)	(12,500,000)
- Rajahmundry Godavari Bridge Ltd	-	306,864,000	-	-	306,864,000
	(-)	(166,600,000)	(-)	(-)	(166,600,000)
- Sidhi Singrauli Road Project Ltd	-	279,000,000	-	-	279,000,000
	(-)	(161,297,549)	(-)	(-)	(161,297,549)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	606,280,000	-	-	606,280,000
	(-)	(18,685,510)	(-)	(-)	(18,685,510)
Refund of inter corporate loans given:	-	3,593,983,505	-	-	3,657,083,505
	(-)	(1,569,830,647)	(63,100,000)	(-)	(1,632,930,647)
- Aparna Infraenergy India Pvt Ltd	-	402,131,895	-	-	402,131,895
	(-)	(-)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	2,566,062,610	-	-	2,566,062,610
	(-)	(-)	(-)	(-)	(-)
- Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
	(-)	(245,541,093)	(-)	(-)	(245,541,093)
- Pravara Renewable Energy Ltd	-	315,200,000	-	-	315,200,000
	(-)	(-)	(-)	(-)	-
- Rajahmundry Godavari Bridge Ltd	-	310,589,000	-	-	310,589,000
	(-)	(493,100,000)	(-)	(-)	(493,100,000)
- Indira Container Terminal Pvt Ltd	-	-	-	-	63,100,000
	(-)	(-)	(63,100,000)	(-)	(63,100,000)
- Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(-)	(705,095,000)	(-)	(-)	(705,095,000)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	-	-	-
	(-)	(126,094,554)	(-)	(-)	(126,094,554)
Expenses incurred/payments made by the Company on behalf of:	1,016,000	312,407,695	74,650	-	313,498,345
	(1,016,000)	(249,296,793)	(-)	(-)	(250,312,793)
- Blue Water Iron Ore Terminal Private Ltd	-	-	74,650	-	74,650
	(-)	(-)	(-)	(-)	-
- Gammon India Ltd	1,016,000	-	-	-	1,016,000
	(1,016,000)	(-)	(-)	(-)	(1,016,000)
- Mumbai Nasik Expressway Ltd	-	39,032,248	-	-	39,032,248
	(-)	(63,413,304)	(-)	(-)	(63,413,304)
- Pravara Renewable Energy Ltd	-	74,698,562	-	-	74,698,562
	(-)	(6,317,608)	(-)	(-)	(6,317,608)
- Patna Buxar Highway Ltd	-	2,258,913	-	-	2,258,913
	(-)	(133,731,326)	(-)	(-)	(133,731,326)
- Rajahmundry Godavari Bridge Ltd	-	75,197,743	-	-	75,197,743
	(-)	(3,542,302)	(-)	(-)	(3,542,302)
- Sidhi Singrauli Road Project Ltd	-	62,681,801	-	-	62,681,801
	(-)	(24,991,420)	(-)	(-)	(24,991,420)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	58,538,428	-	-	58,538,428
	(-)	(17,300,833)	(-)	(-)	(17,300,833)
Amount liquidated towards the above finance	-	320,413,048	35,719,797	-	356,132,845
	(-)	(110,236,411)	(-)	(-)	(110,236,411)
- Indira Container Terminal Pvt Ltd	-	-	35,719,797	-	35,719,797
	(-)	(-)	(-)	(-)	(-)
- Mormugaon Terminal Ltd	-	42,563,913	-	-	42,563,913
	(-)	(20,835,707)	(-)	(-)	(20,835,707)
- Patna Buxar Highway Ltd	-	83,246,918	-	-	83,246,918
	(-)	(52,812,681)	(-)	(-)	(52,812,681)
- Rajahmundry Godavari Bridge Ltd	-	43,868,498	-	-	43,868,498
	(-)	(3,431,130)	(-)	(-)	(3,431,130)
- Sidhi Singrauli Road Project Ltd	-	69,925,929	-	-	69,925,929
	(-)	(15,026,409)	(-)	(-)	(15,026,409)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	78,782,940	-	-	78,782,940
	(-)	(1,613,768)	(-)	(-)	(1,613,768)
- Youngthang Power Ventures Ltd	-	2,024,850	-	-	2,024,850
	(-)	(16,516,716)	(-)	(-)	(16,516,716)
Expense incurred on behalf of the Company	-	-	-	-	12,997
	(-)	(-)	(-)	(-)	(-)
- Vizag Seaport Pvt. Ltd.	-	12,997	-	-	12,997
	(-)	(-)	(-)	(-)	(-)

