NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020

A. CORPORATE INFORMATION

Gammon India Limited is a civil engineering construction company incorporated in the year 1922. It originated as a construction business in the year 1919 founded by John C. Gammon and was taken over by its Promoter Mr. Abhijit Rajan in the year 1991.

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

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

B. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

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

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

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

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

ii) Revenue Recognition

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

Construction Activity

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

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

Measurement of performance obligation

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

Contract costs

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

Provision for future losses

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Turnover

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

Interest Income

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

Other Revenues

All other revenues are recognized on accrual basis

iii) **Joint Ventures**

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

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

iv) **Employee benefits**

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

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

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

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

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

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

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

Long-term employee benefits

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

Termination benefits

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

v) **Property, plant and equipment**

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

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

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

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

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

vi) **Leases**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

vii) **Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

viii) **Impairment of Non-financial Assets**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

ix) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

x) **Inventories**

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

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

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

Other -Scrap Material - At net realisable value

xi) **Foreign currency transactions**

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

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

xii) **Borrowing Cost**

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

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

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

xiii) **Taxes on income**

Current Taxes

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

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

Deferred tax

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

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

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

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

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

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

xiv) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions

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

Contingent liabilities and Contingent Assets

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

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

Onerous contracts

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

xv) **Earnings Per Share**

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

xvi) **Current and non-current classification**

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

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

xvii) **Fair value measurement**

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

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

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

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

xviii) **Financial instruments**

Financial assets

I. Initial recognition and measurement

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

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

II. Subsequent measurement

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

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

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

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

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

A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

III. Derecognition

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

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

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

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

IV. Investment in associates, joint venture and subsidiaries

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

V. Impairment of financial assets

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

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

- the12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

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

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

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

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

Financial liabilities

I. Initial recognition and measurement

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

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

II. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

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

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

Financial guarantee contracts

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

Derecognition

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

III. Offsetting of financial instruments

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

IV. Derivative financial instruments

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

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

xix) **Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

xx) **Trade Payables**

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

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

Tangible Assets (all the ₹ are in crore unless otherwise stated)

Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Total
GROSS BLOCK							
As at 01 April 2018	393.14	41.71	111.64	3.10	0.79	0.46	**550.84**
Additions	-	-	0.11	-	0.01	-	**0.12**
Disposals/Adjustments	-	-	1.46	-	0.01	-	**1.47**
As at 31 March 2019	**393.14**	**41.71**	**110.29**	**3.10**	**0.79**	**0.46**	**549.49**
Additions	-	-	-	-	-	-	**-**
Disposals/Adjustments	-	-	4.99	0.86	-	-	**5.85**
As at 31 March 2020	**393.14**	**41.71**	**105.30**	**2.24**	**0.79**	**0.46**	**543.64**
DEPRECIATION							
As at 01 April 2018	-	29.73	66.41	2.72	0.78	0.46	**100.10**
Charge for the Year	-	0.83	9.62	0.11	-	-	**10.56**
Disposals/Adjustments	-	-	0.78	-	0.01	-	**0.79**
As at 31 March 2019	**-**	**30.56**	**75.25**	**2.83**	**0.77**	**0.46**	**109.87**
Charge for the Year	-	0.83	8.82	0.09	-	-	**9.74**
Disposals/Adjustments	-	-	4.66	0.82	-	-	**5.48**
As at 31 March 2020	**-**	**31.39**	**79.41**	**2.10**	**0.77**	**0.46**	**114.13**
NET BLOCK							
As at 31 March 2019	**393.14**	**11.15**	**35.05**	**0.27**	**0.02**	**(0.00)**	**439.62**
As at 31 March 2020	**393.14**	**10.32**	**25.89**	**0.14**	**0.02**	**(0.00)**	**429.51**

3 **Financial Assets - Investments**

		As at		As at	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Non- Current		Current	
A	**Investment carried at amortised Cost**				
1	Equity Instrument of Subsidiaries -Indian	178.59	238.44	-	-
	Equity Instrument of Subsidiaries -Indian - Impaired	1,478.33	1,418.48	-	-
	Less - Provision for impairment	(1,478.33)	(1,418.48)	-	-
2	Equity Instrument of Subsidiaries - Foreign	25.07	25.07	-	-
	Equity Instrument of Subsidiaries - Foreign - Impaired	20.20	20.20	-	-
	Less - Provision for impairment	(20.20)	(20.20)	-	-
3	Equity Instrument - Others- India	0.49	0.49	-	-
	Equity Instrument - Others- India - Impaired	0.24	0.24	-	-
	Less - Provision for impairment	(0.24)	(0.24)		
4	Equity Instrument - Others- Foreign - Impaired	19.70	19.70	-	-
	Less - Provision for impairment	(19.70)	(19.70)	-	-
5	Government Securities	0.54	0.54	-	-
6	Partnership Firm -Imapired	0.00	0.00	-	-
	Less - Provision for impairment	(0.00)	(0.00)	-	-
	Total	**204.69**	**264.54**	**-**	**-**
B	**Other Investments (At Fair value through OCI)**				
	Equity Shares	7.28	7.52	-	-
		7.28	**7.52**	**-**	**-**
C	**Other Investments (At Fair value through P&L)**				
1	Equity Shares	**-**	**-**	0.03	0.95
2	Liquid Mutual Funds	**-**	**-**	0.00	0.00
	Total	**-**	**-**	**0.03**	**0.95**
	Grand Total	**211.97**	**272.05**	**0.03**	**0.95**

	Disclosure:				
i)	**Investment carried at Cost**	**204.69**	**264.54**	**-**	**-**
ii)	**Investment carried at FVTPL**	**-**	**-**	**0.03**	**0.95**
iii)	**Investment carried at FVTOCI**	**7.28**	**7.52**	**-**	**-**

I Details of Investments

A Non Current Investments:-

1) Investment in equity instruments of Subsidiaries (Indian)

Particulars	Face Value In ₹	March 31, 2020		March 31, 2019	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)					
Ansaldocaldaie Boilers India Private Limited	10	3,67,00,000	5.84	3,67,00,000	5.84
ATSL Infrastructure Project Limited	10	25,500	0.03	25,500	0.03
Deepmala Infrastructure Private Limited	10	5,100	62.09	5,100	62.09
Gammon Real Eastate Developers Private Limited	10	10,000	0.01	10,000	0.01
Franco Tosi Turbines Private Limited	10	10,000	0.01	10,000	0.01
Gactel Turnkey Projects Limited	10	50,50,000	8.62	50,50,000	8.62
Gammon & Billimoria Limited	10	51,000	5.00	51,000	5.00
Gammon Power Limited	10	2,25,45,000	5.82	2,25,45,000	5.82
Gammon Realty Limited	10	-	-	1,50,49,940	59.85
Gammon Retail Infra Private Limited (Fully paid-up)	10	10,000	0.03	10,000	0.03
Gammon Retail Infra Private Limited (Partly paid ₹ 8 paid-up)	10	50,000	0.04	50,000	0.04
Metropolitan Infrahousing Private Limited	10	8,416	91.07	8,416	91.07
Patna Water Supply Distribution Network Private Limited	10	7,399	0.01	7,399	0.01
Rajahmundry Godavari Bridge Limited		-	-	-	-
SAE Transmission India Limited	10	50,000	0.05	50,000	0.05
Tidong Hydro Power Limited		-	-	-	-
Total			**178.62**		**238.47**
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received			0.03		0.03
Total			**178.59**		**238.44**
Investment in equity instruments of Subsidiaries (Indian) - Impaired					
ACBI Investment			37.15		37.15
Gammon Power Limited			716.45		716.45
Gactel Turnkey Projects Limited			10.97		10.97
Gammon Billimoria Limited			8.49		8.49
Metropolitan Infrahousing Private Limited			645.41		645.41
Gammon Realty Limited			59.85		-
Total			**1,478.33**		**1,418.48**

2) Investment in equity instruments of Subsidiaries (Foreign)

Particulars	Face Value	March 31, 2020		March 31, 2019	
		Nos	Amount	Nos	Amount
Unquoted Equity Instrument (Fully paid-up unless otherwise stated)					
ATSL Holdings B.V. (Netherland)	EUR 100	180	2.18	180	2.18
ATSL Holdings B.V. (Netherland) (for SAE Power lines srl)	-	-	5.91	-	5.91
Gammon Holdings (Mauritius) Limited	USD 1	15,000	2.85	15,000	2.85
Gammon International B.V.	EUR 100	180	12.09	180	12.09
Gammon International FZE	AED 150000	1	0.17	1	0.17
P.Van Eerd Beheersmaatschappij B.V.	EUR 453.78	35	1.87	35	1.87
Total			**25.07**		**25.07**

