GAMMON INFRASTRUCTURE PROJECTS LIMITED

May 29, 2019

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block – G,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip ID – GAMMNINFRA

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code - 532959

Dear Sir / Madam,

Sub: Outcome of Board Meeting

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith:

(i) Audited Standalone & Consolidated Financial Results for the quarter and financial year ended on March 31, 2019 along with the related Auditors' Reports thereon in prescribed forms approved and taken on record by the Board of Directors of the Company at its meeting held today and concluded at 8.50 p.m.;

(ii) Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) on the said Financial Results.

Kindly take the same on record.

Yours truly,

For, **Gammon Infrastructure Projects Limited**

Kaushal Shah
Company Secretary & Compliance Officer

GAMMON INFRASTRUCTURE PROJECTS LIMITED

Statement of Standalone Assets & Liabilities

(Rs in Lakhs)

Particulars	As at	
	31-03-2019 (Audited)	31-03-2018 (Audited)
Assets		
Non Current Assets		
a) Property, Plant and Equipment	392.77	461.76
b) Financial Assets		
(i) Investments in Subsidiaries , Joint Ventures and Associates	1,10,043.44	1,17,504.72
(ii)Trade Receivables	5,088.46	5,030.81
(iii) Loans and Advances	2,838.79	2,621.89
(iv) Other Financial Assets	8,169.36	8,073.91
c) Deferred Tax Assets, (Net)	2,655.75	2,473.53
d) Other Non Current Assets	5,878.30	1,822.96
Total Non Current Assets	**1,35,066.87**	**1,37,989.58**
Current Assets		
a) Financial Assets		
(i) Investments	4,370.13	4,515.86
(Ii) Trade receivables	310.94	105.54
(iii) Cash and cash equivalents	32.44	706.99
(iv) Bank balances	10.65	39.74
(v) Loans and Advances	74.10	75.00
(vi) Other Financial Assets	82,033.96	3,359.43
b) Other current assets	266.66	5,744.01
Total Current Assets	**87,098.88**	**14,546.57**
Total Assets	**2,22,165.75**	**1,52,536.15**
Equity and Liabilities		
Equity		
a) Equity Share Capital	18,917.64	18,917.64
b) Other Equity	67,015.18	74,351.25
Total Equity	**85,932.82**	**93,268.89**
Liabilities		
Non Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Other Financial Liabilities	3,832.77	3,630.05
b) Provisions	27.88	74.83
c) Other Non-Current Liabilities	6,061.70	9,118.10
Total Non Current Liabilties	**9,922.35**	**12,822.98**
Current Liabilities		
a)Financial Liabilities		
(i) Borrowings	3,894.86	3,522.31
(ii) Trade Payables	-	-
Total outstanding dues of Micro & Small Enterprise	-	-
Total outstanding dues of creditors other than Micro & Small Enterprise	2,049.43	3,254.92
(iii) Other Financial Liabilities	92,668.93	12,516.07
b) Provisions	190.24	191.41
c) Liabilities for Current Tax (Net)	2,107.35	2,165.92
d) Other Current Liabilities	25,399.77	24,793.65
Total Current Liabilties	**1,26,310.58**	**46,444.28**
Total Equity and Liabilities	**2,22,165.75**	**1,52,536.15**

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai
Date: May 29, 2019

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GAMMON INFRASTRUCTURE PROJECTS LIMITED

Statement of Standalone Financial Results for the quarter and year ended 31st March, 2019

(Rs in Lakhs)

Sr No.	Particulars	Quarter ended			Year ended	
		31-Mar-19 (Audited) Refer Note 8	31-Dec-18 (Unaudited)	31-Mar-18 (Audited) Refer Note 8	31-Mar-19 (Audited)	31-Mar-18 (Audited)
	Revenue from Operations	-	415.18	3,240.64	2,289.04	15,078.88
	Other Income	2,328.30	415.10	682.35	3,598.80	2,590.50
1	**Total Income**	**2,328.30**	**830.28**	**3,922.99**	**5,887.84**	**17,669.38**
2	**Expenses**					
	a) Construction Expenses	-	376.45	2,686.34	1,978.76	11,983.94
	b) Employee Benefit Expenses	153.07	200.75	221.71	810.05	829.66
	c) Finance Cost	613.17	567.15	507.04	2,231.53	2,239.88
	d) Depreciation and Amortization Expenses	16.53	17.16	16.77	68.99	60.85
	e) Other Expenses	175.15	78.90	774.88	450.92	1,163.25
	Total Expenses	**957.92**	**1,240.41**	**4,206.74**	**5,540.25**	**16,277.58**
3	**Profit/(Loss) Before Exceptional Item & Tax (1-2)**	**1,370.38**	**(410.13)**	**(283.75)**	**347.59**	**1,391.80**
4	Exceptional Items - Income / (Expense)	(61.00)	(7,600.00)	-	(7,661.00)	-
5	**Profit/(Loss) Before Tax (3+4)**	**1,309.38**	**(8,010.13)**	**(283.75)**	**(7,313.41)**	**1,391.80**
6	**Tax Expense**	**33.09**	**25.34**	**(312.74)**	**27.78**	**247.33**
	Current Tax	210.00	-	78.98	210.00	520.00
	Taxation for earlier years	-	-	176.75	-	176.75
	Deferred Tax Liability / (asset)	(176.91)	25.34	(568.47)	(182.22)	(449.42)
7	**Profit/(Loss) for the period**	**1,276.29**	**(8,035.47)**	**28.99**	**(7,341.19)**	**1,144.47**
8	**Other Comprehensive Income**					
	Items that will not be reclassified subsequently to profit or loss					
	Remeasurement of defined benefit plans	0.89	0.28	(7.56)	5.12	(15.68)
	Tax effect thereon	0.86	(0.05)	0.54	-	3.35
	Other Comprehensive Income for the period, net of tax	**1.75**	**0.23**	**(7.02)**	**5.12**	**(12.33)**
9	**Total Comprehensive Income for the period (7+8)**	**1,278.04**	**(8,035.24)**	**21.97**	**(7,336.07)**	**1,132.14**
10	Paid up Equity Capital (Face Value of Rs.2 each)	18,917.64	18,917.64	18,917.64	18,917.64	18,917.64
11	Other Equity				67,015.18	74,351.25
12	**Earnings per equity share [nominal value of share Rs. 2/-]**					
	Basic (Rs.)	0.13	(0.85)	0.00	(0.78)	0.12
	Diluted (Rs.)	0.13	(0.85)	0.00	(0.78)	0.12