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Interest income during the period :	-	-	-	-	14,697,799
	(-)	(-)	(14,697,799)	(-)	(14,697,799)
- Indira Container Terminal Pvt Ltd	-	-	-	-	14,697,799
	(-)	(-)	(14,697,799)	(-)	(14,697,799)
Inter corporate borrowings taken from:	-	1,033,571,257	-	-	1,033,571,257
	(-)	(849,752,000)	(-)	(-)	(849,752,000)
- Andhra Expressway Ltd	-	531,063,257	-	-	531,063,257
	(-)	(308,852,000)	(-)	(-)	(308,852,000)
- Rajahmundry Expressway Ltd	-	291,508,000	-	-	291,508,000
	(-)	(377,400,000)	(-)	(-)	(377,400,000)
- Kosi Bridge Infrastructure Co. Ltd	-	211,000,000	-	-	211,000,000
	(-)	(163,500,000)	(-)	(-)	(163,500,000)
Refund of inter corporate borrowings taken earlier:	-	681,361,835	-	-	681,361,835
	(-)	(42,229,801)	(-)	(-)	(42,229,801)
- Andhra Expressway Ltd	-	326,764,432	-	-	326,764,432
	(-)	(-)	(-)	(-)	(-)
- Kosi Bridge Infrastructure Co. Ltd	-	207,675,738	-	-	207,675,738
	(-)	(42,229,801)	(-)	(-)	(42,229,801)
- Rajahmundry Expressway Ltd	-	146,921,665	-	-	146,921,665
	(-)	(-)	(-)	(-)	(-)
Finance received for Security Deposit for	-	3,800,000	-	-	3,800,000
Director Appointment:	(-)	(4,200,000)	(-)	(-)	(4,200,000)
- Andhra Expressway Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Birmiritrapur Barkote Highway Pvt Ltd	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
- Cochin Bridge Infrastructure Co. Ltd	-	200,000	-	-	200,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Gammon Logistics Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Gammon Project Developers Ltd	-	200,000	-	-	200,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Gammon Renewable Energy Infrastructure Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Gammon Road Infrastructure Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Gammon Seaport Infrastructure Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Ghaggar Renewable Energy Pvt Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Haryana Biomass Power Ltd	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Jaguar Project Developers Ltd	-	200,000	-	-	200,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Kosi Bridge Infrastructure Co. Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Lilac Infraprojects Developers Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Mumbai Nasik Expressway Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Marine Project Services Ltd	-	-	-	-	-
	(-)	(200,000)	(-)	(-)	(200,000)
- Mormugaon Terminal Ltd	-	-	-	-	-
	(-)	(100,000)	(-)	(-)	(100,000)
- Patliputra Highway Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Patna Buxar Highway Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Patna Highway Projects Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Pravara Renewable Energy Ltd	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
- Rajahmundry Godavari Bridge Ltd	-	200,000	-	-	200,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Rajahmundry Expressway Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Satluj Renewable Energy Pvt Ltd	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
- Sidhi Singrauli Road Project Ltd	-	200,000	-	-	200,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Sikkim Hydro Power Ventures Ltd	-	-	-	-	-
	(-)	(200,000)	(-)	(-)	(200,000)
- Tada Infra Developers Co. Ltd.	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Tangri Renewable Energy Pvt Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Tidong Hydro Power Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Yamunanagar Panchkula Highway Pvt Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Youngthang Power Ventures Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
Refund of Security Deposit for Director	-	3,000,000	-	-	3,000,000
Appointment:	(-)	(4,200,000)	(-)	(-)	(4,200,000)
- Andhra Expressway Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Cochin Bridge Infrastructure Co. Ltd	-	200,000	-	-	200,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Gammon Logistics Ltd	-	-	-	-	-
	(-)	(100,000)	(-)	(-)	(100,000)
- Gammon Project Developers Ltd	-	200,000	-	-	200,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Gammon Renewable Energy Infrastructure Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Gammon Road Infrastructure Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Gammon Seaport Infrastructure Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Ghaggar	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	100,000	-	-	100,000
	(-)	(300,000)	(-)	(-)	(300,000)
- Haryana	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
- Kosi	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Jaguar Project Developers Ltd	-	-	-	-	-
	(-)	(100,000)	(-)	(-)	(100,000)
- Lilac Infraprojects Developers Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Mumbai Nasik Expressway Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Marine Project Services Ltd	-	-	-	-	-
	(-)	(200,000)	(-)	(-)	(200,000)
- Mormugaon Terminal Ltd	-	-	-	-	-
	(-)	(100,000)	(-)	(-)	(100,000)
- Patliputra Highway Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Patna Buxar Highway Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Patna Highway Projects Ltd	-	100,000	-	-	100,000
	(-)	(200,000)	(-)	(-)	(200,000)
- Pravara Renewable Energy Ltd	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
- Rajahmundry Godavari Bridge Ltd	-	-	-	-	-
	(-)	(200,000)	(-)	(-)	(200,000)
- Rajahmundry Expressway Ltd	-	100,000	-	-	100,000

