

**Chaitanya C. Dalal & Co.**  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Gammon Realty Limited

**Report on the Standalone Ind AS Financial Statements & Internal Financial Controls over Financial Reporting**

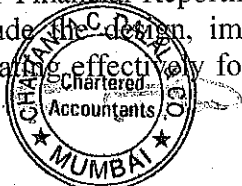
1. We have audited the accompanying standalone Ind AS financial statements of **Gammon Realty Limited**, which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. Also, we have audited Internal Financial Controls over Financial Reporting as at March 31, 2018.

**Management's Responsibility for the standalone Ind AS Financial Statements & for Internal Financial Controls over Financial Reporting**

2. The Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to



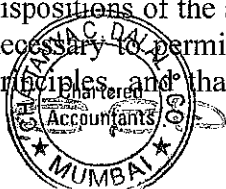
company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
7. An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risks that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting and the standalone Ind AS financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

9. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with



authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

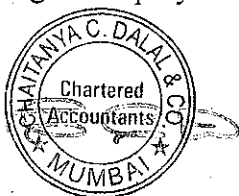
10. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**Opinion**

11. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.
12. In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018.

**Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by section 143(3) of the Act, we report that:
- A) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - B) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - C) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;



# **Chaitanya C Dalal & Co**

Chartered Accountants

- D) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- E) On the basis of written representations received from the directors as on September 05, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on date, from being appointed as a director in terms of Section 164(2) of the Act.
- F) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - IV. The company has not complied with provisions of section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, necessitated that every listed company and every other public company having paid up share capital of Rs. 5 crores or more to appoint the Company Secretary in whole time employment.

**For Chaitanya C. Dalal & Co.**

**Chartered Accountants**

**FRN: 101632W**





**Chaitanya C. Dalal**

**Partner**

**Membership No. 35809**

Place: Mumbai

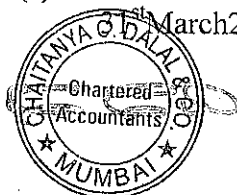
Date:

**Annexure "A" to the Independent Auditor's Report**

As at and for the year ended 31<sup>st</sup> March, 2018 on the Standalone Ind AS Financial Statements  
To the Members of **Gammon Realty Limited**

(Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed basis on the basis of available information.  
  
b. According to the information and explanations given to us, the company has a regular program of physical verification of fixed assets which in our opinion is reasonable having regards to the size of the company and nature of its assets. No material discrepancies between book records and physical inventory have been noticed.  
  
c. As verified from the books of accounts, the company does not have any immovable property. Therefore clause i(c) is not applicable to the company.
- (ii) As explained to us, the physical verification of inventory has been done by the management at reasonable intervals during the year. No material discrepancies were noticed.
- (iii) The Company has granted interest free deposit amounting to Rs. 4,00,70,000/- during the year to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Loan is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits. Hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) There are arrears of statutory dues in respect of Profession tax of Rs. 3,210/- outstanding since three years from the date the amount become payable.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Service Tax, and Value Added Tax as on 31<sup>st</sup> March 2018 on account of disputes.



## **Chaitanya C Dalal & Co**

Chartered Accountants

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- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud on the Company by its officers has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year and hence the limits and approvals mandated by the provisions of section 197 are deemed to have been complied with.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934

**For Chaitanya C. Dalal & Co**

**Chartered Accountants**

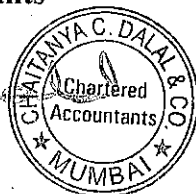
**FRN: 101632W**



**Chaitanya C. Dalal**

**Partner**

**M No. 35809**



Place: Mumbai

Date:

# **GAMMON REALTY LIMITED**

**CIN NO: U45201MH2006PLC165785**

**Register Office : Gammon House, Veer Savarkar Marg,  
Prabhadevi, Mumbai - 400025. Maharashtra**

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED**

**31<sup>st</sup> MARCH 2018**

**GAMMON REALTY LIMITED**  
CIN NO: U45201MH2006PLC165785

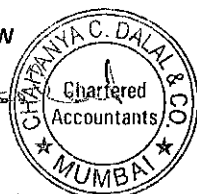
**Audited Statement of Assets and Liabilities as at March 31, 2018**