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai
Date: May 29, 2019

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Notes:

1. The above audited Standalone Financial Results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on 29th May 2019.

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

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

   a. The actual toll collections from the Toll Bridge project (the Project) at Rajahmundry-Godavari across the river Godavari are significantly lower than the forecasted revenue at the time of bid and growth thereafter too, resulting in inadequate cashflow to meet the debt/interest servicing obligations of the Lenders. Consequently, the debt facility has been classified as a Non-Performing Asset (NPA) by the Lenders.

   The SPV had issued a cure period notice to Andhra Pradesh Road Development Corporation Limited (APRDC or the Client) on 26th February 2018 under the provisions of the Concession Agreement (CA) to cure the breaches by APRDC, which includes provision of Revenue Shortfall Loan along with other breaches. The Client had not cured the breaches under the CA, and the SPV has issued a letter dated 3rd July 2018 requesting for termination of the CA for which the SPV has received a letter dated 26th July 2018 from APRDC stating the letter dated 3rd July 2018 issued by the SPV for termination is not technically in accordance with the CA, as the notice intimating intent to terminate should precede the notice for termination of CA

   The SPV has responded to APRDC on 04th August 2018 communicating its intent to terminate the CA with all other terms of the letter dated 3rd July 2018 remaining the same.

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

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

   In terms of the Common Loan Agreement (CLA) dated 26th May 2009 executed between the SPV, the Senior Lenders, the Lenders' Agent and the Security Trustee to part finance the Toll Bridge Project, an agreement for pledge of shares dated 28th April 2011 was executed by the Company as the Pledger in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the

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Secured Obligations by creation of pledge over 51.21% of paid-up and voting equity shares of the SPV. The SPV's loan account has been classified as "Non-Performing Asset" (NPA) on 31st March 2015 in terms of the guidelines laid down by the Reserve Bank of India (RBI). Accordingly, the Lenders' Agent had served a recall notice accelerating the loans and requesting the SPV to repay all the outstanding dues as sought in the recall notice within the timeframe provided therein.

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

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

The SPV has submitted a One-Time Settlement (OTS) proposal to the Consortium of Lenders on 22nd November 2018 and the Lenders have in-principally agreed to the OTS proposal and may get the proposal approved by their respective sanctioning authority on compliance of certain conditions by the SPV.

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

Pending disposal of the matter by APRDC to determine the termination payments in favor of the SPV, the NCLT hearing, invocation of pledge of shares, invocation of Corporate Guarantee and the OTS proposal submitted to the Lenders' by the SPV, there exists material uncertainty with respect to the future of the Project and that casts significant uncertainty on the SPV's ability to continue as a going concern. The Auditors of the SPV have also highlighted the material uncertainty with regard to going concern issue in their audit report for the year ended 31st March 2019.

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SPV's representation in this regard and take an informed decision and dispose-off the same within a period of 4 (four) weeks thereafter. In the meanwhile, the Court directed the Lenders not to implement the notice dated 26th July 2018 issued to the SPV for a period of 6 (six) weeks.

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

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

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

Post lodging of claim by the SPV, MbPT has raised a counter claim of Rs 1,850.78 crores on the SPV for the Licensee's Event of Default under the LA.

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

There exists material uncertainty relating to the revival of the Project in favour of the SPV. The Auditors of the SPV have highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2019. The Management is hopeful of amicable resolution in respect of the Project. The exposure of the Company in the SPV is Rs 13,488.27 lacs (funded and non-funded).