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
	(-)	(300,000)	(-)	(-)	(300,000)
- Satluz	-	200,000	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
- Sidhi Singrauli Road Project Ltd	-	200,000	-	-	200,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Sikkim Hydro Power Ventures Ltd	-	-	-	-	-
	(-)	(200,000)	(-)	(-)	(200,000)
- Tada Infra Development Co Ltd	-	-	-	-	-
	(-)	(200,000)	(-)	(-)	(200,000)
- Tangri	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Tidong Hydro Power Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	100,000	-	-	100,000
	(-)	(100,000)	(-)	(-)	(100,000)
- Yamunanagar Panchkula Highway Pvt Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
- Youngthang Power Ventures Ltd	-	100,000	-	-	100,000
	(-)	(-)	(-)	(-)	(-)
Interest expenses during the year:	-	286,245,491	900,822	-	210,811,680
	(-)	(210,362,913)	(448,767)	(-)	(210,811,680)
- Indira Container Terminal Pvt Ltd	-	-	900,822	-	448,767
	(-)	(-)	(448,767)	(-)	(448,767)
- Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	9,067,656
	(-)	(9,067,656)	(-)	(-)	(9,067,656)
- Mumbai Nasik Expressway Ltd	-	64,320,724	-	-	96,481,086
	(-)	(96,481,086)	(-)	(-)	(96,481,086)
- Vizag Seaport Pvt Ltd	-	221,924,767	-	-	104,814,171
	(-)	(104,814,171)	(-)	(-)	(104,814,171)
Bank / Corporate Guarantees issued by the Company :	-	842,000,000	357,626,000	-	1,199,626,000
	(-)	(4,146,522,571)	(357,626,000)	(-)	(4,504,148,571)
- Aparna Infraenergy India Pvt Ltd	-	-	-	-	-
	(-)	(158,361,000)	(-)	(-)	(158,361,000)
- Gorakhpur Infrastructure Co. Ltd	-	-	-	-	-
	(-)	(180,072,000)	(-)	(-)	(180,072,000)
- Indira Container Terminal Pvt Ltd	-	-	357,626,000	-	357,626,000
	(-)	(-)	(357,626,000)	(-)	(357,626,000)
- Kosi Bridge Infrastructure Co. Ltd	-	-	-	-	-
	(-)	(125,412,000)	(-)	(-)	(125,412,000)
- Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(-)	(2,309,077,571)	(-)	(-)	(2,309,077,571)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	842,000,000	-	-	842,000,000
	(-)	(842,000,000)	(-)	(-)	(842,000,000)

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

Transactions	Holding Company	Subsidiaries	Associates / Joint Ventures & Partnerships	Key Management Personnel	Total
- Vizag Seaport Pvt Ltd	-	-	-	-	-
	(-)	(96,000,000)	(-)	(-)	(96,000,000)
- Sidhi Singrauli Road Project Ltd	-	-	-	-	-
	(-)	(435,600,000)	(-)	(-)	(435,600,000)
Outstanding balances receivable :	-	1,975,510,790	676,177,352	-	3,543,073,607
	(-)	(4,768,167,840)	(596,766,795)	(-)	(5,364,934,635)
- Gorakhpur Infrastructure Company Ltd	-	501,804	-	-	501,804
	(-)	(2,623,950,302)	(-)	(-)	(2,623,950,302)
- Indira Container Terminal Pvt Ltd	-	-	676,177,352	-	676,177,352
	(-)	(-)	(596,766,795)	(-)	(596,766,795)
- Patna Highway Projects Ltd	-	556,896,573	-	-	556,896,573
	(-)	(945,924,988)	(-)	(-)	(945,924,988)
- Sikkim Hydro Power Ventures Ltd	-	439,986,172	-	-	439,986,172
	(-)	(374,158,623)	(-)	(-)	(374,158,623)
- Vijaywada Gundugolanu Raod Project Pvt Ltd	-	408,932,196	-	-	1,300,317,661
	(-)	(260,596,709)	(-)	(-)	(260,596,709)
- Youngthang Power Ventures Ltd	-	569,194,045	-	-	569,194,045
	(-)	(563,537,218)	(-)	(-)	(563,537,218)
Outstanding Balances Payable :	621,383,141	1,737,459,023	-	-	2,358,842,164
	(82,833,219)	(4,289,627,594)	(-)	(-)	(4,372,460,813)
- Gammon India Ltd	621,383,141	-	-	-	621,383,141
	(82,833,219)	(-)	(-)	(-)	(82,833,219)
- Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(-)	(1,238,748,506)	(-)	(-)	(1,238,748,506)
- Rajahmundry Expressway Ltd	-	-	-	-	-
	(-)	(771,969,465)	(-)	(-)	(771,969,465)
- Sidhi Singrauli Road Project Ltd	-	632,107,381	-	-	632,107,381
	(-)	(1,082,615,562)	(-)	(-)	(1,082,615,562)
- Vizag Seaport Pvt Ltd	-	1,105,351,642	-	-	1,105,351,642
	(-)	(1,196,294,061)	(-)	(-)	(1,196,294,061)