Investment in equity instruments of Subsidiaries (Foreign) - Impaired

	Face Value	March 31, 2020		March 31, 2019	
		Nos	Amount	Nos	Amount
PVAN Investment	EUR 453.78	35	0.05	35	0.05
ATSL Holding BV	EUR 100	180	0.12	180	0.12
Associated Transrail Str Ltd - Nigeria	NGN 1	1,00,00,000	0.36	1,00,00,000	0.36
Gammon Holding BV	EUR 100	180	12.28	180	12.28
Gammon Holdings B.V. (for Franco Tosi Meccania S.p.A.)			2.73		2.73
Campo Puma Oriente S.A.	USD 1	6,441	4.66	6,441	4.66
Total			**20.20**		**20.20**

3) **Investment in equity instruments -Others- Indian**

Particulars	**Face Value**	**March 31, 2020**		**March 31, 2019**	
	In ₹	**Nos**	**Amount**	**Nos**	**Amount**
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Alpine Environmental Engineers Limited	100	204	0.00	204	0.00
Modern Flats Limited (Unquoted)	10	2,040	0.00	2,040	0.00
Plamach Turnkeys Limited	100	600	0.01	600	0.01
Indira Container Terminal Private Limited	10	2,64,07,160	26.41	2,64,07,160	26.41
Rajahmundry Godavari Bridge Limited	10	441250	0.44	4,41,250	0
Tidong Hydro Power Limited	10	25500	0.03	25,500	0
Less : Transfer of Beneficial Interest in lieu of Deposit received			(26.41)		(26.41)
Total			**0.49**		**0.49**

Investment in equity instruments -Others- Indian - Impaired

Particulars	**Face Value**	**March 31, 2020**		**March 31, 2019**	
	In ₹	**Nos**	**Amount**	**Nos**	**Amount**
Air Screw India Ltd.	100	200	0.00	200	0.00
Bhagirathi Bcc Ltd.	100	300	0.00	300	0.00
Shah Gammon Limited	100	835	0.01	835	0.01
STFA Piling India Ltd.	10	2,17,321	0.22	2,17,321	0.22
Gammon Shah			0.00		0.00
Others			0.00		0.00
Total			**0.24**		**0.24**

4) **Investment in equity instruments -Others- Foreign**

Particulars	**Face Value**	**March 31, 2020**		**March 31, 2019**	
		Nos	**Amount**	**Nos**	**Amount**
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 (under Liquidation) (Fully Provided)		1,142	0.18	1,142	0.18
Finest S.p.A, Italy (Associate)	EUR 1	7,80,000	19.52	7,80,000	19.52
Total			**19.70**		**19.70**
Investment in equity instruments -Others- Impaired					
Unquoted Equity Instrument					
(Fully paid-up unless otherwise stated)					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 (under Liquidation) (Fully Provided)	EUR 1	1,142	0.18	1,142	0.18
Finest S.p.A, Italy (Associate)		7,80,000	19.52	7,80,000	19.52
Total			**19.70**		**19.70**

5) **Government Securities**

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
Unquoted		
Government Securities Lodged with Contractees as Deposit :		
Sardar Sarovar Narmada Nigam Ltd - Bonds	0.30	0.30
Others	0.12	0.12
Government Securities Others :	0.12	0.12
(Indira Vikas Patras and National Savings Certificates)		
Total	**0.54**	**0.54**

6) **Investment in Partnership Firm**

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
Unquoted		
Gammon Shah (fully provided for)	0.00	0.00
Total	0.00	0.00

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

Particulars	Face Value In ₹	March 31, 2020		March 31, 2019	
		Nos	Amount	Nos	Amount
Gammon Engineers and Contractors Pvt. Ltd.	10	10,53,169	4.21	10,87,217	4.35
Transrail Lighting Limited *	10	77,954	3.07	80,474	3.17
Total			**7.28**		**7.52**
Total Non-Current Investments			**211.97**		**272.05**

C **Current Investments:-**

Investment in Shares and Mutual Funds

Particulars	Face Value	March 31, 2020		March 31, 2019	
	In ₹	Nos/ Units	Amount	Nos/ Units	Amount
Quoted					
i) **Investments carried at fair value through Profit and Loss**					
Equity Shares					
Bank of Baroda	10	-	-	21,000	0.27
Cords Cable Industries Ltd.	10	-	-	33,502	0.22
Gujarat State Financial Corporation	10	-	-	4,600	0.00
Technofab Engineering Limited	10	55,000	0.03	55,000	0.46
Total			**0.03**		**0.95**

Particulars	March 31, 2020		March 31, 2019	
	Nos/ Units	Amount	Nos/ Units	Amount
ii) **Mutual funds**				
SBI Dynamic Bond Fund	-	-	-	-
HDFC Balanced Fund	-	-	-	-
ICICI Liquid Plan	-	-	-	-
HDFC Floating Rate Income Fund	2,048	0.00	2,048	0.00
Total		**0.00**		**0.00**
Total current investments		**0.03**		**0.95**
Total Non - Current and Current Investments		**212.00**		**273.00**
Aggregate amount of quoted investments		**0.03**		**0.95**
Market Value of Quoted Investment		**0.03**		**0.95**
Aggregate amount of unquoted investments		**211.97**		**272.05**

C **Other Notes**

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

- 3,65,00,000 Ansaldocaldaie Boilers India Private Limited
- 5,100 Deepmala Infrastructure Private Limited
- 50,49,940 Gactel Turnkey Projects Limited
- 10,53,169 Gammon Engineers & Contractors Private Limited
- 77,954 Transrail Lighting Limited

4 **Financial Assets - Trade Receivables**

(Unsecured, at amortised cost)

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Considered good	271.37	109.27	270.28	121.36
Considered Doubtful	-	225.56	-	224.54
Provision for Doubtful debts	-	(225.56)	-	(224.54)
	271.37	109.27	270.28	121.36
Less: Expected credit loss	(0.67)	(0.28)	(0.68)	(0.30)
	270.70	108.99	269.60	121.06
Total	**270.70**	**108.99**	**269.60**	**121.06**

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

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

(ii) In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of ₹ 235.77 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.

(iii) There are disputes in six projects of the Company. The total exposure against these projects is ₹ 364.44 Crore consisting of receivable of ₹ 148.05 crore, inventory ₹ 44.78 crore and other receivables ₹ 171.60 crore. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

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

(b) Expected Credit Loss

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

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

Movement in the expected credit loss allowance

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Balance at the beginning of the period	0.68	0.30	0.52	0.33
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.01	0.10	0.16	0.03
Provision at the end of the period	**0.69**	**0.40**	**0.68**	**0.30**

5 Financial Assets: Loans (unsecured at amortised cost)

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	736.64	0.61	865.30	0.70
Considered Doubtful	2,733.71	76.60	2,388.19	76.60
Less : Provision for Doubtful Loans	(2,733.71)	(76.60)	(2,388.19)	(76.60)
Deposits				
Considered Good	1.50	4.29	4.50	4.30
Unsecured Considered Doubtful	3.00	3.60	-	3.60
Less : Provision for Doubtful	(3.00)	(3.60)	-	(3.60)
Other Loans and Advances				
Unsecured Considered good	1.55	3.01	6.86	2.96
Unsecured Considered Doubtful	3.03	4.94	32.94	4.94
Less : Provision for Doubtful	(3.03)	(4.94)	(32.94)	(4.94)
Total	**739.69**	**7.91**	**876.66**	**7.96**

(i) Details of Loans given to Related Parties

Name of the Related Party	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Considered good:				
Deepmala Infrastructure Private Limited	152.55	-	152.47	-
Gammon Realty Limited	-	-	-	-
Metropolitan Infrahousing Private Limited	-	-	-	-
RAS Cities and Township Private Limited	1.00	-	1.00	-
Gactel Turnkey Projects Limited	1.53	-	1.53	-
Sikkim Hydro Power Ventures Limited	0.00	-	0.00	-
Haryana Biomass Power Limited (Hareda Projects)	0.07	-	0.07	-
Gammon International FZE	-	-	19.32	-
Gammon International B.V.	213.00	-	347.33	-
Campo Puma Oriente S.A.	-	-	-	-
Ansaldocaldaie Boilers India Private Limited	29.57	-	29.57	-
Gammon Holdings (Mauritius) Limited	301.39	-	276.54	-
Patna Water Supply Distribution Network Private Limited	40.04	-	39.99	-
Gammon Holdings B.V.	0.00	-	0.00	-
ATSL Holding B.V. (Netherland)	(2.52)	-	(2.52)	-
Franco Tosi Meccanica S.P.A	-	0.11	-	0.11
Gammon Retail Infrastructure Private Limited	-	-	-	-
Gammon Cidade Tensacciai Joint Venture	-	-	-	-
Kosi Bridge Infrastructure Company	-	-	-	-
Rajahmundry Godavari Bridge Limited	-	0.35	-	0.35
Tidong Hydro Power Limited	-	0.02	-	0.02
Gammon Renewable Energy Infrastructure Limited	-	0.00	-	0.00
Gammon Real estate Developers Private Limited	-	0.01	-	0.01
Preeti Township Private Limited	-	0.01	-	0.01
Gammon CMC Joint Venture	-	-	-	-
SAE Transmission India Limited	-	0.11	-	0.20
Total	**736.64**	**0.61**	**865.30**	**0.71**