The Auditors have qualified their report on this matter as follows:

"Attention is invited to Note 3(b) of the Statement, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the company in the SPV/project is Rs 13,488.27 lacs (funded and non-funded). The draft

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settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. The Company has also received notice to invoke pledged shares against which the Company is in active discussions with bank. Pending conclusion of matters of material uncertainty related to the project, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure."

c. One of the SPV of the Company had signed a Concession Agreement (CA) with Madhya Pradesh Road Development Corporation Limited (MPRDC) for up-gradation of existing Highway from Km 83/4 to Km 195/8 to four lane dual configurations in the state of Madhya Pradesh (the Project) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Concession granted was for a period of 30 years including construction period of 2 years. The Project was scheduled to commence operations from September 19, 2015. However, delays on account of MPRDC in providing the required clearances and the Right of Way (ROW), has resulted in the extension of the Commercial Operations Date (COD). These delays have also resulted in increase in project cost, primarily due to increase in interest during construction period resulting from the time overruns. As per the CA, the Project shall be awarded a Provisional COD Certificate on completion of 75% of the total length of the Project which will enable it to commence commercial operations.
In view of the discussions with MPRDC regarding extension of COD, the SPV had submitted a restructuring proposal to the Lenders. As per the restructuring proposal, no further loans were to be availed from the Lenders to meet the increase in project costs. The original repayment schedule of the senior debt has been revised with the repayment instalments to commence from September 2019. The Company has received the revised sanctions for senior debt from the Lenders and the documentation for the same has been executed.
However, Payment for Construction activities in the last two quarters have been severely impacted due to delay in loan disbursements by the Lenders and Grant from the Government, delay in processing of payment against Insurance Claim / Change of scope work. The Progress of work has hence been slower than projected. Consequently, the SPV has received a cure period notice in March, 2019 from MPRDC in terms of defaults under the CA for delay, or no-project work and maintenance work being carried out at site, and to clear the defaults within a period of 30 days from the date of the cure period notice. The SPV has suitably responded to the cure period notice on 18th May 2019.
Further, the SPV has not been able to meet its debt service obligations and the debt has been classified as Non-Performing Asset (NPA) as on March 31, 2019.
Recently, the SPV has received payment from the Insurance company against the insurance claim, which has been partially utilized to clear the debt obligations of the Lenders and the balance amount is to be utilized towards construction of the project. It is envisaged that the Provisional COD Certificate will be received by 30th June 2020 (revised), subject to the aforesaid cashflows are received by the SPV. The exposure of the Company in the SPV is Rs 74578.94 lacs (funded and non-funded).
There has been cost overrun in the project and the Company has not carried out fresh traffic study to asses viability and possible impairment of the project. The management believes that the traffic

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initially assessed would be the same and would cover the exposure consequent to the cost overrun.

d. In respect of an Annuity Road project: The Project has achieved Provisional Commercial Operations Date (PCOD) on 01st September 2016. The SPV will have cost overrun on account of issues beyond the scope of the SPV and attributable to the Concession Grantor (the Grantor). This will not result in any changes in the Annuity from the Grantor. Based on certification of delay period attributable to the Grantor certified by the Independent Engineer, the SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. However, this amount has been treated separately as receivable from the Grantor. The SPV has submitted a One-Time Settlement (OTS) proposal on 29th November 2018 to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company to the SPV is Rs 1,30,052.41 lacs (funded and non-funded). The credit facility of the SPV is marked as Non - Performing Asset. The SPV also has issues of annuity being with-held for specific performance which the SPV and management of the Company are addressing for amicable resolution.
The management is of the view that the matters would get resolved in favor of the company including the claim determination and settlement, the OTS approval by the lenders, descoping of certain part of the project and the project continuing as a going concern till the end of the concession period.

e. Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. Cochin Bridge Infrastructure Company Limited (SPV) has initiated arbitration / settlement process. The SPV has also in parallel filed a writ in the matter before the Hon'ble Kerala High Court for specific performance. However, the Government of Kerala approached the Hon'ble High Court for further extension of time and the Court granted extension to settle the matter, subsequent to which the SPV has filed amended plaint. The said SPV pursuant to the Court proceedings filed a fresh writ for recovery of dues. The Banker of the said SPV have initiated action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (the SARFAESI Act) and have taken symbolic possession of the Property of the SPV. They have also initiated proceedings in the Debt Recovery Tribunal (DRT) against which the SPV is taking necessary legal steps. The SPV has filed for keeping the DRT proceedings on hold till the disposal of the matter before the Hon'ble Kerala High Court. The SPV has made payment of Rs 648.97 lacs during the quarter ended 31st March 2019 against the One- Time Settlement (OTS) of dues to the Lender, which has been approved by their competent authority and has been implemented by issue of sanction letter and no-due certificate. The Lender has also initiated the process for withdrawal of proceeding under SARFAESI and DRT, which shall be completed shortly.
The exposure of the Company in the SPV is Rs 2,389.34 lacs (funded and non-funded).