30 Commitments

Particulars	March 31, 2016	September 30, 2014
Capital Commitments:	-	-
Other Commitments:		
- Share of equity commitment in SPV's	6,647,290,580	8,565,317,859
- Buyback / purchase of shares of subsidiaries	898,799,739	999,818,173
	7,546,090,319	9,565,136,032

31. Contingent Liabilities

1) Guarantees:

- a) The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries, amounting to ₹ 19,512,569,105 (previous period ₹ 1,782,994,904)
- b) Counter Guarantees given to the bankers for the guarantees given by them on our behalf ₹ 2,263,847,365 (previous period ₹ 2,928,962,991).

2)

Particulars	March 31, 2016	September 30, 2014
a) Disputed Tax demand against which the Company has preferred appeals	243,921,158	218,529,458
Tax paid and refunds adjusted against the same	159,759,880	21,000,000
b) TDS demands under rectification	4,162,993	4,398,304

3) The Company has received a letter for transfer of shares of one of its divested subsidiary from a party who has paid advance for the same.

The Company does not acknowledge the claim due to non satisfaction of certain conditions and is in the process of refunding the said advance to the party.

4) Penal interest as per ICD agreement for delay in the payment which is under negotiation, hence not provided ₹ 151,123/-

32. Exceptional Items

Particulars	18 months ended March 31, 2016	9 months ended September 30, 2014
Provision towards Investments, loans and advances	-	(391,615,583)
(Profit) / Loss on disposal of SPV's (refer note 33)	545,659,616	-
Sundry balances written back / Write off on divestment of SPV's (refer note 33)	6,651,393	-
Intangible asset written off (refer note 33)	(71,578,839)	-
Fixed asset written off (refer note 33)	(1,880,770)	-
Professional fees in connection with disposal of SPV's	(61,477,709)	-
	417,373,691	(391,615,583)

Provision towards Investments, loans and advances and other receivables is in respect of two projects (subsidiaries) namely Bimitrapur Barkote Highway Private Limited and Yamunanagar Panchkula Highway Private Limited where the contract are terminated with NHAI on mutually acceptable terms primarily due to non-availability of Right of Way to the site and other clearances.

33. The Company has during the period transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for the following six entities:

- a) Andhra Expressway Limited
- b) Aparna Infraenergy India Pvt Limited (through PHL being 100% subsidiary of GIPL)
- c) Gorakhpur Infrastructure Company Limited
- d) Kosi Bridge Infrastructure Company Limited
- e) Mumbai Nasik Expressway Limited
- f) Rajahmundry Expressway Limited

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

The SPA covered the sale of another 3 entities Pravara Renewable Energy Limited, Sikkim Hydro Power Ventures Limited and Vijayawada Gundugolanu Road Project Pvt Limited in respect of which certain condition precedent were required to be satisfied.

In respect of Pravara Renewable Energy Limited and Sikkim Hydro Power Ventures Limited the long stop date expired on May 26, 2016. The long stop date for Vijayawada Gundugolanu Road Project Pvt Limited is August 26, 2016.

In respect of the six entities transferred the Company has received a total cash consideration of ₹ 1,378,491,427/- and a waiver of ICD received by the Company including accrued interest payable there on aggregating to ₹ 2,844,097,750/- The difference between the carrying value of investment and afore mentioned aggregate consideration has been shown as profit on sale of investment of ₹ 2,002,909,696/- after providing towards certain obligations towards the projects.

The releases of pledge in respect of some of the shares are in progress although the necessary documents and authorities have been granted in favour of the purchaser. In respect of these shares, the registered shareholder continues to be the Company.

As a consequence of the sale of these six SPV's the O&M contracts in favour of the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. An amount of ₹ 71,578,839/- has been charged to the Statement of Profit and Loss. Similarly various tangible assets at the project sites assisting the Company in its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six SPV aggregating to ₹ 6,651,393/-. These amounts are debited to the statement of profit and loss. Further there has also been a reversal of O&M income pursuant to the aforesaid SPA, of ₹ 135,578,757/- which has been effected. Since these adjustments including the waiver of the loan is arising out of the SPA for the sale of these entities the same are not reflected as Related Party Transaction.