Name of the Related Party	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Considered Doubtful:				
Deepmala Infrastructure Private Limited	61.77	-	61.77	-
Gammon Realty Limited	84.67	-	85.67	-
Metropolitan Infrahousing Private Limited	262.85	-	262.85	-
Gammon & Billimoria Limited	39.87	-	39.87	-
Gactel Turnkey Projects Limited	226.79	-	66.79	-
Gammon International FZE	96.87	-	75.81	-
P.Van Eerd Beheersmaatschappij B.V.	85.07	-	85.07	-
Gammon International B.V.	500.95	-	335.49	-
Campo Puma Oriente S.A.	406.11	-	406.11	-
Gammon Holdings B.V.	709.62	-	709.62	-
Finest S.p.A	0.52	-	0.52	-
ATSL Holding B.V. (Netherland)	199.66	-	199.66	-
SAE Power Lines S.r.l	48.96	-	48.96	-
Patna Water Supply Distribution Network Private Limited	10.00	-	10.00	-
Gammon Power Limited	-	73.39	-	73.39
Associated Transrail Structure Limited Nigeria	-	3.21	-	3.21
Total	**2,733.71**	**76.60**	**2,388.19**	**76.60**

(ii) Detail of Loans & Advances in the nature of loans

Disclosure of amounts outstanding at period end as per Schedule V of Listing Obligations and Disclosure Requirements 2015

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Ansaldocaldaie Boilers India Private Limited	29.57	29.57	29.57	29.57
Associated Transrail Structure Limited Nigeria	3.21	3.21	3.21	3.21
ATSL Holding B.V. (Netherland)	197.14	197.14	197.14	197.14
Campo Puma Oriente S.A.	406.11	406.11	406.11	406.11
Deepmala Infrastructure Private Limited	214.32	214.25	214.32	214.25
Finest S.p.A	0.52	0.52	0.52	0.52
Franco Tosi Hydro Private Limited	0.01	0.01	0.01	0.01
Gactel Turnkey Projects Limited	69.92	68.32	69.92	68.32
Gammon & Billimoria Limited	39.87	39.87	39.87	39.87
Gammon Holdings (Mauritius) Limited	301.39	276.54	301.39	276.54
Gammon Holdings B.V.	709.62	709.62	709.62	709.62
Gammon International B.V.	713.95	682.82	713.95	682.82
Gammon International FZE	96.87	95.13	96.87	95.13
Gammon Power Limited	73.39	73.39	73.39	110.57
Gammon Realty Limited	84.67	85.67	85.67	118.31
Gammon Renewable Energy Infrastructure Limited	0.00	0.00	0.00	0.00
Gammon Retail Infrastructure Private Limited	-	-	-	0.27
Gammon Sew Joint Venture	-	-	-	0.09
Haryana Biomass Power Limited (Hareda Projects)	0.07	0.07	0.07	0.07
Metropolitan Infrahousing Private Limited	262.85	262.85	262.85	549.41
OSE Gammon Joint Venture	-	-	0.14	0.14
P.Van Eerd Beheersmaatschappij B.V.	85.07	85.07	85.07	85.07
Patna Water Supply Distribution Network Private Limited	50.04	49.99	50.04	51.44
Preeti Township Private Limited	0.01	0.01	0.01	0.01
Rajahmundry Godavari Bridge Limited	0.35	0.35	0.35	0.35
RAS Cities and Township Private Limited	1.00	1.00	1.00	2.00
SAE Power Lines S.r.l	48.96	48.96	48.96	48.96
SAE Transmission India Limited	0.11	0.20	0.20	0.20
Sikkim Hydro Power Ventures Limited	0.00	0.00	0.00	0.00
Tidong Hydro Power Limited	0.02	0.02	0.02	0.02
Franco Tosi Meccanica S.P.A	0.11	0.11	0.11	0.11
Total	**3,389.16**	**3,330.80**	**3,390.39**	**3,690.13**

(iii) **Investment by loanee in the subsidiary Companies Shares**

Name of the Company	Invested in Subsidiary Company	March 31, 2020	March 31, 2019
Gammon Holdings B.V.	Franco Tosi Meccanica S.p.A	423.67	396.39
	Gammon Itlay S.r.L	0.14	0.13
ATSL Holding B.V. (Netherland)	SAE Powerlines S.r.L	100.54	99.69
Gammon & Billimoria Limited	G & B Contracting LLC	0.63	0.61
Gammon Realty Limited	Deepmala Infrastructure Private Limited	0.00	0.00
P.Van Eerd Beheersmaatschappij B.V.	Sadelmi S.p.A	62.33	58.32
Gammon Retail Infrastructure Private Limited	Gammon Power Limited	0.01	0.01

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

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

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

Name of Party	Relation	Purpose	March 31, 2020	March 31, 2019
Deepmala Infrastructure Private Limited	Subsidiary	Advance towards Operations	-	-
Gactel Turnkey Projects Limited	Subsidiary	----do-----	-	-
Gammon International B.V.	Subsidiary	----do-----	-	-
Metropolitan Infrahousing Private Limited	Subsidiary	----do-----	-	-
Patna Water Supply Distribution Network Private Limited	Subsidiary	----do-----	-	-

(vii) The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is ₹ 325.60 crores. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. During March 2018 the management has on a conservative basis made a provision of ₹ 100 crores against its exposure based on internal estimates of the realizable value. The management is confident that there will be no further provision required towards impairment.

6 Other Financial Assets (at amortised cost)

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:				
Considered Good	82.04	0.65	93.74	0.65
Considered Doubtful	373.91	-	352.68	-
Less : Provision for Doubtful Interest	(373.91)	-	(352.68)	-
Other Receivable	-	1.33	-	1.33
Excess Managerial Remuneration Receivable	-	24.53	-	24.53
Total	**82.04**	**26.51**	**93.74**	**26.51**

Excess Managerial Remuneration Receivable :

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

7 Other Assets

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Prepaid Expenses	-	0.04	-	0.05
Contract Assets	944.74	78.82	945.84	69.74
Less : Provision for credit loss	(0.17)	(0.13)	(0.16)	-
Advance to Creditors/Subcontractors				
Unsecured Considered goods	11.04	27.29	11.04	35.38
Unsecured Considered doubtful	-	3.05	-	1.42
Less: provision for doubtful	-	(3.05)	-	(1.42)
Staff Advances	-	1.06	-	0.98
Balance with Tax Authority	-	3.85	-	8.10
Other assets	-	1.64	-	-
Advance Tax Net of Provision	391.93	-	392.66	-
Others	-	0.47	-	0.53
Total	**1,347.54**	**113.04**	**1,349.38**	**114.78**

Unbilled Revenue

The Company has evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration have assess the likely amount of claims (at the time of accouting of those claims) being settled in favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to ₹ 894.41 crores (P.Y. ₹ 894.41 crores) will be reasonably certain to be settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realisation

8 Inventories

Particulars	March 31, 2020	March 31, 2019
Material at Construction Site	16.97	23.52
Work In Progress - Real Estate	21.95	21.95
Total	**38.92**	**45.47**

a) It is the normal practice of the company to physically verify the inventories at March end for its valuation as on March 31, 2020. The inventories at site as at the year end is ₹ 38.92 crores. However, this was not possible to be done due to the lockdown declared by the Government in view of COVID-19 pandemic. The management proposes to get the stock verified by its Internal Auditors in the near future after normalcy is restored. For the purpose of preparing this financials, the management has considered the value of inventory as per the books of accounts maintained by the company and believes the internal control process is reliable in this regard.

b) The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	March 31, 2020	March 31, 2019
Amount of inventories recognised as an expense	16.71	22.16
Amount of write - down of inventories recognised as an expense	-	2.67

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

9 Cash and Bank Balance

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents		
Cash on Hand	0.05	0.04
Balances with Bank	3.32	2.77
Total	**3.37**	**2.81**
Other Bank Balances		
Unpaid dividend	0.58	0.58
Other Bank Balance	-	
Bank deposits (on margin account)	-	
Total	**0.58**	**0.58**

Other Bank Balances

Other bank balances represents balances in foreign branches relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries. The balance as on March 31, 2020 is Nil, (net of provisions of ₹ 2.00 Crores in view of the above), however the Company has provided the entire amount of bank balances in foreign countries on prudent basis.