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f. Hydro power project at Himachal Pradesh - the Project is stalled due to local agitation relating to environment issues. The matter with the State Government of Himachal Pradesh (GoHP) is under active negotiation to restart the Project or reimburse the costs incurred. Youngthang Power Ventures Limited (SPV) has received letter from GoHP, to discuss the matter mutually towards amicable resolution. The SPV has invoked arbitration on 19th February 2018, the SPV has received a letter from GoHP dated 4th September 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The SPV has appointed its arbitrator in the matter. The Management is hopeful of an early settlement in the matter and is confident of recovering the amount of exposure. The exposure of the Company in the SPV is Rs. 7,126.01 lacs.

g. The Company has incorporated a SPV for developing Rangit II Hydroelectric Power Project in Sikkim on Build, Own, Operate and Transfer (BOOT) basis. The Project involves the development of a 66 MW run of the river Hydroelectric Power Project on Rimbi river, a tributary of river Rangit. The Concession period for the Project is 35 years from the date of COD. The Project cost is estimated to be Rs 496 crores. Though the Project has received all major clearances and approvals including environmental clearances from the Ministry of Environment & Forests (MoEF) and all major contracts for the Project have been awarded, Power Purchase Agreement (PPA) is yet to be signed. Over a period of time, the scenario in power sector has changed substantially and in the absence of financial closure, funding of the Project has been a major issue leading to frequent stoppages of work. The proposed Hydro power Policy is eagerly awaited which will hopefully bring more opportunity in this sector. The SPV is hopeful that PPA would be signed under the new policy which will also enable to achieve the financial closure for the Project. The Policy initiatives taken by the Government to address key concern facing the power sector will enable the sector to keep pace with the growing demand. The Management is of the view that the present situation in power business is temporary and does not foresee any need for impairment. The exposure of the Company in the SPV is Rs. 9,428.08 lacs.

4. The Company has not been able to fulfil its obligation under the One Time Settlement (OTS) with IFCI Limited (IFCI). The Company was required to pay the entire outstanding liability by 30th September 2017. The Company has been unable to discharge the liability in full and has made part payment of Rs 2 crores on 15th January, 2019 against the OTS amount of Rs 35 crores with a request to IFCI to grant further extension for the payment of the balance outstanding amount and the same is under consideration with IFCI. In terms of the original arrangement and pending the approval from IFCI for extension of time, the benefits received under the OTS of Rs. 4,884.10 lacs is yet to be reversed. The Management is hopeful of receiving the extension with non reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results. The Company has however provided interest at the rate of 11.50% p.a. as per the Agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on 31st March 2019 is Rs 320.38 lacs.

The Auditors have qualified their report on this matter as follows:

"Attention is invited to Note no. 4 of the statement where the Company has sub-adjudicated fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay

the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one-time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 320.38 lacs."

5. **Material Uncertainty related to Going Concern**

There is a continuing mismatch of cash flows including the dues to the subsidiary which are due for repayment pursuant to negotiation by 31st March 2020. The current liabilities are in excess of current assets by Rs 39,211.70 lacs as at 31st March 2019. Further various projects of the Company as stated in detail in note 3 above are under stress and the outcome of the continuance of these projects would be dependent upon a favourable decision being received by the Management on the outstanding litigations.

In view of the above and other details in note 3 there are material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern.

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

- Indira Container Terminal Private Limited
- Rajahmundry Godavari Bridge Limited

The Management however is confident that the going concern assumption and the carrying values of the assets and liabilities in these Standalone Financial Statements are appropriate. Accordingly, the financial statements do not include any adjustments that may result from these uncertainties.

6. Other Financial Assets includes Rs 1,514.01 lacs due from Western Coalfields Limited (WCL) on account of wrongful encashment of bank guarantee against which the Company has filed a suit for Recovery of damages. During the quarter ended 30th September 2017, WCL had encashed bank guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPVs sold to BIF India Holding Pte Ltd on 29th February 2016) towards the coal linkages to be granted by WCL. Subsequent to the encashment, the Company has filed an application for converting earlier injunction application to suit for recovery of damages. The Company has sought a legal opinion in this matter and has been advised that it has a good case for recovery of the amount. The Management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown bank guarantee encashment amount as receivable from WCL.

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7. The Exceptional items include the following

Particulars	March 19	March 18
	(Rs in lacs)	
Provision for Investment in SPV	7661.00	-
Total	**7661.00**	-

The Provision for impairment in SPV is in respect of investment in Vijaywada Gundugolanu road projects private limited where the project has been terminated by mutual consent and the SPV has written off / back all assets and liabilities related to the project.

8. The figures of the last quarter for the current year and for the previous year are the respective balancing figures between the audited figures of the full financial year ended March 31 and unaudited year to date figures upto the third quarter ended December 31 which were subjected to limited review.

9. The Company has adopted Ind AS 115 w.e.f. 01st April 2018 by using cumulative catch up transition method and accordingly comparatives for the quarter and year ended March 2019 have not been retrospectively adjusted. The adoption of Ind AS 115 does not have any material effect on the above financial results.

10. The Company's operations constitute a single segment namely "Infrastructure Development" as per IND AS 108 - Operating Segments. Further, the Company's operations are within single geographical segment, which is India.

11. Figures for previous period have been regrouped / reclassified wherever necessary to conform to the current period's presentation.

For Gammon Infrastructure Projects Limited

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai.
Date: May 29, 2019

GAMMON INFRASTRUCTURE PROJECTS LIMITED MUMBAI 25.

SIGNED FOR IDENTIFICATION BY
NAYAN PARIKH & CO
MUMBAI

NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2ND FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Gammon Infrastructure Projects Limited,
Mumbai.