Particulars	Note	As at 31st March 2018	As at 31st March 2017
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	1,338	1,338
(b) Financial Assets			
(i) Investments	3	12,26,000	12,26,000
(c) Other non - current assets	4	22,36,40,040	27,36,01,303
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,48,67,378</b>	<b>27,48,28,641</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	5	10,06,13,715	10,02,92,615
(b) Financial Assets			
(i) Loans	6	79,68,86,807	80,94,79,114
(ii) Cash and cash equivalents	7	1,13,46,373	5,19,195
(iii) Other	8	1,28,45,612	1,20,85,247
(c) Other current assets	9	61,488	31,417
<b>TOTAL CURRENT ASSETS</b>		<b>92,17,53,995</b>	<b>92,24,07,588</b>
<b>TOTAL ASSETS</b>		<b>1,14,66,21,373</b>	<b>1,19,72,36,229</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	20,05,00,000	20,05,00,000
(b) Other Equity	11	(81,19,82,108)	(79,86,13,278)
<b>TOTAL EQUITY</b>		<b>(61,14,82,108)</b>	<b>(59,81,13,278)</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
(a) Financial Liability			
(i) Borrowings	12	1,09,21,22,940	1,10,36,22,940
(ii) Other financial liabilities	13	66,50,03,959	66,50,03,959
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,75,71,26,899</b>	<b>1,76,86,26,899</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liability			
(i) Borrowings	12	-	2,60,00,000
(ii) Other financial liabilities	13	3,90,399	3,90,399
(b) Other current liabilities	14	5,86,183	3,32,209
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,76,582</b>	<b>2,67,22,608</b>
<b>TOTAL EQUITY and LIABILITIES</b>		<b>1,14,66,21,373</b>	<b>1,19,72,36,229</b>

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements.

For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W

Chaitanya C. Dalal  
Partner  
Membership No : 35809



For and on Behalf of Board of Directors

Chayan Bhattacharjee  
Director  
DIN: 00107640

  
Ajit Desai  
Director  
DIN : 00105836

Place : Mumbai  
Dated :

Place: Mumbai  
Date:



**GAMMON REALTY LIMITED**  
CIN NO: U45201MH2006PLC165785

**Statement of Profit & Loss For Year Ended 31st March, 2018**

Particulars	Note	April 2017 - March 2018	April 2016 - March 2017
<b>I Revenue from Operations</b>			
<b>II Other Income</b>	15	8,44,850	89,14,755
<b>III Total Income (I + II)</b>		<b>8,44,850</b>	<b>89,14,755</b>
<b>IV Expenses:</b>			
Finance Cost	16	8,96,525	10,02,19,114
Other Expenses	17	90,071	49,966
<b>Total Expenses</b>		<b>9,86,596</b>	<b>10,02,69,080</b>
<b>V Profit/(Loss) before exceptional items and tax</b>		<b>(1,41,746)</b>	<b>(9,13,54,325)</b>
<b>VI Exceptional items Income / (Expense)</b>			
Provision for doubtful loan		1,00,00,000	-
<b>VII Profit / (Loss) before tax</b>		<b>(1,01,41,746)</b>	<b>(9,13,54,325)</b>
<b>VIII Tax Expenses</b>			
Current Income Tax		2,40,000	-
Tax of earlier years		29,87,084	-
<b>Total tax expenses</b>		<b>32,27,084</b>	<b>-</b>
<b>IX Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>(1,33,68,830)</b>	<b>(9,13,54,325)</b>
<b>X Other Comprehensive Income:</b>			
Items that will not be reclassified to profit or loss		-	-
<b>XI Total Comprehensive Income / (Loss) For The Period (IX +X)</b>		<b>(1,33,68,830)</b>	<b>(9,13,54,325)</b>
<b>XII Earning Per Equity Share (for Continuing Operation)</b>	18		
Basic		(0.67)	(4.56)
Diluted		(0.67)	(4.56)

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements.

For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W



Chaitanya C. Dalal  
Partner  
Membership No : 35809



For and on Behalf of Board of Directors

Chayan Bhattacharjee  
Director  
DIN: 00107640



Ajit Desai  
Director  
DIN : 00105836

Place : Mumbai  
Dated :

Place: Mumbai  
Date:

**GAMMON REALTY LIMITED**  
CIN NO: U45201MH2006PLC165785

**Cash Flow Statement For Year Ended 31st March, 2018**

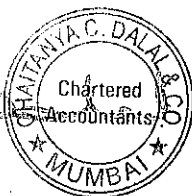
	Particulars	April 2017 - March 2018	April 2016 - March 2017
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax and Extraordinary Items	(1,01,41,746)	(9,13,54,325)
	Discard of Fixed Assets	-	-
	Interest on Loan	8,96,525	10,02,19,114
	<b>Operating Profit Before Working Capital Changes</b>	<b>(92,45,221)</b>	<b>88,64,789</b>
	<b>Changes in working capital:</b>		
	Financial non-current assets - Loan	-	22,25,00,000
	Other non-current assets	4,99,61,263	-
	Current assets - Inventories	(3,21,100)	-
	Financial current - other assets	(7,60,365)	(88,69,008)
	Other financial liabilities	-	(12,059)
	Other current Assets	(30,071)	(3,425)
	Other current liabilities	2,53,974	(3,000)
	<b>CASH GENERATED FROM THE OPERATIONS</b>	<b>3,98,58,481</b>	<b>22,24,77,297</b>
	Provision for Income Tax	(2,40,000)	-
	Direct Taxes Paid	(29,87,084)	(45,748)
	<b>Net Cash from Operating Activities</b>	<b>3,66,31,397</b>	<b>22,24,31,549</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Loans & advances given	1,25,92,307	(14,73,85,364)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid	(8,96,525)	(1,08,94,158)
	Repayment of Borrowings	(3,75,00,000)	(6,39,01,832)
	Proceeds from Borrowing		
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,08,27,179</b>	<b>2,50,195</b>
	Balance as at the beginning of the period	5,19,195	2,69,000
	Balance as at the end of the period	1,13,46,373	5,19,195
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,08,27,179</b>	<b>2,50,195</b>
	Note: Figure in brackets denote outflows		

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements.

For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm'S Regn. No.: 101632W



Chaitanya C. Dalal  
Partner  
Membership No.: 35809



For and on Behalf of Board of Directors



Chayan Bhattacharjee  
Director  
DIN: 00107640

Ajit Desai  
Director  
DIN : 00105836

Place: Mumbai  
Dated :

Place: Mumbai  
Date:

**GAMMON REALTY LIMITED**  
**CIN NO: U45201MH2006PLC165785**

**Statement of Changes in Equity**

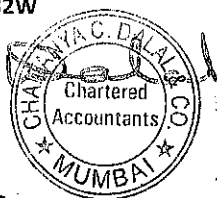
Particulars	Equity Share Capital	Retained Earnings	Total
Balance as at 1st April, 2016	20,05,00,000	(70,72,58,953)	(50,67,58,954)
Profit/(Loss) for the year	-	(9,13,54,325)	(9,13,54,325)
Balance as at 31 March 2017	20,05,00,000	(79,86,13,278)	(59,81,13,278)
Profit/(Loss) for the year	-	(1,33,68,830)	(1,33,68,830)
Balance as at 31 March 2018	20,05,00,000	(81,19,82,108)	(61,14,82,107)

As per our report of even date.

For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W



Chaitanya C. Dalal  
Partner  
Membership No.: 35809



For and on Behalf of Board of Directors

Chayan Bhattacharjee  
Director  
DIN: 00107640



Ajit Desai  
Director  
DIN : 00105836

Place: Mumbai  
Dated :

Place: Mumbai  
Dated :

**1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS.**

**I Basis of Accounting**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. The concept of going concern is adhered to.

**II Taxes on Income**

- a) Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Act, 1961.
- b) In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred tax resulting from timing differences between book and tax profits are accounted for at tax rate substantially enacted by the Balance Sheet date to the extent the timing difference.
- c) Deferred Tax Assets arising on account of carried forward losses and unabsorbed depreciation as per Income Tax Act, 1961 are recognised to the extent there is a virtual certainty supported by convincing evidence that such assets will be realised.

**III Revenue Recognition**

- a) Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from product sales is stated exclusive of returns, sales tax and applicable trade discount and allowances
- b) Service income is recognised as per the terms of contract with customers when the related services are performed.
- c) Dividends are accounted for when the right to receive dividend is established.
- d) Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.

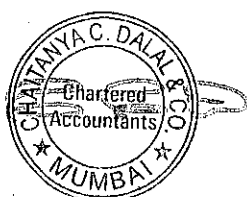
**IV Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed.



**1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS.**

**V Accounting Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period.

**VI Investments**

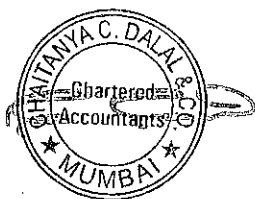
Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

**VII Fix Fixed Assets**

Tangible Assets are stated at cost. Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**VIII Depreciation**

The Companies Act 2013 requires companies to adopt useful life method for computation of depreciation and useful life for assets are mentioned in Schedule II. It also requires depreciation for assets, which are fully written off on account of above changes, to be adjusted against the opening revenue reserves. In order to comply with above provisions of the Act, the company has changed its methodology of depreciation from straight line method based on depreciation rate to straight line method of depreciation based on useful life of the asset.