10 Equity Share Capital

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

Particulars	March 31, 2020		March 31, 2019	
	No of Shares in Lacs	Amount	No of Shares in Lacs	Amount
Authorised Capital :				
Equity Shares of ₹ 2/- each	7,47,100.00	14,942.00	7,47,100.00	14,942.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	30.00	105.00	30.00	105.00
Issued, Subscribed and Fully Paid up Capital :				
Issued Capital				
Equity Shares of ₹ 2/- each, fully paid	3,704.28	74.09	3,704.28	74.09
Subscribed and Fully Paid up Capital				
Equity Shares of ₹ 2/- each, fully paid	3,688.47	73.77	3,688.47	73.77
Share Forfeiture Account				
Money received in respect of Right Shares of ₹10/- each forfeited	1.71	0.34	1.71	0.34
Total		**74.11**		**74.11**

i) Issued share capital includes 7,25,800 shares kept in abeyance.

ii) Share Forfeiture Account includes ₹ 0.26 Crores of Share Premium collected on application in respect of forfeited shares.

(b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2020		March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	36,88,47,305	73.77	36,88,47,305	73.77
Add: Issued during the year	-	-	-	-
As at the end of the year	**36,88,47,305**	**73.77**	**36,88,47,305**	**73.77**

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

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2020		March 31, 2019	
	No of Shares	%	No of Shares	%
Canara Bank	5,28,16,269	14.29%	5,28,16,269	14.29%
ICICI Bank	3,92,72,129	10.63%	3,92,72,129	10.63%
Punjab National Bank	2,42,09,101	6.55%	2,42,09,101	6.55%
Syndicate Bank	2,26,96,508	6.14%	2,26,96,508	6.14%
Bank Of Baroda	2,21,04,507	5.98%	2,21,04,507	5.98%
Allahabad Bank	1,95,82,216	5.30%	1,95,82,216	5.30%

(d) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- each. Each holder of Equity Share is entitled to one vote per share. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

11 Other Equity

Particulars	March 31, 2020	March 31, 2019
Capital Redemption Reserve	105.00	105.00
Capital Reserve	11.52	11.52
Securities Premium Account	1,262.20	1,262.20
Debenture Redemption Reserves	81.00	81.00
General Reserve	363.06	363.06
Perpetual Promoter Contribution	100.00	100.00
Retained earnings	(6,188.19)	(5,065.38)
Treasury shares	(1.69)	(1.69)
Other Comprehensive Income:		
Net gain/ (loss) on fair value of equity instruments	2.35	2.43
TOTAL	**(4,264.75)**	**(3,141.86)**

12 Non Current Financial Liabilities - Borrowings

Note:

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

The facilities from the lenders have become Non Performing Assets in the month June'17. The Lenders have recalled all the loans and therefore all the long term loan facilities of ₹ 2,645.45 crores (P.Y ₹ 2,645.65 crores) are classified as current and disclosed under Current Liabilities together with the disclosure.

On account of the above, a number of lenders have not shared their confirmations as at the year ended March 31, 2020 (also in the previous years) and to that extent the balances are unconfirmed

13 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2020	March 31, 2019
Trade Payable	-	-
Retention / Deposits	16.93	12.82
Total	**16.93**	**12.82**

14 Other financial liabilities

Particulars	March 31, 2020	March 31, 2019
Margin Money Received	12.00	12.00
	12.00	**12.00**

15 Provisions

Particulars	March 31, 2020		March 31, 2019	
	Non-Current Provisions	Current Provisions	Non-Current Provisions	Current Provisions
Employee Benefits:				
Provision for Gratuity	0.23	0.36	0.17	0.06
Provision for Leave Encashment	0.33	0.49	0.23	0.44
Others:				
Provision for Risk and Contingencies	-	428.77	-	346.43
Total	**0.56**	**429.62**	**0.40**	**346.93**

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

Provision for Risk and Contingencies

As at	Opening Balance	Addition during the period	Paid/ Reversed during the period	Closing Balance
March 31, 2019	71.45	278.55	3.57	346.43
March 31, 2020	346.43	82.34	-	428.77

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

Table Showing Change in the Present Value of Projected Benefit Obligation	March 31, 2020	March 31, 2019
Present Value of Benefit Obligation at the Beginning of the Period	0.45	0.56
Interest Cost	0.03	0.04
Current Service Cost	0.02	0.03
Liability transferred out - on scheme and BTA	-	-
Benefit Paid Directly by the Employer	(0.00)	(0.02)
Benefit Paid From the Fund	-	(0.28)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.03	0.01
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.30	0.12
Present Value of Benefit Obligation at the End of the Period	**0.83**	**0.45**
Fair Value of Plan Assets at the Beginning of the Period	0.23	0.28
Interest Income	0.02	0.02
Contribution by Employer	-	0.21
Assets transferred out - on scheme and BTA	-	-
Benefit Paid from the Fund	-	(0.28)
Return on Plan Assets, Excluding Interest Income	0.00	(0.00)
Fair Value of Plan Assets at the End of the Period	**0.24**	**0.23**
Present Value of Benefit Obligation at the end of the Period	(0.83)	(0.45)
Fair Value of Plan Assets at the end of the Period	0.24	0.23
Funded Status (Surplus/ (Deficit))	(0.58)	(0.23)
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.58)**	**(0.23)**
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	0.02	0.03
Net Interest Cost	0.02	0.02
Past Service Cost	-	-
Expenses Recognized	**0.04**	**0.05**
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	(0.32)	(0.12)
Return on Plan Assets, Excluding Interest Income	0.00	0.00
Net (Income)/Expense For the Period Recognized in OCI	**(0.32)**	**(0.12)**
Balance Sheet Reconciliation		
Opening Net Liability	0.23	0.28
Expenses Recognized in Statement of Profit or Loss	0.04	0.05
Expenses Recognized in OCI	0.32	0.12
Net Liability/(Asset) Transfer Out	0.00	0.00
Benefit Paid Directly by the Employer	(0.00)	(0.02)
Employer Contribution	-	(0.21)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.58**	**0.23**
Category of Assets		
Insurance fund	0.24	0.23
Total	**0.24**	**0.23**

Assumptions	2019-20	2018-19
Expected Return on Plan Assets	7.22%	7.65%
Rate of Discounting	7.22%	7.65%
Rate of Salary Increase	4.00%	4.00%
Rate of Employee Turnover	30% for LMR, 10% and 2% for HO	30% for LMR, 10% and 2% for HO
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

Sensitivity Analysis	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	0.83	0.45
Delta Effect of +1% Change in Rate of Discounting	(0.03)	(0.01)
Delta Effect of -1% Change in Rate of Discounting	0.04	0.02
Delta Effect of +1% Change in Rate of Salary Increase	0.04	0.02
Delta Effect of -1% Change in Rate of Salary Increase	(0.03)	(0.01)
Delta Effect of +1% Change in Rate of Employee Turnover	0.01	0.00
Delta Effect of -1% Change in Rate of Employee Turnover	(0.01)	(0.00)

Note :

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

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

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

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

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

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

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

8 **Risk Factors / Assumptions**

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

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

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

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

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

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

16 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2020		March 31, 2019	
Deferred Tax Liability:				
Property, Plant and Equipment	(83.36)		(82.54)	
Non Current Investments	(19.83)		(19.64)	
		(103.19)		(102.18)
Deferred Tax (Liabilities) / Assets (Net)		**(103.19)**		**(102.18)**

Deferred Tax Assets:

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

17 Other Non-Current Liabilities

Particulars	March 31, 2020	March 31, 2019
Contact Liabilities- Client Advances	26.78	26.79
Advance received against Real Estate Joint development	43.00	43.00
Unamortised Deferred Rent Income	0.14	0.23
Rent Deposit	0.81	0.72
Total	**70.73**	**70.74**

18 Current Financial Liabilities - Borrowings

Particulars	March 31, 2020	March 31, 2019
Loans Repayable on Demand :		
Cash Credit from Consortium Bankers	-	-
Loans and Advances from Related Party	-	-
Total	**-**	**-**
The above amount includes		
Secured Borrowings	-	-
Unsecured Borrowings	-	-

Note: The entire credit facilities of ₹ 1,084.99 crores (P.Y ₹ 1056.38 crores) is recalled by the lenders and hence disclosed under current liabilities - Refer note no. 20

19 Current Financial Liabilities - Trade Payables

Particulars	March 31, 2020	March 31, 2019
Trade Payables		
- Total outstanding dues to Micro and Small Enterprises	0.25	0.25
- Total outstanding dues to other than Micro and Small Enterprises	112.73	134.99
Total	**112.98**	**135.24**