1. We have audited the accompanying statement of financial results which includes standalone financial results of Gammon Infrastructure Projects Limited ("the Company") for the quarter and the year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular bearing no. CIR / CPD I FAC I 62 I 2016 dated July 5, 2016.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone audited financial statements which have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current and previous financial year respectively. The figures up to the end of the third quarter of the respective financial year are only reviewed and not subjected to audit. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

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4. Basis of Qualified Opinion

(a) Attention is invited to Note 3(a) of the Statement in respect of tolling bridge project in Andhra Pradesh in the SPV Rajahmundry Godavari Bridge Limited where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of Rs 1,12,337 lacs as termination payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Company is Rs 1,08,696.56 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders and other matters as aforesaid, we are unable to comment on the possible impairment required against the exposure of the Company.

(b) Attention is invited to Note 3(b) of the Statement, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the company in the SPV/project is Rs 13,488.27 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.

(c) Attention is invited to Note no. 4 of the Statement where the Company has defaulted in fulfilling its obligation under the one time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability. and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one-time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 320.38 lacs.

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5. Qualified Opinion

Except for the possible effects arising out of the matters mentioned in our basis of qualified opinion paragraph mentioned hereinabove, In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(ii) give a true and fair view of the net profit, total comprehensive income and other financial information for the quarter ended March 31, 2019 and for the year ended March 31, 2019.

6. Material Uncertainty relating to Going Concern.

We invite attention to Note 3 of the Statement for the Quarter and Year ended March 31, 2019, wherein status of various SPV projects which are stressed due to delay in completion, cost overrun, liquidity crunch and have legal issues, arbitration proceedings or negotiations. The successful progress and completion depend on favourable decisions on outstanding litigations being received by the Management. We also invite attention to Note 5 of the Statement where the Company has stated that as of March 31, 2019 the Company's current liabilities exceeded current assets by Rs. 39,211.70 lacs. There is a continuing mismatch including defaults in payment of its financial obligations to its subsidiary Company. These conditions, along with the fact of the Auditors' Report of some of the SPV carrying a separate paragraph on Material Uncertainty related to Going Concern referred to in Note 5 of the Statement, indicate the existence of Material Uncertainty which may impact the Company's ability to continue as a going concern. Our report is not qualified on this matter.

7. Emphasis of Matter

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

a) Attention is invited to Note no 3(c) of the Statement, relating to slow progress of work for one of the road project at Madhya Pradesh. These delays have resulted in increase in project cost resulting in cost overrun in the project. The SPV has also received the cure period notice from MPRDC in terms of defaults under the Concession Agreement for delay, no-project work and maintenance work being carried out at site, and to clear the defaults against which the company has submitted their response. The credit facility of the SPV has been marked as NPA by the lenders. Total exposure of the Company is the SPV/Project is Rs. 74,578.94 lacs. The Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. We have relied on the

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

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will be able to pursue the project viably and does not foresee any need for impairment. Considering the assertion of the management no adjustments have been made towards any possible impairment. The exposure of the Company in the SPV is Rs. 9,428.08 lacs.

f) We invite attention to Note no 6 of the Statement, wherein during the previous year, Western Coalfields Limited (WCF) had encashed Bank Guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016). Subsequent to encashment Company has filed an application for converting earlier injunction application to suit for recovery of damages. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields.

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

NAYAN PARIKH & CO. ★ MUMBAI ★ Chartered Accountants

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

ANNEXURE I

Statement on Impact of Audit Qualifications
(for audit report with modified opinion) submitted along-with
Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sr. no.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	**5,887.84**	**5,887.84**
	2	Total Expenditure	13,229.03	13,229.03
	3	Net Profit / (Loss)	(7,341.19)	(7,341.19)
	4	Earnings Per Share	(0.78)	(0.78)
	5	Total Assets	**2,22,165.75**	**2,22,165.75**
	6	Total Liabilities	1,36,232.93	1,36,232.93
	7	Net Worth	**85,932.82**	**85,932.82**
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification (each audit qualification separately):**			
1.	**Details of Audit Qualification**: Attention is invited to Note 3(a) of the Statement in respect of tolling bridge project in Andhra Pradesh in the SPV Rajahmundry Godavari Bridge Limited where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of			

	termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of Rs 1,12,337 lacs as termination payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Company is Rs 1,08,696.56 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders and other matters as aforesaid, we are unable to comment on the possible impairment required against the exposure of the Company.
	a. **Type of Audit Qualification:** Qualified Opinion
	b. **Frequency of qualification:** appeared in annual financial statements for the year ended 31st March 2018. Auditors had also qualified their review report during quarter ended June 2018, September 2018 & December 2018
	c. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not applicable.
	d. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	e. **Management's estimation on the impact of audit qualification:** The Company is in discussion with lenders for : a) OTS which is under discussion / approval from sanctioning authority. b) As regards invocation of pledge shares of RGBL held by GIPL, banks have