The Company has also sold its equity interest in three other Subsidiaries namely Patna Buxar Highways Limited, Mormugao Terminal Limited and Pataliputra Highways Limited, which had projects in limbo for an aggregate consideration of ₹ 3,000,000/-. Terminal the difference between carrying value of the three subsidiaries and the aforesaid consideration has been charged as loss on sale of investment aggregating to ₹ 1,457,250,080/-. The write off on account of the second divestment aggregates to ₹ 8,036,241/-

34. Since the long stop date of Pravara Renewable Energy Limited and Sikkim Hydro Power Ventures Limited has crossed the Company got a fresh valuation done to determine possible diminution in the value of investment from an external valuer and based on such valuation report has concluded that there is no diminution in the value of investment of Pravara Renewable Energy Limited and Sikkim Hydro Power Ventures Limited.
35. During the previous period, The Greater Cochin Development Authority has sought to end / obstruct the toll collection by a subsidiary by unilaterally sealing the toll booth. The subsidiary believes it has the right to collect toll at the bridge till April 27, 2020. Further necessary legal recourse has been undertaken. The Company's exposure includes investments and loans and advances of ₹ 165,908,581/- (previous period ₹ 132,604,681/-) and Bank and Corporate guarantee of ₹85,678,432/- (Previous period ₹ 97,417,333/-). The Company is confident that the subsidiary has a strong case in this matter. Pending outcome of the legal proceeding, no adjustments have been made in the financials.
36. During the previous period, one of the subsidiary which has a license to develop a hydro power project in Himachal Pradesh has initiated correspondence with the State Government for exiting from the project primarily due to inability of the state government in resolving the local agitations related to environmental issues because of which the subsidiary was forced to stop its geological studies at the project site. The Company's exposure includes investments and loans and advances of ₹ 713,694,045/- (Previous period ₹ 708,037,218/-). The subsidiary has made a claim against the amounts spent on the project till date & taking further legal steps. The management believes that it has a strong case in this matter.

37. In one of the Joint ventures which is engaged in the development of a container terminal in the Mumbai port, the commencement of the project has been delayed due to non-fulfilment of certain conditions by the Mumbai Port Trust ('Licensor'). This has led to cost overruns and default in payment of debt obligations of the JV. However, MbPT has permitted the JV on a trial basis to operate the Ro-Ro operations on a revenue share, which is generating revenue for the JV. The JV has handled around 60 vessels till date. Moreover, the management has taken various steps comprising of rescheduling of the loan (which has already being appraised by the Lead banker and recommended for sanction) and claim for cost overruns on the Licensor. The management is confident of addressing financial crunch and viability of the project and hence the accounts have been prepared on going concern basis.
38. One of the SPV having a tolling bridge project, commenced operations from November 1, 2015 and toll is being collected from that date. During the period, the SPV has incurred cash loss and its current liabilities exceed the current assets by ₹ 239,500,200 as at March 31, 2016. The current monthly toll collections is not sufficient to repay the monthly interest on bank borrowings. The Company is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016. The interest on the said loan has been serviced by the Company till September 2015. Thereafter, the term loan account of the Company has been classified as a Non Performing Asset. However, the banks have not recalled the loans. Accordingly, the loans have been disclosed as a Non-current Liability. The management is exploring opportunities to replace the high cost debts with low cost debts. To achieve the above objective, the SPV has engaged rating agencies to assist it to make a private placement of low cost bonds. In addition to the above, as per the Concession Agreement with Andhra Pradesh Road Development Corporation (APRDC), the SPV is eligible to receive Revenue Shortfall Loan at subsidised rate of interest from the APRDC. The SPV is in the process of making necessary applications with APRDC. The management is strongly of the view that once APRDC satisfies its obligations under the terms of the Concession Agreement and other factors stated above, the financial viability of the SPV is expected to improve. In view of the above, the financial statements have been prepared on a going concern basis and accordingly, no impairment of assets was required.
39. The Company has divested some of its subsidiaries for a cash surplus which reduced the current liability and current asset mis-match. The present mismatch are dependent upon satisfaction of further condition precedents to effect the sale of balance SPV's as detailed in note 33 above. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the going concern assumption and the carrying values of the assets and liabilities in these audited financial results are appropriate. Accordingly the accompanying financial results do not include any adjustments that may result from these uncertainties.
40. During the previous period, the Mormugao Port Trust ('MPT') has unilaterally sought to terminate the Concession Agreement for a project, with a Subsidiary, citing non-compliance with certain terms of the agreement. MPT also encashed the bid security bank guarantee for ₹ 20,000,000/-. The subsidiary has taken necessary action in the matter including filing for arbitration. The Company's exposure as on September 30, 2014 including investments and loans and advances was around ₹ 57,015,678/-. Pending outcome of the arbitration proceedings, no adjustments were made to the financial statements. The management believes that it has a strong case in this matter. This subsidiary has been disposed off during the current period and is not a subsidiary as at the Balance Sheet date.
41. During the previous period, one of the subsidiary of the Company had initiated correspondence with NHAI towards closure of its project on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Forest clearances. Subsequently vide their letter dated August 29, 2014, the NHAI unilaterally terminated the concession agreement and also invoked the bank guarantees to the tune of ₹ 112,911,000/-. The subsidiary has since, on October 22, 2014 referred the dispute to a conciliation procedure, as contemplated in the terms of the concession arrangement by which it has sought to claim compensation towards the project related expenses and also the repayment against the invocation of the guarantee. The Company's total exposure on September 30, 2014 to this project includes investments and loans and advances of ₹ 817,559,289/- Pending conclusion of the conciliation procedure and reliefs under the terms of the concession agreement, no adjustments were made to the financials. This subsidiary has been disposed off during the current period and is not a subsidiary as at the Balance Sheet date.