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

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

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

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

Particulars	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any micro and small enterprises as at the end of each accounting year	0.89	0.84
Principal amount due	0.25	0.25
Interest due on the above	0.64	0.59
The amount of interest paid in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
Principal amount paid beyond appointed day	-	-
Interest paid thereon	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest under MSME Act where payment has been made beyond appointed day during the year.	0.25	0.25
The amount of interest accrued and remaining un-paid at the end of the accounting year	0.64	0.59

20 Other Current Financial Liabilities

Particulars	March 31, 2020		March 31, 2019	
Credit facilities recalled by lenders - Secured (Refer Security details given below)		3,730.44		3,702.03
Credit facilities recalled by lenders - Secured (For SPV) *		1,133.46		896.67
Interest Accrued and Due (Refer Note (C) below)		887.26		732.27
Interest Accrued (Refer Note (E) below)		888.17		485.35
Unpaid Dividend (Refer Note (D) below)		0.58		0.58
Other Payables				
- Related Party	11.80		10.63	
- Others	104.16		108.38	
		115.96		119.01
Total		**6,755.87**		**5,935.91**

* The facilities from the lenders to SPV Companies were backed by the Company's Corporate Guarantees. Since the SPV companies could not make payment of the overdue amounts, the lenders have demanded the immediate payment of all overdue amount of loan and interest from the Company in the earlier years. The same is classified as current and disclosed as Current Liabilities and correspondingly recoverable from the SPV companies.

On account of the above, a number of lenders have not shared their confirmations as at the year ended March 31, 2020 (also in the previous years) and to that extent the balances are unconfirmed

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

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

Key features of the CDR agreement are as follows :

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

(b) Securities for Term Loans and NCD :

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

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

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

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

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

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

Working Capital Term Loan (WCTL) -

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

Priority Loan -

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

Non Convertible Debentures (NCD) and FITL thereon -

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

Funded Interest Term Loan (FITL) -

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

(c) Interest on Term Loans -

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

Non Convertible Debentures

Facility	Principal as on 31 March 2020	Rate	Principal as on 31 March 2019
10.50%	65.41	10.50%	65.65
11.05%	89.08	11.05%	89.08
9.50%	89.34	9.50%	89.34
9.95%	44.53	9.95%	44.53
Grand Total	**288.36**		**288.60**

(d) Repayment Term

Type of Loan	Repayment Schedule
RTL - 1, RTL - 2, RTL - 3, NCD, WCTL & FITL	Repayable in 31 quarterly instalments commencing 15 April 2015 and ending on 15 October 2022.
Priority Loan	Repayable in 20 quarterly ballooning instalments commencing 15 April 2015 and ending on 15 January 2020.

(e) Collateral security pari-passu with all CDR lenders

a) Pledge of entire unencumbered Equity Shares (present and future) of GIL held by Promoters subject to section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered Equity Shares as and when such shares are released by the respective existing lenders.

b) Personal guarantee of Mr Abhijit Rajan, former Chairman & Managing Director.

c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the Joint Venture agreement with developer.

d) Corporate Guarantee provided by Nikhita Estate Developers Private Limited ("promoter entity")

e) Pledge over the following shares -

Deepmala Infrastructure Private Limited

Ansaldocaldaie Boilers India Private Limited

Gactel Turnkey Projects Limited

Transrail Lighting Limited

Gammon Engineers and Contractors Private Limited.

Nikhita Estate Developers Private Limited

(f) Maturity profile of Term Loans and NCD

Period	March 31, 2020	March 31, 2019
Credit facilities recalled by lenders	2,645.45	2,645.65
Principal Overdue	-	-
With in 1 years	-	-
2 - 3 years	-	-
4 - 5 years	-	-
6 - 10 years	-	-
Total	**2,645.45**	**2,645.65**

(g) The Bankers have given effect to the Novation Agreement in the second fortnight of May 2017.

The continuing default on principal obligation is tabulated below:

As at March 31, 2020	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
The Entire credit facilities is in default and recalled, hence age-wise default is not disclosed.					
Rupee Term Loan (RTL)	-	-	-	-	1,298.57
Priority Loan (PL)	-	-	-	-	574.16
Funded Interest Term Loan (FITL)	-	-	-	-	48.70
Working Capital Term Loan (WCTL)	-	-	-	-	435.62
Non Convertible Debentures(NCD)	-	-	-	-	288.37
Total	**-**	**-**	**-**	**-**	**2,645.42**

(h) The continuing default on principal obligation is tabulated below:

As at March 31, 2019	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
The Entire credit facilities is in default and recalled, hence age-wise default is not disclosed.					
Rupee Term Loan (RTL)	-	-	-	-	1,298.57
Priority Loan (PL)	-	-	-	-	574.16
Funded Interest Term Loan (FITL)	-	-	-	-	48.70
Working Capital Term Loan (WCTL)	-	-	-	-	435.62
Non Convertible Debentures(NCD)	-	-	-	-	288.60
Total	**-**	**-**	**-**	**-**	**2,645.65**

(B) Current Financial Liabilities - Borrowings Notes

(i) **Securities - Cash Credit from Consortium Bankers :**

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

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

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

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

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

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

(iv) Short term loan from consortium Bankers :

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

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

2nd charge on Gammon House

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

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

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

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

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

Pledge on Promoters holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Pledge on Gammon India Limited's holding in EPC

Pledge on Gammon India Limited's holding T&D

Other contractual comforts and undertakings taken at the time of CDR

b) BOB -Security - STL VI - INR

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

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

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

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

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

pledge on Promoter's holding in Gammon India Limited

Personal Guarantee of Mr.Abhijit Rajan

Other contractual comforts and undertakings taken at the time of CDR

c) **IDBI - STL**

Primary Security

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

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

2nd pari passu charge on Gammon House

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

Collateral Security

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

d) **ICICI -STL**

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

The OD facility shall be additionally collateralised by way of :

Exclusive pledge of 193,999,800 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 20.60 % of the total paid up equity shares of GIPL. The same shall be Subject section 19 (2) & (3) of the Banking Regulation Act.

NDU- PoA over the remaining 193,999,800 equity shares of Gammon Infrastructure Projects Limited (GIPL) held by Gammon Power Limited representing 20.60 % of the total paid up equity shares of GIPL which shall bereleased in favour of IDBI Bank / Other Bank who shall be sanctioning the remaining OD facility

(v) **Facility overdrawn as at March 31, 2020:**

Facility	₹ in Crore
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,084.99
Total	**1,084.99**

Facility overdrawn as at March 31, 2019:	
Facility	**₹ in Crore**
The Entire credit facilities is recalled and hence age-wise default is not disclosed.	1,056.38
Total	**1,056.38**

The continuing default on Interest obligation tabulated below:

As at March 31, 2020	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	9.23	8.91	16.52	251.23	285.90
PL	12.46	12.19	23.15	203.20	251.00
FITL	0.09	0.09	0.17	24.00	24.35
WCTL	10.45	10.18	18.95	151.17	190.75
NCD	7.31	7.55	14.86	90.88	120.60
STL	-	-	-	58.02	58.02
WCDL	-	-	-	-	-
Cash credit	7.64	7.57	14.23	184.34	213.79
Total	**47.18**	**46.49**	**87.89**	**962.84**	**1,144.40**

The continuing default on Interest obligation relating to short term facilities including CC is part of the recalled debt

As at March 31, 2019	1 to 90 days	91 to 180 days	181 to 365 days	Above 365 days	Total
RTL	7.73	7.66	15.07	220.76	251.23
PL	12.03	11.99	31.26	147.92	203.20
FITL	0.08	0.08	0.44	23.40	24.00
WCTL	9.66	9.58	28.74	103.19	151.17
NCD	7.32	7.48	14.91	61.18	90.88
STL	-	-	11.24	46.78	58.02
WCDL	-	-	-	-	-
Cash credit	6.58	24.87	30.75	122.17	184.38
Total	**43.40**	**61.66**	**132.41**	**725.41**	**962.88**

(D) Unpaid dividend includes ₹ 0.54 Crore (P.Y March 2019: ₹ 0.54 Crore) to be transferred to the Investor Education & Protection Fund

(E) Interest accrued includes ₹ 888.16 Crore (₹ 483.90) crore on account of NPA Interest accrued in the books

(F) **Other Payable:**

An Amount of ₹ 82.91 crore is payable to GECPL as at March 31, 2020 on account of payment of ₹ 107.16 crores made from the common pool of funds at the time of demerger during the period July 1, 2016 to March 31, 2017. This amount has been earmarked against the assignment of specific claims and awards in favour of GECPL, for which the Company has written to the clients. No interest is accrued on the aforesaid amount.

As at March 31, 2019 GECPL ceases to be a related party and hence the amount payable is shown under other liability.