	(ii) **Auditors' Comments on (i) or (ii) above**: In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision on the OTS by the lenders we are unable to comment.
2.	**Details of Audit Qualification:** Attention is invited to Note 3(b) of the Statement, relating to the project in the SPV namely; Indira Container Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the Company in the SPV/project is Rs 13,488.27 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. The Company has also received notice to invoke pledged shares against which the Company is in active discussions with bank. Pending conclusion of matters of material uncertainty related to the project, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.
	Type of Audit Qualification: Qualified Opinion
	Frequency of qualification: appeared in annual financial statements for the year ended 31st March 2019. Auditors had also qualified their review report during quarter ended September 2018 & December 2018
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.
	For Audit Qualification(s) where the impact is not quantified by the auditor:
	Management's estimation on the impact of audit qualification: Company is in talks with bankers for OTS and also have requested lenders not to act upon invocation of pledge shares. The Management is also hopeful of favourable settlement with MBPT.
	If management is unable to estimate the impact, reasons for the same: Not Applicable
	Auditors' Comments on (i) or (ii) above: Pending conclusion of matters of material uncertainty, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment

	If management is unable to estimate the impact, reasons for the same: Not Applicable
	Auditors' Comments on (i) or (ii) above: pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements.

Signatories:	
Mr. Kishor Kumar Mohanty Managing Director	
Mr. Naresh Sasanwar Chief Financial Officer	
Mr. Mahendra Agrawala Chairman of the Audit Committee	
For Nayan Parikh & CO. Chartered Accountants Firm Regn no.: 107023W Mr. K N Padmanabhan Partner M. no. 36410	NAYAN PARIKH & CO. MUMBAI Chartered Accountants
Place: Mumbai	
Date: May 29, 2019	

Consolidated Statement of Assets and Liabilities

(Rs.in Lakhs)

Particulars	As at 31-Mar-19 (Audited)	As at 31-Mar-18 (Audited)
Assets		
Non Current Assets		
a) Property, Plant and Equipment	22,312.04	23,800.18
b) Capital work-in-progress	8,936.86	8,957.91
c) Goodwill on Consolidation	2,131.48	4,533.79
d) Other Intangible assets	1,83,150.42	2,58,602.43
e) Intangible assets under development	93,600.82	91,974.52
f) Financial Assets		
(i) Investment in Joint Venture/Associate	155.94	0.50
(ii) Trade Receivables	-	-
(iii) Loans and advances	392.16	417.56
(iv) Other financial asset	98,646.70	1,06,142.54
g) Deferred Tax Assets (Net)	4,398.60	3,819.74
h) Other Non-current assets	11,324.43	8,255.87
Total Non-Current Assets	4,25,059.45	5,06,505.04
Current Assets		
a) Inventories	729.67	658.01
b) Financial Assets		
(i) Investments	4,370.13	4,515.86
(ii) Trade receivables	26,092.29	18,521.41
(iii) Cash and cash equivalents	1,116.83	5,008.87
(iv) Bank balances	3,817.05	39.74
(v) Loans and Advances	473.09	372.66
(vi) Other Financial Assets	21,079.62	21,761.23
c) Other current assets	2,278.71	7,808.12
d) Asset Held For Sale	18.00	-
Total Current Assets	**59,975.39**	**58,685.90**
Total Assets	**4,85,024.84**	**5,65,190.94**
Equity and Liabilities		
Equity		
a) Equity Share Capital	18,917.64	18,917.64
b) Other Equity	16,519.40	31,925.45
Equity attributable to equity share holders of parent	35,437.04	50,843.09
c) Non-Controlling Interest	(4,015.47)	1,428.85
Total Equity	**31,421.57**	**52,271.94**
Liabilities		
Non Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	1,45,796.00	2,41,960.31
(ii) Other Financial Liabilities	5,232.77	77,905.81
b) Provisions	4,260.40	3,467.71
c) Deferred Tax Liabilities (Net)	708.82	6,366.32
d) Other Non-Current Liabilities	45,066.95	46,075.93
Total Non Current Liabilities	**2,01,064.94**	**3,75,776.08**
Current Liabilities		
a)Financial Liabilities		
(i) Borrowings	7,398.98	7,653.16
(ii) Trade Payables	-	-
Total outstanding dues of Micro & Small Enterprise		
Total outstanding dues of creditors other than Micro & Small Enterprise	18,947.74	16,837.35
(iii) Other Financial Liabilities	2,19,806.41	1,07,858.34
b) Provisions	520.59	382.65
c) Liabilities for Current Tax (Net)	2,217.63	2,316.29
d) Other Current Liabilities	3,646.98	2,095.13
Total Current Liabilities	**2,52,538.33**	**1,37,142.92**
Total Equity and Liabilities	**4,85,024.84**	**5,65,190.94**

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai
Mumbai: Dated May 29, 2019

GAMMON INFRASTRUCTURE PROJECTS LIMITED MUMBAI 25.