Notes to the financial statements

for the eighteen months ended March 31, 2016

(All amounts in Indian Rupees unless otherwise stated)

42. In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
43. Lease
The Company has taken office premises on lease and license basis which are cancellable contracts.
44. Segment Reporting
The Company's operations constitutes a single business segment namely "Infrastructure Development" as per AS 17. Further, the Company's operations are within single geographical segment which is India.
45. Derivative Instruments and Unhedged Foreign Currency Exposure
There are no derivative instruments outstanding as at March 31, 2016 and as at September 30, 2014. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2016 and as at September 30, 2014.
46. Prior Period comparatives
Prior year figures have been regrouped / reclassified wherever necessary. The current period is of eighteen months from October 1, 2014 to March 31, 2016. The comparative figures for the previous period are for a period of nine months from January 1, 2014 to September 30, 2014. The figures for both these periods are therefore not strictly comparable.

As per our report of even date

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

N Jayendran
Partner
Membership No. : 40441

Abhijit Rajan
Director
DIN: 00177173

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498

Kaushik Chaudhuri
CFO

Renuka Matkari
Company Secretary
Membership No. : ACS 18162

Place : New Delhi
Date : June 06, 2016

Place: Mumbai
Date : June 06, 2016

Place : New Delhi
Date : June 06, 2016

AOC - 1 Pursuant to first proviso to sub-section (3) of section 129

of the Companies Act, 2013 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

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	(Amount in ₹)	% of shareholding
1	Birmirapur Barkote Highway Private Limited	INR	N.A.	1,00,000	(10,88,67,401)	11,02,053	10,98,69,454	-	-	(83,045)	-	(83,045)	-	-	100.00%
2	Cochin Bridge Infrastructure Company Limited	INR	N.A.	6,40,00,700	1,26,52,314	26,90,26,927	19,23,73,912	-	-	(1,89,93,736)	-	(1,89,93,736)	-	-	97.66%
3	Chitoor Infra Company Private Limited	INR	N.A.	1,00,000	(4,57,178)	9,14,422	12,71,600	-	-	8,65,532	2,70,000	5,95,532	-	-	100.00%
4	Earthlink Infrastructure Projects Private Limited	INR	N.A.	1,00,000	(24,64,120)	12,78,47,480	13,02,11,600	-	-	56,08,760	17,40,000	38,68,760	-	-	100.00%
5	Gammon Logistics Limited	INR	N.A.	2,55,00,000	(4,89,72,549)	3,63,499	2,38,36,048	-	-	(1,03,548)	-	(1,03,548)	-	-	100.00%
6	Gammon Projects Developers Limited	INR	N.A.	25,00,000	(36,09,104)	37,96,821	49,05,925	-	-	(30,083)	-	(30,083)	-	-	100.00%
7	Gammon Renewable Energy Infrastructure Projects Limited	INR	N.A.	5,00,000	(15,47,329)	5,08,52,864	5,19,00,193	-	-	(19,686)	-	(19,686)	-	-	100.00%
8	Gammon Road Infrastructure Limited	INR	N.A.	5,00,000	(89,70,135)	1,46,40,789	2,31,10,924	50,000	-	1,47,326	-	1,47,326	-	-	100.00%
9	Gammon Seaport Infrastructure Limited	INR	N.A.	5,00,000	(2,29,787)	2,89,610	19,397	-	-	(20,936)	-	(20,936)	-	-	100.00%
10	Ghaggar Renewable Energy Private Limited	INR	N.A.	1,00,000	(9,02,471)	1,13,289	9,15,760	-	-	(19,890)	-	(19,890)	-	-	100.00%