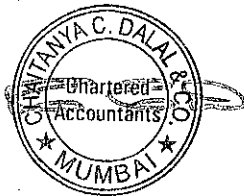


**GAMMON REALTY LIMITED**  
CIN NO: U45201MH2006PLC165785

Notes on Financial Statements for year ended 31st March 2018

**2 Property, Plant & Equipment**  
**Tangible Assets**

Particulars	Office Equipments	Computer	Total
<b>GROSS BLOCK</b>			
As at 01 April 2016	26,737	61,200	87,937
Additions	-	-	-
Disposals/Adjustments	-	-	-
As at 31 March 2017	26,737	61,200	87,937
Additions	-	-	-
Disposals/Adjustments	-	-	-
As at 31 March 2018	26,737	61,200	87,937
<b>DEPRECIATION</b>			
As at 01 April 2016	8,504	61,199	
Charge for the Year	16,896	-	16,896
Disposals/Adjustments	-	-	-
As at 31 March 2017	25,400	61,199	16,896
Charge for the Year	-	-	-
Disposals/Adjustments	-	-	-
As at 31 March 2018	25,400	61,199	16,896
<b>NET BLOCK</b>			
As at March 31, 2017	1,337	1	1,338
As at March 31, 2018	1,337	1	1,338



**Notes on Financial Statements for the year ended 31st March, 2018**

**3 Non-current financial assets - Investments**

Particulars	March 31, 2018	March 31, 2017
Unquoted Equity Instrument	12,26,000	12,26,000
<b>Total</b>	<b>12,26,000</b>	<b>12,26,000</b>

**Unquoted Equity Instrument**

Particulars	March 31, 2018		March 31, 2017	
	Nos	Amount	Nos	Amount
Preeti Township Private Limited (Subsidiary) - (FV Rs. 10/- Share)	60,000	12,00,000	60,000	12,00,000
Deepmala Infrastructure Private Limited (Other) (FV Rs. 10/-)	2,600	26,000	2,600	26,000
<b>Total</b>	<b>62,600</b>	<b>12,26,000</b>	<b>62,600</b>	<b>12,26,000</b>

**4 Other non - current assets**

Particulars	March 31, 2018	March 31, 2017
Interest on capital Advance	17,85,23,370	17,85,23,370
ATSL Infrastructure Projects Limited	1,50,00,000	2,50,00,000
RAS Cities & Township Pvt Ltd	-	4,00,00,000
Advance tax net of provision	3,01,16,670	3,00,77,933
<b>Total</b>	<b>22,36,40,040</b>	<b>27,36,01,303</b>

**5 Inventories**

Particulars	March 31, 2018	March 31, 2017
Work In Progress	10,06,13,715	10,02,92,615
<b>Total</b>	<b>10,06,13,715</b>	<b>10,02,92,615</b>

**6 Financial assets: Loans**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
<b>Deposits</b>	-	25,20,000	-	25,20,000
<b>Loans and advances to related parties</b>				
Considered Good	-	8,54,66,807	-	23,76,59,114
Considered Doubtful	-	14,96,00,000	-	-
Less : Provision for Doubtful Loans	-	(1,00,00,000)	-	-
<b>Loans and advances to others</b>				
Considered Good	-	56,93,00,000	-	56,93,00,000
Considered Doubtful	-	-	-	-
Less : Provision for Doubtful Loans	-	-	-	-
<b>Total</b>	<b>-</b>	<b>79,68,86,807</b>	<b>-</b>	<b>80,94,79,114</b>

**Details of Loans given to Related Parties**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
<b>Considered Good:</b>				
Gammon Power Ltd	-	1,02,77,791	-	89,40,098
Gammon Retail Infrastructure Private Limited	-	40,000	-	-
Gammon Real Estate Developers Pvt Ltd	-	30,000	-	-
Gactel Turnkey Projects Limited	-	4,00,00,000	-	-
Deepmala Infrastructure Private Limited	-	16,00,000	-	16,00,000
Ansaldocaldale Boilers India Private Ltd.	-	50,00,000	-	50,00,000
Preeti Townships Private Limited	-	2,85,19,016	-	6,75,19,016
<b>Considered Doubtful:</b>				
Metro Politan Infra housing Private Ltd.	-	14,96,00,000	-	15,46,00,000
<b>Total</b>	<b>-</b>	<b>23,50,66,807</b>	<b>-</b>	<b>23,76,59,114</b>



Notes on Financial Statements for the year ended 31st March, 2018

**Details of Loans given to Other Parties**

Particulars	March 31, 2018	March 31, 2017
<b>Considered Good:</b>		
Satra Property Developers Private Limited	30,00,00,000	30,00,00,000
Satra Properties India Limited	24,08,00,000	24,08,00,000
Kohinoor Planet Construction Private Limited	2,30,00,000	2,30,00,000
NGV Infrastructure Private Limited	55,00,000	55,00,000
<b>Total</b>	<b>56,93,00,000</b>	<b>56,93,00,000</b>