(G) Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

Particulars	**Total**
Opening balance	**3,702.03**
Interest accrued and payable	**1,804.17**
Changes from financing cash flows -	
(Repayment) from Long term Borrowings	(0.24)
Interest Paid	(0.09)
Closing balance	**5,505.87**

21 Other Current Liabilities

Particulars	**March 31, 2020**	**March 31, 2019**
Contract Liabilities - Client Advances	55.93	55.93
Duty & Taxes Payable	7.72	4.54
Others	7.54	10.91
Unamortised Guarantee	-	1.60
Unamortised Deferred Rent Income	0.10	0.10
Total	**71.29**	**73.08**

22 Current Tax Liabilities

Particulars	**March 31, 2020**	**March 31, 2019**
Provision for taxation (net of taxes paid)	-	2.96
Total	**-**	**2.96**

23 Revenue from Operations

Particulars	**April 2019 - March 2020**		**April 2018 - March 2019**	
Turnover		71.14		191.14
Other Operating Revenue:				
Sale of Scrap	0.57		1.58	
Miscellaneous Operating Income	-		3.89	
Sundry Balances Written Back	-		0.79	
Share of Profit on Joint Venture	-			
		0.57		6.26
Total		**71.71**		**197.40**

Disclosure as required by Indian Accounting Standard (Ind AS) 115 - Revenue from contracts with customers

(a) Disaggreagtion of revenue from contracts with customers :

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

Particulars	**March 31, 2020**	**March 31, 2019**
Primary geographical markets		
In India	71.14	191.14
Outside India	-	
Total	**71.14**	**191.14**

(b) Contract balances

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

Significant changes in contract asset and contract liabilities balances during the year are as follows:

	Particulars	March 31, 2020	March 31, 2019
(i)	**Due from contract customers:**		
	At the beginning of the reporting period	53.73	57.99
	Cost incurred plus attributable profits on contracts-in-progress	-	-
	Progress Billings made towards contracts-in-progress	3.11	2.39
	Due from contract customers impaired during the reporting period	-	(1.83)
	Receipts from contract customers.	-	(4.82)
	Significant change due to other reasons	(2.34)	-
	At the end of the reporting period	**54.50**	**53.73**
(ii)	**Due to contract customers:**		
	At the beginning of the reporting period	82.71	148.28
	Revenue recognised that was classified as due to contract customers at the beginning of the reporting period (Para 116 (b))	-	-
	Progress billings made towards contracts-in-progress	-	-
	Significant change due to other reasons	-	(65.57)
	At the end of the reporting period	**82.71**	**82.71**

(c) Performamce obligation

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

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) Performance obligations to be performed in next year is amounting to ₹ 57.55 crores.

24 Other Income

Particulars	April 2019 - March 2020	April 2018 - March 2019
Interest Income on EIR on Financial Assets at amortised cost	12.08	15.49
Lease Income	9.97	8.35
Excess provision written back	2.20	0.28
Profit on Sale of Assets	1.82	6.40
Profit on Sale of Investments	-	19.31
Corporate Guarantee Commission	1.60	5.36
Exchange Gain	-	53.61
Gain on remeasurement of Loan to Subsidiaries	-	0.03
Miscellaneous Income	0.33	3.14
Sundry Balances Written Back	23.46	-
Share of Profit on Joint Venture	0.03	0.78
Total	**51.49**	**112.75**

25 Cost of Materials Consumed

Particulars	April 2019 - March 2020	April 2018 - March 2019
Opening Stock	23.52	28.86
Add : Purchases (Net of Discount)	10.16	16.82
Less : Closing Stock	16.97	23.52
Total	**16.71**	**22.16**

26 Employee Benefits

Particulars	April 2019 - March 2020	April 2018 - March 2019
Salaries, Bonus, Perquisites etc.	7.12	8.12
Contribution to Providend and other fund	0.36	0.22
Staff Welfare Expenses	0.15	0.14
Total	**7.63**	**8.48**

27 Finance Cost

Particulars	April 2019 - March 2020	April 2018 - March 2019
Interest Expense	586.24	561.77
Unwinding Interest on financial Liabilities	0.09	0.06
Other Borrowing Costs	0.22	0.59
Total	**586.55**	**562.42**

During the current and in the previous periods one of the lenders has levied penal interest and charges as reversal of benefit of CDR of ₹ 179.93 crores (P.Y. ₹118.70 Crores) The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.

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

28 Depreciation & Amortisation

Particulars	April 2019 - March 2020	April 2018 - March 2019
Depreciation	9.74	10.56
Total	**9.74**	**10.56**

29 Other Expenses

Particulars	April 2019 - March 2020	April 2018 - March 2019
Plant Hire Charges	2.00	2.05
Consumption of Spares	0.28	1.20
Fees & Consultations	6.87	7.91
Rent	1.04	1.01
Rates & Taxes (incl indirect taxes)	0.74	0.51
Travelling Expenses	1.16	1.50
Communication	0.04	0.05
Insurance	0.61	0.35
Repairs to Plant & Machinery	0.01	0.03
Other Repairs & Maintenance	0.05	0.07
Bank Charges & Guarantee Commission	1.28	2.92
Other Site Expenses	2.79	5.89
Sundry Expenses	0.65	0.93
Sundry Balance Written Off	23.62	8.60
Bad debts	-	1.37
Provision for Doubtful Debts and Advances	7.96	35.12
Loss on sale of Current Investments	0.50	-
Foreign Exchange Loss (net)	13.06	-
Audit Fees	0.36	0.35
Total	**64.44**	**71.82**

(a) Remuneration to Statutory Auditors

Particulars	April 2019 - March 2020	April 2018 - March 2019
Audit Fees	0.30	0.30
Limited Review	0.06	0.03
Certification & Other Attest Services	-	0.02
Total	**0.36**	**0.35**

30 Exceptional Items

Particulars	April 2019 - March 2020	April 2018 - March 2019
Impairment provision of investment (net of Deferred Tax)	59.85	56.52
Impairment provisions of Loans	367.75	984.71
Provision for Risks & Contingency	82.34	274.97
Write back of Provision of Loans	(1.00)	(3.21)
Total	**508.94**	**1,313.00**

i) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹1272.49 crores (fully provided) including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure, notwithstanding its ongoing endeavor to recover the value of the non core assets

During the year there has been incremental provisioning of ₹ 81.65 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

ii) One of the subsidiary (“Metropolitan Infrahousing Private Limited”) has sold the Land at Dombivali. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. The Company has already made a provision for impairment of its investment in the subsidiary of ₹ 505.44 Crores net of the reversal of the provision of deferred tax liability recognised on transition date of ₹ 101.09 Crores and provision of ₹ 364.60 Crores has been made against its exposure as loan & interest receivable as on March 31, 2019. Provision towards impairment of the land was made as pre the valuation report of the land issued by Joint Sub Registrar, Kalyan in previous year

iii) One of the subsidiary (“Gammon Realty Limited) has sold its stake in its subsidiary (“Preeti Township Private Limited). Pursuant thereto the company has a provision of ₹ 59.85 Crores as on March 31, 2020 (P.Y. ₹ 120 Crore) against its exposure, considering the value of its residuary assets.

iv) The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited , the company through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is ₹ 43.97 crores for the year ended March 31, 2019 (₹ 153.49 crores for the year ended March 31, 2018). The impairment provision is made based on the market price of the said shares of GIPL.

v) The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹ 1328.40 crores of which Gammon International BV is ₹ 966.69 Crores and Gammon Holding Mauritius Limited is ₹ 361.41 Crores. Based on the latest valuation of Sofinter group carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group’s strong order book position. Considering the combined exposure in GIBV & GHML as per the valuation report for the purposes of the financial statement of March 31, 2020 the reduction in equity value of ₹ 165.46 crores in current year has been provided (₹ 391 crores in previous years) against its exposure to GIBV which is included in exceptional item.

vi) The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is ₹ 439.24 crores. The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field, the company has made the entire provision against its exposure.