11	Haryana Biomass Power Limited	INR	N.A.	5,00,000	(1,33,93,941)	1,43,089	1,30,37,030	-	-	(19,702)	-	(19,702)	-	-	100.00%
12	Jaguar Projects Developers Limited	INR	N.A.	5,00,000	(1,31,119)	5,85,881	2,17,000	-	-	(7,57,047)	-	(7,57,047)	-	-	100.00%
13	Lilac Infra projects Developers Limited	INR	N.A.	5,00,000	(3,12,466)	3,93,315	2,05,781	-	-	(1,22,735)	-	(1,22,735)	-	-	100.00%
14	Marine Project Services Limited	INR	N.A.	5,00,000	13,66,619	18,83,149	16,530	-	-	(7,39,428)	(1,618)	(7,37,810)	-	-	100.00%
15	Patna Highway Projects Limited	INR	N.A.	50,00,00,000	(83,71,746)	11,45,21,95,551	10,96,05,67,297	-	-	(18,96,143)	-	(18,96,143)	-	-	100.00%
16	Pravara Renewable Energy Limited	INR	N.A.	47,92,00,000	(3,88,94,131)	3,04,42,12,125	2,60,39,06,256	-	34,08,85,179	(3,67,14,887)	(17,64,327)	(3,49,50,560)	-	-	100.00%
17	Ras Cities and Townships Private Limited	INR	N.A.	1,00,000	(15,77,844)	31,85,37,856	32,00,15,700	-	-	(17,309)	-	(17,309)	-	-	100.00%
18	Rajahmundry Godavari Bridge Limited	INR	N.A.	2,03,95,89,000	1,79,42,11,092	10,80,19,42,779	6,96,81,42,687	-	20,34,68,847	(25,70,40,357)	(1,51,873)	(25,68,88,484)	-	-	75.28%

AOC - 1 Pursuant to first proviso to sub-section (3) of section 129

of the Companies Act, 2013 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

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
19	Satluj Renewable Energy Private Limited	INR	N.A.	1,00,000	(21,15,553)	27,56,819	47,72,373	-	-	(25,064)	-	(25,064)	-	100.00%
20	Sidhi Singrauli Road Project Limited	INR	N.A.	1,70,41,00,000	1,01,01,40,228	6,30,88,10,510	3,59,45,70,282	-	-	(5,12,071)	-	(5,12,071)	-	100.00%
21	Sikkim Hydro Power Ventures Limited	INR	N.A.	62,73,59,420	(59,88,438)	1,22,31,79,296	60,18,08,314	-	-	(70,679)	-	(70,679)	-	100.00%
22	Seque Infrastructure Projects Private Limited	INR	N.A.	1,00,000	(10,20,487)	1,23,113	10,43,600	-	-	21,78,507	6,80,000	14,98,507	-	100.00%
23	Tada Infra Development Company Limited	INR	N.A.	5,00,000	(18,45,492)	5,65,641	19,11,133	-	-	(16,277)	-	(16,277)	-	100.00%
24	Tangri Renewable Energy Private Limited	INR	N.A.	1,00,000	(1,19,318)	7,611	26,929	-	-	(11,360)	-	(11,360)	-	100.00%
25	Tidong Hydro Power Limited	INR	N.A.	5,00,000	(1,45,605)	2,07,30,993	2,03,76,598	-	-	(19,998)	-	(19,998)	-	51.00%
26	Vijaywada Gundugolanu Road Project Private Limited (VGRPPL)	INR	N.A.	1,00,000	(2,22,99,153)	39,56,48,88,395	39,58,70,87,548	-	1,29,58,84,892	(34,98,177)	1,36,72,266	(1,71,70,443)	-	100.00%
27	Vizag Seaport Private Limited	INR	N.A.	87,19,12,640	2,64,75,636	3,88,53,05,974	2,98,69,17,698	-	1,75,47,14,321	(4,76,34,193)	(1,24,61,863)	(3,51,72,330)	-	73.76%
28	Yamuna Minor Minerals Private Limited	INR	N.A.	1,00,000	(9,22,494)	-	8,22,494	-	-	(19,061)	-	(19,061)	-	100.00%
29	Yamanagar Panchkula Highway Private Limited	INR	N.A.	19,05,00,000	(27,97,84,894)	24,19,301	9,17,04,195	-	-	(1,35,515)	-	(1,35,515)	-	100.00%
30	Youngthang Power Ventures Limited	INR	N.A.	14,45,00,000	(3,09,58,389)	70,09,54,595	58,74,12,984	-	-	(31,41,767)	-	(31,41,767)	-	100.00%
	Total			6,65,46,61,760	2,26,09,44,744	77,79,85,83,746	68,88,29,77,242	50,000	3,59,49,53,239	(36,28,62,571)	19,82,585	(36,48,45,155)	-	-