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MUMBAI

GAMMON INFRASTRUCTURE PROJECTS LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs in Lakhs)

	Particulars	2018-19 Audited	2017-18 Audited
1	**Revenue from Operations**	49,671.80	62,474.27
2	**Other Income:**	3,003.39	1,827.61
3	**Total Income (1 + 2)**	**52,675.19**	**64,301.88**
4	**Expenses:**		
	Project expenses	17,025.69	27,971.19
	Purchase of traded goods	-	144.20
	Changes in inventory	2,421.24	2,289.55
	Employee benefit expenses	2,321.93	2,206.53
	Depreciation & amortization	10,874.67	8,724.22
	Finance Costs	36,128.43	33,992.90
	Other expenses	7,991.21	5,419.71
	Total Expenditure	**76,763.17**	**80,748.30**
5	**Profit / (Loss) before share of profit / (loss) of an associate / a joint venture and exceptional Items (3-4)**	(24,087.98)	(16,446.42)
6	Share of profit / (loss) of an associate and joint venture	19.55	-
7	**Profit / (Loss) before exceptional Item and tax (5+6)**	**(24,068.43)**	**(16,446.42)**
8	Exceptional items Income / (Expense)	(2,402.31)	(520.00)
9	**Profit /(loss) before tax (7+8)**	(26,470.74)	(16,966.42)
10	**Tax expenses**		
	Current Tax	784.00	1,315.64
	Taxation for earlier years	(24.66)	633.84
	Deferred Tax Liability / (asset)	(6,236.35)	(362.09)
	Total tax expenses	**(5,477.01)**	**1,587.39**
11	**Profit/(Loss) for the period**	**(20,993.73)**	**(18,553.81)**
12	**Other Comprehensive Income**		
	Items that will not be reclassified subsequently to profit or loss		
	Remeasurement of defined benefit plans	6.96	(14.51)
	Tax impact thereon	-	2.87
	Other comprehensive income /(loss) for the period	**6.96**	**(11.64)**
13	**Total Comprehensive income/(loss) for the period (11+12)**	**(20,986.77)**	**(18,565.45)**
	Profit/(Loss) attributable to:		
	Owners of the Company	(15,549.95)	(14,567.53)
	Non-Controlling Interest	(5,443.77)	(3,986.28)
	Other Comprehensive Income attributable to:		
	Owners of the Company	7.51	(11.98)
	Non-Controlling Interest	(0.55)	0.34
	Earnings per equity share [nominal value of share Rs. 2/-]		
	Basic (Rs.)	(1.65)	(1.55)
	Diluted (Rs.)	(1.65)	(1.55)

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai
Mumbai: Dated May 29, 2019

GAMMON INFRASTRUCTURE PROJECTS LIMITED MUMBAI 25.

SIGNED FOR IDENTIFICATION BY
NAYAN PARIKH & CO
MUMBAI

Notes:

1. The above audited Consolidated financial results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on May 29, 2019.

2. The Consolidated financial Statements relate to Gammon Infrastructure Projects Limited and its Subsidiaries (the Group), Joint Ventures and Associates. The Consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Regulations, 2015 specified under Section 133 of the Companies Act, 2013, read with relevant Rules thereon and other accounting principles generally accepted in India.

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

a. The actual toll collections from the Toll Bridge project (the Project) at Rajahmundry-Godavari across the river Godavari are significantly lower than the forecasted revenue at the time of bid and growth thereafter too, resulting in inadequate cashflow to meet the debt/interest servicing obligations of the Lenders. Consequently, the debt facility has been classified as a Non-Performing Asset (NPA) by the Lenders.

The SPV had issued a cure period notice to Andhra Pradesh Road Development Corporation Limited (APRDC or the Client) on 26th February 2018 under the provisions of the Concession Agreement (CA) to cure the breaches by APRDC, which includes provision of Revenue Shortfall Loan along with other breaches. The Client had not cured the breaches under the CA, and the SPV has issued a letter dated 3rd July 2018 requesting for termination of the CA for which the SPV has received a letter dated 26th July 2018 from APRDC stating the letter dated 3rd July 2018 issued by the SPV for termination is not technically in accordance with the CA, as the notice intimating intent to terminate should precede the notice for termination of CA

The SPV has responded to APRDC on 04th August 2018 communicating its intent to terminate the CA with all other terms of the letter dated 3rd July 2018 remaining the same.

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

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

In terms of the Common Loan Agreement (CLA) dated 26th May 2009 executed between the SPV, the Senior Lenders, the Lenders' Agent and the Security Trustee to part finance the Toll Bridge Project, an agreement for pledge of shares dated 28th April 2011 was executed by the Company as the Pledgers in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the

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Secured Obligations by creation of pledge over 51.21% of paid-up and voting equity shares of the SPV. The SPV's loan account has been classified as "Non-Performing Asset" (NPA) on 31st March 2015 in terms of the guidelines laid down by the Reserve Bank of India (RBI). Accordingly, the Lenders' Agent had served a recall notice accelerating the loans and requesting the SPV to repay all the outstanding dues as sought in the recall notice within the timeframe provided therein.

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

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

The SPV has submitted a One-Time Settlement (OTS) proposal to the Consortium of Lenders on 22nd November 2018 and the Lenders have in-principally agreed to the OTS proposal and may get the proposal approved by their respective sanctioning authority on compliance of certain conditions by the SPV.

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

Pending disposal of the matter by APRDC to determine the termination payments in favor of the SPV, the NCLT hearing, invocation of pledge of shares, invocation of Corporate Guarantee and the OTS proposal submitted to the Lenders' by the SPV, there exists material uncertainty with respect to the future of the Project and that casts significant uncertainty on the SPV's ability to continue as a going concern. The Auditors of the SPV have also highlighted the material uncertainty with regard to going concern issue in their audit report for the year ended 31st March 2019.