**7 Current financial assets - Cash and Bank Balance**

Particulars	March 31, 2018	March 31, 2017
Cash and Cash Equivalents		
Balances with Banks	1,13,46,373	5,19,195
<b>Total</b>	<b>1,13,46,373</b>	<b>5,19,195</b>

**8 Financial assets: Other financial assets**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable:	-	1,28,45,612	-	1,20,85,247
<b>Total</b>	<b>-</b>	<b>1,28,45,612</b>	<b>-</b>	<b>1,20,85,247</b>

**Interest Accrued Receivable**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Considered Good:				
Metropolitan Infrahousing Private Limited	-	84,57,288	-	84,57,288
Gammon Power Limited	-	11,72,085	-	4,11,720
Interest Receivable	-	32,16,239	-	32,16,239
<b>Total</b>	<b>-</b>	<b>1,28,45,612</b>	<b>-</b>	<b>1,20,85,247</b>

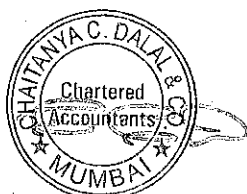
**9 Other assets**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Balance with Tax Authority		61,488		31,417
<b>Total</b>	<b>-</b>	<b>61,488</b>	<b>-</b>	<b>31,417</b>

**10 Equity Share Capital**

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

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital :</b>				
Equity Shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
<b>Issued, Subscribed and Fully Paid up Capital :</b>				
Issued Capital	2,00,50,000	20,05,00,000	2,00,50,000	20,05,00,000
Equity Shares of Rs.10/- each, fully paid				
<b>Subscribed and Fully Paid up Capital</b>	2,00,50,000	20,05,00,000	2,00,50,000	20,05,00,000
Equity Shares of Rs.10/- each				
<b>Total</b>	<b>2,00,50,000</b>	<b>20,05,00,000</b>	<b>2,00,50,000</b>	<b>20,05,00,000</b>





Notes on Financial Statements for the year ended 31st March, 2018

(b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	2,00,50,000	20,05,00,000	2,00,50,000	20,05,00,000
Add: Issued during the year	-	-	-	-
As at the end of the year	2,00,50,000	20,05,00,000	2,00,50,000	20,05,00,000

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2018		March 31, 2017	
	No of Shares	%	No of Shares	%
Gammon India Limited	1,50,49,940	75.06%	1,50,49,940	75.06%
Mr. Abhijit Rajan	50,00,010	24.94%	50,00,010	24.94%

(d) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs.10/- 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, 2018	March 31, 2017
Retained earnings	(81,23,03,208)	(79,86,13,278)
<b>Total</b>	<b>(81,23,03,208)</b>	<b>(79,86,13,278)</b>

12 Borrowings

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Related Parties	1,09,21,22,940	-	1,10,36,22,940	-
Other	-	-	-	2,60,00,000
<b>Total</b>	<b>1,09,21,22,940</b>	<b>-</b>	<b>1,10,36,22,940</b>	<b>2,60,00,000</b>

Details of Loans taken from Related Parties

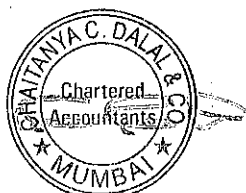
Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Gammon India Limited	1,09,21,22,940	-	1,10,36,22,940	-
<b>Total</b>	<b>1,09,21,22,940</b>	<b>-</b>	<b>1,10,36,22,940</b>	<b>-</b>

Details of Loans taken from Others

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Kohinoor Housing Development Private Limited	-	-	-	2,60,00,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,60,00,000</b>

13 Other financial liabilities

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Interest payable to related parties	66,50,03,959	3,90,399	66,50,03,959	3,90,399
<b>Total</b>	<b>66,50,03,959</b>	<b>3,90,399</b>	<b>66,50,03,959</b>	<b>3,90,399</b>



**Notes on Financial Statements for the year ended 31st March, 2018**

**Details of interest payable to related parties**

Particulars	March 31, 2018		March 31, 2017	
	Non Current	Current	Non Current	Current
Franco Tosi Turbines Private Limited		3,43,352		3,43,352
Gammon India Limited	66,50,03,959	-	66,50,03,959	-
Metropolitan Infrahousing Private Limited		47,047		47,047
<b>Total</b>	<b>66,50,03,959</b>	<b>3,90,399</b>	<b>66,50,03,959</b>	<b>3,90,399</b>

**14 Other current liabilities**

Particulars	March 31, 2018	March 31, 2017
Duty & Taxes Payable	2,75,210	7,210
Other Payables	3,10,973	3,24,999
<b>Total</b>	<b>5,86,183</b>	<b>3,32,209</b>

**15 Other Income**

Particulars	April 2017 - March 2018	April 2016 - March 2017
Interest Income - Others	8,44,850	89,14,755
<b>Total</b>	<b>8,44,850</b>	<b>89,14,755</b>

During the year the company has made provision for doubtful loan on Inter Corporate Deposits given to its related parties due to uncertainty of its refund. Due to the uncertainty of receipt of Inter Corporate Deposits given to its related parties, the company not charged interest income during the year for the same.