Names of subsidiaries which are yet to commence operations:

Patna Highway Projects Limited	Tidong Hydro Power Limited
Sidhi Singrauli Road Project Limited	Youngthang Power Ventures Limited
Sikkim Hydro Power Ventures Limited	
VGRPPL - The project SPV has commenced tolling on the 4 lanes & 4 to 6 laning works are under progress	
Names of subsidiaries which have been liquidated or sold during the year:	
Aparna Infraenergy India Private Limited	Mormugao Terminal Limited
Andhra Expressway Limited	Patna Buxar Highways Limited
Gorakhpur Infrastructure Company Limited	Pataliputra Highway Limited
Kosi Bridge Infrastructure Company Limited	Rajahmundry Expressway Limited
Mumbai Nasik Expressway Limited	

Part "B" Details of Associates / Joint Ventures

S. No.	Name of the Joint Venture / Associate	Latest Audited Balance Sheet Date	No. of Equity Shares held	Cost of Investments (in ₹)	% of Holding	Networth attributable to shareholding as per latest audited Balance Sheet (in ₹)	Profit/ (Loss) for the year (in ₹)	Considered in Consolidated	Not considered in Consolidated
Joint Ventures:									
1	Blue Water Iron Ore Terminal Private Limited @ (BWOTPL)	30-Sep-14	30,51,808	3,05,18,080	10.12%	(1,70,741)	-	-	-
2	GIPL - GIL JV	31-Mar-16	-	-	95.00%	(26,00,992)	(25,90,318)	(1,36,333)	
3	Indira Container Terminal Private Limited *	31-Mar-16	5,07,83,000	50,78,30,000	50.00%	32,49,52,717	14,19,42,181	-	
4	SEZ Adityapur Limited \$ (SEZAL)	30-Sep-14	19,000	1,90,000	38.00%	(1,32,356)	-	-	
Associates:									
1	ATSL Infrastructure Projects Limited (ATL) ^	30-Sep-14	24,450	2,44,500	49.00%	1,65,941	-	-	-
2	Eversun Sparkle Maritime Services Private Limited	31-Mar-16	21,43,950	2,14,39,500	30.90%	1,64,47,432	39,18,970	87,63,782	
3	Modern Tollroads Private Limited (MTRL) ^	30-Sep-14	24,470	2,44,700	49.00%	1,60,029	-	-	-
	Total			56,04,66,780		33,88,22,031	14,32,70,834	86,27,450	

Pursuant to supplementary agreement dated December 23, 2011 with Noatum Ports S.L., the joint venture Indira Container Terminal Pvt Ltd, the Company is liable to bear and discharge all financial obligation and contribution in relation to the joint venture.

The results of Indira Container Terminal Private Limited are not audited but have been subjected to a limited review by their statutory auditors. The Project of the Joint Venture Company is under construction (trial run been carried out)

Description of how there is significant influence:

Through the Company's shareholding and Joint Venture Agreements entered into by the Company.

^The accounts of ATL and MTRL for the year ended March 31, 2016 have not been received and therefore no effects have been taken in these financial statements in respect of these companies. However, these associates are not carrying out any operations and therefore their impact is not expected to be significant.

\$ In the absence of financial statements of SEZAL no effects are taken in these financial statements for the current period. The balances as at September 30, 2014 are incorporated. However, this joint venture is not carrying out any operations and therefore the impact is not expected to be significant.

@ In the absence of financial statements of BWOTPL 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 BWOTPL. However, the Company had contributed only 10.12% in the equity capital of BWOTPL. BWOTPL 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 BWOTPL.

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

Kishor Kumar Mohanty **Abhijit Rajan**
Managing Director Director
DIN: 00080498 DIN: 00177173

Renuka Matkari
Company Secretary
Membership no.: ACS 18162

Place: New Delhi
Date: June 6, 2016

Place : Mumbai
Date: June 6, 2016



Mr. Abhijit Rajan - Founder
Driving force behind the group



www.dickensonworld.com

dickenson

GAMMON INFRASTRUCTURE PROJECTS LIMITED

Head Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. India