During the year there has been incremental provisioning of ₹ 0.69 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

vii) The Company having exposure in One of the subsidiary (“Patna Water Supply Distribution Network Private Limited”) of ₹ 55.18 crores. Due to delay in arbitration process the subsidiary is facing problems. During March 2019 has made a provision of Rs 10 crores against its exposure based on internal estimates of the realisable value

viii) One of the Subsidiary Gactel (Gactel Turnkey Projects Ltd) had availed credit facilities from Axis Bank in the year 2013 for which the Company had given Corporate Guarantee and Shortfall Undertaking for any shortfall by Gactel in meeting its obligations. The current assets of the Subsidiary was Collateral Security. Collateral Security was given by another Subsidiary Deepmala (Deepmala Infrastructure Private Limited) as a Negative Lien of its land at Bhopal and Negative Lien its entire cash flow from the Bhopal Project. In addition Deepmala had borrowed Rs 425 Crores for itself against the said land from Axis Bank

However, the loan of Gactel became an NPA on 29.02.2017 and on 06.12.2017 Axis Bank recalled the entire outstanding borrowings of ₹152.53 Crores from Gactel. Deepmala also became an NPA in June 2018 and Axis Bank filed in NCLT against the borrower for recovery of its dues. The Company diligently worked with the common lender over prolonged period to resolve the matter and finally an OTS offer was made by Deepmala and same is accepted by Axis bank on 02.05.2019 for payment of ₹ 210 crores against its borrowings of ₹ 425 crores and other interest. The same was accepted by Deepmala. This OTS left Deepmala with sufficient landed assets to cover the borrowings of Gactel, in case of Gactel’s failure to pay the lender. Since, the land of Deepmala was the Collateral Security, the Company still showed its Bank Guarantee of ₹ 160 crores to Axis Bank for Gactel’s borrowings as contingent liability in its accounts. However, Deepmala has failed to honour its commitment under the OTS and Axis Bank has withdrawn the OTS offer made earlier and demanded the entire outstanding along with interest, costs and damages from it vide letter dated 23.01.2020. Considering the total borrowings by both the subsidiaries from Axis Bank and its inability to repay the bank, the Company has now shown its bank guarantee of ₹ 160 crores to Axis Bank as a current liability and debited Gactel for its recovery. However, the entire exposure of Gactel is provided by the Company.

Particulars	April 2019 - March 2020	April 2018 - March 2019
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Excess short provision for tax	-	-
Deferred tax	1.01	0.93
Income tax recognised in statement of profit or loss	**1.01**	**0.93**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A Current Tax

Accounting profit before income tax for 12 months	(1,121.55)	(1,754.12)
Enacted tax rates in India (%)	29.12%	31.20%
Computed expected tax expenses	(326.60)	(547.28)
Effect of non- deductible expenses	332.62	576.23
Effect of tax losses and deductable expenses	(6.03)	(28.94)
Net Tax Effects	(0.00)	0.00

B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing as at March 31, 2020
Property, Plant and Equipment	(81.61)	(0.93)	-	(82.54)
Non Current Investments (*)	(28.45)	8.81	-	(19.64)
Mar-19	**(110.06)**	**7.88**	**-**	**(102.18)**
Property, Plant and Equipment	(82.54)	0.82	-	(83.36)
Non Current Investments	(19.64)	0.19	-	(19.83)
Mar-20	**(102.18)**	**1.01**	**-**	**(103.19)**

(*) Adjusted in Exceptional Items

32 Earning Per Share

Earnings Per Share (EPS) = Net Profit attributable to Shareholders / Weighted Number of Shares Outstanding

Particulars	April 2019 - March 2020	April 2018 - March 2019
O/s number of Equity Shares at the end of the year	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Basic	36,88,47,305	36,88,47,305
Weighted Number of Shares during the period – Diluted	36,95,73,105	36,95,73,105
Earning Per Share – Basic (₹)	(30.43)	(47.58)
Earning Per Share – Diluted (₹)	(30.43)	(47.58)

Reconciliation of weighted number of outstanding during the year :

Particulars	April 2019 - March 2020	April 2018 - March 2019
Nominal Value of Equity Shares (Rupee Per Share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	36,88,47,305	36,88,47,305
Add : Issue of shares	-	-
Outstanding Equity shares at the year end	36,88,47,305	36,88,47,305
Weighted Average of Equity Shares at the end	36,88,47,305	36,88,47,305
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	36,88,47,305	36,88,47,305
Add : Shares kept in abeyance	7,25,800	7,25,800
Weighted Avg no. of shares in calculating Dilutive EPS	36,95,73,105	36,95,73,105

33 Contingent Liability

	Particulars	March 31, 2020	March 31, 2019
i	Corporate Guarantees and Counter Guarantees given to Bankers towards Guarantees given by them for Client of the Company and Company's share in the Joint Ventures and for loans to subsidiaries (net of recalled amount accounted as liabilities)	1,075.46	1,258.57
ii	Disputed Sales Tax Liability for which the Company has gone into appeal	29.33	30.39
iii	Claims against the Company not acknowledged as debts	73.43	73.83
iv	Disputed Service Tax Liability	9.48	9.48
v	Outstanding Letters of Credit Pending Acceptance	-	-
vi	In respect of Income Tax Matters of Company and its Joint Ventures	335.18	326.46
viii	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	2.01	2.01
ix	Right to recompense in favour of CDR Lenders in accordance with the terms of MRA	504.96	504.96

x There is a disputed demand of UCO Bank pending since 1986, of USD 436251 i.e. ₹ 3.02 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹.0.21 Crore, which adjustment has not been accepted by the Company.

xi Counter Claims in arbitration matters referred by the Company – Liability unascertainable.

xii The Disputed Service Tax Liability disclosed above is after considering legal advice on the probability of the liability materialising being remote.

xiii The Company is in the process of regularising various non- compliances under FEMA by compounding and other process. The liability on account of the said non -compliance is presently not ascertainable.

34 Segment Reporting as per IND AS108 " Operating Segments"

The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.

Revenue of ₹ 64.36 Crore (PY: ₹ 169.34 Crore) arising from Two (PY Four) major customer each contributing more than 10% of the total revenue of the Company.

35 Ind As 116 "Leases"

Contractual maturities of Lease Income on undiscounted basis -

Particulars	March 31, 2020
Less than one year	6.37
One to five years	6.37
More than five years	-
Total	**12.73**

36 Foreign & Domestic Venture

(a) The Company through its Special Purpose Investment Vehicle holds the following stakes :

- Sofinter S.p.A, Italy
- Franco Tosi Mecannica S.p.A, Italy (FTM)
- Sadelmi S.p.A, Italy
- SAE Power Line S.r.l, Italy

(b) The Gammon group owns 67.50% of the total equity capital of Sofinter through two of its wholly owned overseas subsidiaries. However to facilitate continued support on lines of credit, the Board of Sofinter S.p.A has been reconstituted effective from November 2016 with majority vesting with the lending banks of Sofinter group.

In view of what is stated above, the Company contends that it is not able to exercise any influence on the said Sofinter although it holds 67.50% of the Equity. The CEO is also appointed by the Banks and the Bank nominees are controlling the day to day operations and management of the Group.The sole representative of the shareholders on the Board has no vested powers excepting that of the Legal Representative of the Company.

In view of what is stated above,the Company contends that it is not able to exercise any influence on the Group although it holds 67.5% shareholding in Sofinter S.p.A and therefore the said Sofinter is neither accounted as a Subsidiary nor as an Associate at group level.

The exposure of the Company in Sofinter S.p.A through two subsidiaries is ₹ 1328.40 crores of which Gammon International BV is ₹ 966.69 Crores and Gammon Holding Mauritius Limited is ₹ 361.41 Crores. Based on the latest valuation of Sofinter group carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML as per the valuation report for the purposes of the financial statement of March 31, 2020 the reduction in equity value of ₹ 165.46 crores in current year has been provided (₹ 391 crores in previous years) against its exposure to GIBV which is included in exceptional item

(c) The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is ₹1272.49 crores (fully provided) including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure, notwithstanding its ongoing endeavor to recover the value of the non core assets

During the year there has been incremental provisioning of ₹ 81.65 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

(d) The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is ₹ 439.24 crores. The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field, the company has made the entire provision against its exposure.

During the year there has been incremental provisioning of ₹ 0.69 crores due to change in exposure and the same has been shown as exceptional item in the statement of profit and loss.

(e) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi of ₹25.72 Crore. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV. The Company has made provision as risks and contingencies aggregating to ₹.1.66 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said subsidiary for making investment into Sadelmi, in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets considering the net worth and operations of the said Sadelmi.

(f) The Court of Monza in respect of one of the step down Subsidiary SAE Powerlines S.r.L. (Held through ATSL Holdings BV) has declared the bankruptcy. The company has made full provision against it's exposure in SAE .

37 Material Uncertainty Relating to Going Concern

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. Also the Company's current liabilities exceed the current assets by ₹ 7070.41 Crore. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The liquidity crunch is affecting the Company's operation with increasing severity. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy code

The Company has been making every effort in settling the outstanding CDR dues.

The Reserve Bank of India had vide its circular no. RBI/2018-19/ 203 DBR.No.BP.BC.45/ 21.04.048/2018-19 dated 7th June, 2019 issued directions for 'Prudential Framework for Resolution of Stressed Assets'. These directions were called the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and which came into immediate effect i.e. 7th June, 2019

These directions were issued by RBI with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets

Pursuant to the provisions of the above mentioned directions, all the lenders shall enter into an Inter Creditor Agreement (ICA) within 30 days of the issuance of the said circular i.e. within 7th July, 2019 to provide for ground rules for finalisation and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender. The circular also provided that the ICA shall be binding on all the lenders, if the decision is agreed by lenders representing 75% by value of total outstanding and 60% of lenders by number

To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting and the ICA was executed in July 2019 by all the lenders.