**16 Finance Cost**

Particulars	April 2017 - March 2018	April 2016 - March 2017
Interest Expenses	8,96,525	10,02,19,114
<b>Total</b>	<b>8,96,525</b>	<b>10,02,19,114</b>

During the year company has not provided interest expenses on Inter Corporate Deposits taken from its related parties due to difficult financial position of the company to make payment of the same.

**17 Other Expenses**

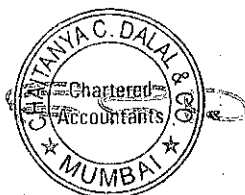
Particulars	April 2017 - March 2018	April 2016 - March 2017
Audit Fees	25,000	20,000
Bank Charges & Guarantee Commission	853	393
Fees & Consultations	30,300	26,848
Rates & Taxes ( incl indirect taxes)	2,500	2,725
Miscellaneous Expenses	31,418	-
<b>Total</b>	<b>90,071</b>	<b>49,966</b>

**Remuneration to Statutory Auditors**

Particulars	April 2017 - March 2018	April 2016 - March 2017
Statutory Audit Fees	25,000	20,000
<b>Total</b>	<b>25,000</b>	<b>20,000</b>

**18 Earnings Per Share**

Particulars	April 2016 - March 2017	April 2016 - March 2017
Net Profit attributable to the Equity Share holders	(1,33,68,830)	(9,13,54,325)
O/s number of Equity Shares at the end of the year	2,00,50,000	2,00,50,000
Weighted Number of Shares during the period - Basic	2,00,50,000	2,00,50,000
Weighted Number of Shares during the period - Diluted	2,00,50,000	2,00,50,000
Earning Per Share - Basic (Rs.)	(0.67)	(4.56)
Earning Per Share - Diluted (Rs.)	(0.67)	(4.56)



Notes on Financial Statements for the year ended 31st March, 2018

**19 Financial Instruments**

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

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>A Financial Assets</b>				
<u>Amortised Cost:</u>				
Loans	79,68,86,807	80,94,79,114	79,68,86,807	80,94,79,114
Others	1,28,45,612	1,20,85,247	1,28,45,612	1,20,85,247
Bank Balance	1,13,46,373	5,19,195	1,13,46,373	5,19,195
<b>Total Financial Assets</b>	<b>82,10,78,792</b>	<b>82,20,83,556</b>	<b>82,10,78,792</b>	<b>82,20,83,556</b>
<b>B Financial Liabilities</b>				
<u>Amortised Cost</u>				
Borrowings	1,09,21,22,940	1,12,96,22,940	1,09,21,22,940	1,12,96,22,940
Others	66,53,94,358	66,53,94,358	66,53,94,358	66,53,94,358
<b>Total Financial Liabilities</b>	<b>1,75,75,17,298</b>	<b>1,79,50,17,298</b>	<b>1,75,75,17,298</b>	<b>1,79,50,17,298</b>

**(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.

**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

There are no Financial Assets and liabilities which are carried at Fair value using Fair value hierarchy.

**(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 :**

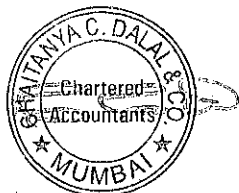
Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other 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.

The Company does not have any foreign currency exposure during the financial period or as at Balance sheet date and therefore there is no Foreign currency risk to the company.

**(b) Credit risk**

The Company does not have any Trade receivable and therefore is not exposed to Credit risk from Customers.



**Notes on Financial Statements for the year ended 31st March, 2018**

**(c) Interest rate risk**

The Company does not have any borrowings other than group companies primarily from Holding Company. Interest rate charged by the holding company is @9% p.a. Therefore the Company is not exposed to market Interest rate risk.

**(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.

**Current Financial Assets of the Company**

Particulars	March 31, 2018	March 31, 2017
Cash and Cash Equivalent	-	-
Bank Balance	1,13,46,373	5,19,195
Current Investments in mutual Funds and Shares	-	-
Inventory	10,02,92,615	10,02,92,615
Trade Receivable Current	-	-
Loans & Advances Current	79,68,86,807	80,94,79,114
Other Financial Assets Current	1,28,45,612	1,20,85,247
<b>Total</b>	<b>92,13,71,407</b>	<b>92,23,76,171</b>

**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
<b>As at March 31, 2018</b>			
Long term Borrowing	-	1,09,21,22,940	1,09,21,22,940
Short term borrowings	-	-	-
Other financial liabilities	3,90,399	66,50,03,959	66,53,94,358
<b>Total</b>	<b>3,90,399</b>	<b>1,75,71,26,899</b>	<b>1,75,75,17,298</b>
<b>As at March 31, 2017</b>			
Long term Borrowing	-	1,10,36,22,940	1,10,36,22,940
Short term borrowings	2,60,00,000	-	2,60,00,000
Other financial liabilities	3,90,399	66,50,03,959	66,53,94,358
<b>Total</b>	<b>2,63,90,399</b>	<b>1,76,86,26,899</b>	<b>1,79,50,17,298</b>

**20 Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

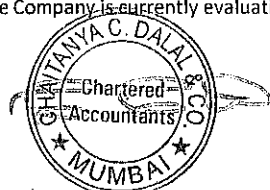
The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.



**Notes on Financial Statements for the year ended 31st March, 2018**

**21 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, 2018	March 31, 2017
Gross Debt	1,12,96,22,940	1,12,96,22,940
Less:	-	-
Cash and Cash Equivalent	-	-
Bank Balance	5,19,194.63	5,19,194.63
Marketable Securities - Liquid Mutual Funds	-	-
Net debt (A)	1,12,91,03,745	1,12,91,03,745
Total Equity (B)	(59,81,13,278)	(59,81,13,278)
Gearing ratio (A/B)	(1.89)	(1.89)

**22 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.

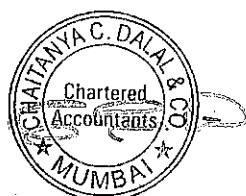
The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**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.



Notes on Financial Statements for the year ended 31st March, 2018

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.

**23** Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 could not be provided.

**24** 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 Annexure - 1.

**25** Deferred Tax

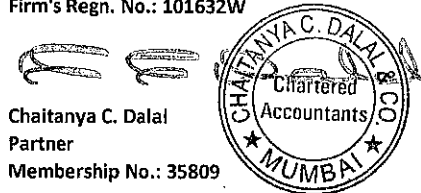
No deferred tax assets provide under IND AS - 12, as there are no profit likely in forcible future to set off the losses.

**26** IND AS - 19 Employee Benefits and IND AS - 108 Operating Segments are not applicable to the company and required informations are not given.

**27** Previous Year's figures have been rearranged or regrouped wherever applicable necessary.

As per our report of even date.

For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W



Chaitanya C. Dalal  
Partner  
Membership No.: 35809

For and on Behalf of Board of Directors

Chayan Bhattacharjee  
Director  
DIN: 00107640

Ajit Desai  
Director  
DIN : 00105836

Place: Mumbai  
Dated :

Place: Mumbai  
Dated :

**GAMMON REALTY LIMITED**

**Groupings of Financial Statements for the year ended 31st March, 2018**

**Balances with banks**

Particulars	March 31, 2018	March 31, 2017
Canara Bank	53,821	54,051
Syndicate Bank	1,12,92,552	4,65,144
<b>Total</b>	<b>1,13,46,373</b>	<b>5,19,195</b>

**Deposits**

Particulars	March 31, 2018	March 31, 2017
Tender Deposit	15,20,000	15,20,000
Sarla Sharma	10,00,000	10,00,000
<b>Total</b>	<b>25,20,000</b>	<b>25,20,000</b>

**Advance tax net of provision**

Particulars	March 31, 2018	March 31, 2017
TDS on Interest - A.Y. 2017-18	-	45,748
TDS on Interest - A.Y. 2018-19	84,485	-
TDS Receivable	3,00,32,185	3,00,32,185
	<b>3,01,16,670</b>	<b>3,00,77,933</b>

**Balance with Tax Authority**

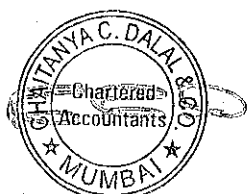
Particulars	March 31, 2018	March 31, 2017
Service tax Input Credit	-	31,367
Krishi Kalyan Cess	-	50
CGST @ 9% Input Credit	30,744	-
SGST @ 9% Input Credit	30,744	-
<b>Total</b>	<b>61,488</b>	<b>31,417</b>

**Duty & Taxes Payable**

Particulars	March 31, 2018	March 31, 2017
Staff Profession Tax Payable	3,210	3,210
Provision for Income Tax - A.Y. 2018-19	2,40,000	-
TDS on Legal and Professional fees Payable	32,000	4,000
<b>Total</b>	<b>2,75,210</b>	<b>7,210</b>