Pursuant to the execution of the ICA the lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequent to the abovementioned appointment the representatives of Deloitte attended one of the Joint Lenders Meeting held on 13th January, 2020, wherein the plans regarding the way forward on the resolution process were presented. Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. Based on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) on such terms and conditions as directed by IDBI Bank

The management is hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status and to that effect is continuously engaged with the lenders for a solution.

Therefore, in the view of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis. The above action plan of the Company for repaying the debts and servicing the same including the necessary value of the balance stake being available and realisation of the claim amounts filed by the Company, monetisation of the stake sale of investments and also the acceptance of the resolution proposal by the lenders is exposed to material uncertainties which may affect the going concern assumption.

38 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Statement A.

39 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

Particulars		Carrying Value		Fair Value	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
A	**Financial Assets**				
(i)	Amortised Cost:				
	Loans	747.60	884.62	747.60	884.62
	Others	108.55	120.25	108.55	120.25
	Trade receivables	379.68	390.65	379.68	390.49
	Cash and cash equivalents	3.37	2.81	3.37	2.81
	Bank Balance	0.58	0.58	0.58	0.58
(ii)	FVTPL			-	-
	Mutual Funds & Equity Instrument	0.03	0.95	0.03	0.95
	FVTOCI				
	Equity Instrument	7.28	7.52	7.28	7.52
	Total Financial Assets	**1,247.09**	**1,407.38**	**1,247.09**	**1,407.22**
B	**Financial Liabilities**				
(i)	Amortised Cost				
	Borrowings	-	-	-	-
	Trade payables	129.91	148.06	129.91	148.65
	Others	6,767.87	5,947.91	6,767.87	5,947.32
	Total Financial Liabilities	**6,897.78**	**6,095.97**	**6,897.78**	**6,095.97**

(ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and floating interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Particulars	Fair Value measurement using				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Valuation Technique
Financial assets measured at fair value					
Investment in Current Investments					
Shares	March 31, 2020	0.03	-		Market Value of Shares
Mutual Funds	March 31, 2020	-	-		Market Value of Mutual Funds
Equity Investments - FVTOCI					
Equity Shares	March 31, 2020	-	7.28		Based on Valuation considered by lenders for pledge invokation
Total financial assets		**0.03**	**7.28**	**-**	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2020	-	-		Valuation from Banks.
Total financial Liabilities		**-**	**-**	**-**	
Financial assets measured at fair value					
Investment in Current Investments					
Shares	March 31, 2019	0.95	-		Market Value of Shares
Mutual Funds	March 31, 2019	-	-		Market Value of Mutual Funds
Total financial assets		**0.95**	**-**	**-**	
Financial liabilities measured at fair value					
Derivative instruments	March 31, 2019	-	-		Valuation from Banks.
Total financial Liabilities		**-**	**-**	**-**	

(iii) Financial Risk Management Objectives And Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

(a) Market Risk :

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Unhedge	March 31, 2020		March 31, 2019	
Foreign currency	Receivable	Payable	Receivable	Payable
USD - US Dollar	34,37,40,518	10,37,02,270	34,22,25,494	10,37,02,270
EUR - Euro	7,01,63,862	2,32,64,585	7,01,63,862	2,32,64,585
AED - UAE Dirham	1,14,905	-	1,14,905	-
ETB - Ethiopian Birr	4,18,10,175	48,53,733	4,18,10,175	48,53,733

Receivable :- As at March 31, 2020 is ₹ 3183.77 Crore and March 31, 2019 is ₹ 2922.53 Crore.

Payable : As at March 31, 2020 is ₹ 974.98 Crore and March 31, 2019 is ₹ 898.09 Crore

Hedge Foreign currency :

Receivable :- As at March 31, 2020 is ₹ NIL and March 31, 2019 is ₹ NIL

Payable : As at March 31, 2020 is ₹ NIL and March 31, 2019 is ₹ NIL.

Foreign currency sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	March 31, 2020		March 31, 2019	
Increase/(decrease) in profit or loss	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD - US Dollar	18.10	(18.10)	16.50	(16.50)
EUR - Euro	3.89	(3.89)	3.64	(3.64)
AED - UAE Dirham	0.00	(0.00)	0.00	(0.00)
ETB - Ethiopian Birr	0.08	(0.08)	0.09	(0.09)

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in inactive markets or inputs that are directly or indirectly observable in the market place.

(b) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 380.63 crore and ₹ 391.64 crore as of March 31, 2020 and March 31, 2019 respectively, unbilled revenue amounting to ₹ 894.41 crore and ₹ 894.41 crore as of March 31, 2020 and March 31, 2019, respectively. To manage this, the Company monitors whether the collections are made within the contractually established deadlines. In addition to this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(c) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2020	Plus 100 basis point	(37.30)
	Minus 100 basis points	37.30
March 31, 2019	Plus 100 basis point	(37.02)
	Minus 100 basis points	37.02

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(d) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Working Capital Position of the Company :

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalent	3.37	2.81
Bank Balance	0.58	0.58
Current Investments in mutual Funds and Shares	0.03	0.95
Inventory	38.92	45.47
Trade Receivable Current	108.99	121.06
Loans & Advances Current	7.91	7.96
Other Financial Assets Current	26.51	26.51
Total	**186.31**	**205.34**

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Within One year	One - Five year	Total
As at March 31, 2019			
Long term Borrowing	-	-	-
Short term borrowings			
Trade payables	135.24	12.82	148.06
Other financial liabilities	5,935.91	12.00	5,947.91
Total	**6,071.15**	**24.82**	**6,095.97**

Particulars	Within One year	One - Five year	Total
As at March 31, 2020			
Long term Borrowing	-	-	-
Short term borrowings			
Trade payables	112.98	16.93	129.91
Other financial liabilities	6,755.87	12.00	6,767.87
Total	**6,868.85**	**28.93**	**6,897.78**

(e) Competition Risk:

The Company is operating in a highly competitive environment with various Companies wanting a pie in the project. This invariably results in bidding for projects at low margins to maintain a steady flow of the projects to enable the group to retain the projects team and to maintain sustainable operations for the Company and the SPVs. The ability of the Company to build the infrastructure at a competitive price and the ability to start the tolling operations is very important factor in mitigating the competition risk for the group.

(f) Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

40 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2020	March 31, 2019
Gross Debt	4,863.90	4,598.70
Less:		
Cash and Cash Equivalent	3.37	2.81
Bank Balance	0.58	0.58
Marketable Securities -Liquid Mutual Funds	0.03	0.95
Net debt (A)	4,859.92	4,594.36
Total Equity (B)	(4,190.64)	(3,067.75)
Gearing ratio (A/B)	**(1.16)**	**(1.50)**

41 Significant Accounting Judgments, Estimates And Assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgments

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

42 Impact of COVID-19 Pandemic

The Covid-19 Pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the Governments. The operations of the Company were impacted, due to shutdown of Projects and offices following nationwide lockdown. Various proposals for restructuring and arbitration & settlement matters have been delayed on account of the non-availability of the officials and the offices being shut. The COVID -19 Pandemic has compounded the problems due to all the restrictions on the movement of people, opening of offices, and the project work at sites, which was already at its slowest. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions. The Management does not expect any further adjustment beyond the assessments already made in the financial statements to the assets and liabilities. The Covid Pandemic does not have further implications on the going concern assumptions previously assessed.

43 Details of Rounded Off Amounts

The Financial Statements are represented in Rupees Crore. Those items which were not represented in the financial statement due to rounding off.

All the amounts Below are in ₹

Particulars	March 31, 2020	March 31, 2019
Non Current Investment		
Airscrew (India) Limited	1,000	1,000
Alpine Environmental Engineers Limited	20,000	20,000
Bhagirathi Bridge Construction Company Limited	30,000	30,000
Modern Flats Limited (Unquoted)	22,100	22,100
Neptune Tower Properties Private Limited	-	-
Investment In Partnership-Capital Contribution-Gammon Shah	25,000	25,000
Current Investment		
HDFC Mutual Fund - Floating Rate Income Fund	24,881	24,881

44 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

As per our report of even date

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

K N Padmanabhan
Partner
M.No. 36410
Mumbai, Dated : August 14, 2020

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

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456

Ajit B. Desai
Chief Executive Officer
DIN No. 00105836

Ulhas Dharmadhikari
Independent Director
DIN No. 02249465

Niki Shingade
Company Secretary
M.No.ACS 19594