**Other payable - financial**

Particulars	March 31, 2018	March 31, 2017
Audit fees payable	34,590	51,444
Professional fees payable	-	-
A. G. Mundra & Co.	5,700	5,700
B. F. Pavri & Co.	17,928	-
Chaitanya Dalal & Co.	1,950	22,950
M.B. Andurlekar & Associates	28,090	28,090
V V Chakradeo & Co	5,900	-
Prasanth Pilanku	2,16,815	2,16,815
<b>Total</b>	<b>3,10,973</b>	<b>3,24,999</b>



**GAMMON REALTY LIMITED**

**Groupings of Financial Statements for the year ended 31st March, 2018**

**Interest Expenses**

Particulars	April 2017 - March 2018	April 2016 - March 2017
Finance Cost - Other Loan	-	9,93,24,955
Finance Cost - Other Charges		
Interest on late deposit of TDS	8,96,525	8,93,939
Interest on late deposit of PT	-	220
<b>Total</b>	<b>8,96,525</b>	<b>10,02,19,114</b>

**Fees & Consultations**

Particulars	April 2017 - March 2018	April 2016 - March 2017
Legal and Professional fees	10,000	25,000
Roc Fees	20,300	1,848
<b>Total</b>	<b>30,300</b>	<b>26,848</b>

**Rates & Taxes ( incl indirect taxes)**

Particulars	April 2017 - March 2018	April 2016 - March 2017
Maharastra State Profession Tax	2,500	2,500
Swach Bharat Cess	-	225
<b>Total</b>	<b>2,500</b>	<b>2,725</b>





ANNEXURES ATTACHED TO AND FORMING PART OF THE NOTES ON FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31ST MARCH, 2018

Annexure - I: Related Party Disclosure

A. List of Related Parties and Relationship

- a) Holding Company  
1. Gammon India Limited
- b) Subsidiary Company  
1. Free Townships Private Limited
- c) Directors  
1. A.B. Desai  
2. Himanshu Parikh  
3. Harshit Rajan
- d) Enterprises over which Key Management Personnel and their relatives exercise significant influence or control:  
1. Metropolitan Infrahousing Private Limited  
2. Franco Tosi Turbines Private Limited  
3. ATSL Infrastructure Projects Limited  
4. Gammon Power Limited  
5. Deepnala Infrastructure Pvt Ltd  
6. Gammon Retail Infrastructure Pvt Ltd  
7. Gactel Turnkey Projects Limited  
8. Gammon Real Estate Developers Pvt Ltd
- e) Partnership in Firms / LLP  
1. Brookfield Multiplex Gammon India LLP (50% PSR)
- f) Fellow Subsidiary Company  
1. BAS Cities & Township Pvt Ltd.  
2. Ansalodcadale boilers India Pvt Ltd
- g. Transactions with Related Parties

Particulars	Holding Company		Fellow Subsidiary Company		Subsidiary Company		Enterprises over which Key Management Personnel and their relatives exercise significant influence or control													
	April 2017 - March 2018	Common India Limited	April 2017 - March 2018	April 2016 - March 2017	April 2017 - March 2018	April 2016 - March 2017	April 2017 - March 2018	April 2016 - March 2017	Metropolitan Infrahousing Private Limited	ATSL Infrastructure Projects Limited	Gammon Power Limited	Deepnala Infrastructure Pvt Ltd	Gammon Retail Infrastructure Pvt Ltd	Gammon Real Estate Developers Pvt Ltd	Gactel Turnkey Projects Limited	April 2017 - March 2018	April 2016 - March 2017	April 2017 - March 2018	April 2016 - March 2017	Francis Tosi Turbines Private Limited
Transactions during the year																				
Loans/ Advances / Deposits Taken																				
Amount Liquidated towards above finance		1,00,000																		
Loans/ Advances / Deposits Given																				
Repayment of Loans																				
Repayment of Borrowings	1,15,00,000			1,00,00,000	2,90,00,000					1,00,00,000										
Repayment of Interest		1,00,00,000																		
Reimbursement of expenses																				
Interest Income																				
Interest Expense																				
Closing Balances																				
Interest Payable	66,50,03,999								47,047											
Other current liability																				
Borrowings	1,09,21,22,940	1,10,38,22,940																		3,43,352
Interest Receivable																				
Loans				4,00,00,000	2,85,19,016	6,75,19,016			15,46,00,000	1,50,00,000	2,50,00,000	16,00,000	16,00,000	40,000				4,00,00,000		
Sundry Debtors																				
Investment in Shares																				