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The Management is also of the opinion that the Project will be viable post reaching a settlement with the Lenders/APRDC and on optimising the operating and finance costs and improved traffic / revenue due to major infrastructure development proposed by the State Government around the Project route. The exposure of the Group is Rs. 99,325.41 Lacs.

The Auditors have qualified their opinion in their Independent Auditors Report as follows:

"Attention is invited to Note 3(a) of the Statement in respect of tolling bridge project in Andhra Pradesh where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of Rs 1,12,337 lacs as termination payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Group is Rs 99,325.41 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders we are unable to comment on the possible impairment required against the exposure of the Company"

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

Subsequently, the Lenders have issued a notice of financial default to the SPV in terms of Substitution Agreement under intimation to MbPT. Post issue of the notice of financial default, the SPV has filed a writ petition before Hon'ble Delhi High Court in July 2018 seeking implementation of rebid decision taken in Niti Aayog meeting held on 20th March 2018. The captioned writ Petition was filed against the Ministry of Shipping (MoS), the Government of India, MbPT and others wherein the Lenders were also made party defendant(s). The Court has passed an order on 14th August 2018 in the aforesaid writ petition, permitting the SPV to make detailed representation in this matter within 10 days, with a direction to MbPT and MoS to consider the SPV's representation in this regard and take an informed decision and dispose-off

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the same within a period of 4 (four) weeks thereafter. In the meanwhile, the Court directed the Lenders not to implement the notice dated 26th July 2018 issued to the SPV for a period of 6 (six) weeks.

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

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

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

Post lodging of claim by the SPV, MbPT has raised a counter claim of Rs 1,850.78 crores on the SPV for the Licensee's Event of Default under the LA.

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

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

The Auditors have qualified their report on this matter as follows:

"Attention is invited to Note 3(b) of the Statement, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the Group in the SPV/project is Rs 69,570.74 lacs (funded and

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non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. The Company has also received notice to invoke pledged shares against which the Company is in active discussions with bank. Pending conclusion of matters of material uncertainty related to the project, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure"

c. One of the SPV of the Company had signed a Concession Agreement (CA) with Madhya Pradesh Road Development Corporation Limited (MPRDC) for up-gradation of existing Highway from Km 83/4 to Km 195/8 to four lane dual configurations in the state of Madhya Pradesh (the Project) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Concession granted was for a period of 30 years including construction period of 2 years. The Project was scheduled to commence operations from September 19, 2015. However, delays on account of MPRDC in providing the required clearances and the Right of Way (ROW), has resulted in the extension of the Commercial Operations Date (COD). These delays have also resulted in increase in project cost, primarily due to increase in interest during construction period resulting from the time overruns. As per the CA, the Project shall be awarded a Provisional COD Certificate on completion of 75% of the total length of the Project which will enable it to commence commercial operations.
In view of the discussions with MPRDC regarding extension of COD, the SPV had submitted a restructuring proposal to the Lenders. As per the restructuring proposal, no further loans were to be availed from the Lenders to meet the increase in project costs. The original repayment schedule of the senior debt has been revised with the repayment instalments to commence from September 2019. The Company has received the revised sanctions for senior debt from the Lenders and the documentation for the same has been executed.
However, Payment for Construction activities in the last two quarters have been severely impacted due to delay in loan disbursements by the Lenders and Grant from the Government, delay in processing of payment against Insurance Claim / Change of scope work. The Progress of work has hence been slower than projected. Consequently, the SPV has received a cure period notice in March 2019 from MPRDC in terms of defaults under the CA for delay or no project work and maintenance work being carried out at site, and to clear the defaults within a period of 30 days from the date of the cure period notice. The SPV has suitably responded to the cure period notice on 18th May 2019.
Further, the SPV has not been able to meet its debt service obligations and the debt has been classified as Non-Performing Asset (NPA) as on March 31, 2019.
Recently, the SPV has received payment from the Insurance company against the insurance claim, which has been partially utilized to clear the debt obligations of the Lenders and the balance amount is to be utilized towards construction of the project. It is envisaged that the Provisional COD Certificate will be received by 30th June 2020 (revised), subject to the aforesaid cashflows are received by the SPV. The exposure of the Company in the SPV is Rs 97,108.47 lacs (funded and non-funded).
There has been cost overrun in the project and the Company has not carried out fresh traffic study to asses viability and possible impairment of the project. The management believes that

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the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun.

d. In respect of an Annuity Road project: The Project has achieved Provisional Commercial Operations Date (PCOD) on 01st September 2016. The SPV will have cost overrun on account of issues beyond the scope of the SPV and attributable to the Concession Grantor (the Grantor). This will not result in any changes in the Annuity from the Grantor. Based on certification of delay period attributable to the Grantor certified by the Independent Engineer, the SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. However, this amount has been treated separately as receivable from the Grantor. The SPV has submitted a One-Time Settlement (OTS) proposal on 29th November 2018 to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company to the SPV is Rs 1,24,618.78 lacs (funded and non-funded). The credit facility of the SPV is marked as Non - Performing Asset. the SPV also has issues of annuity being with-held for specific performance which the SPV and management of the Company are addressing for amicable resolution.
The management is of the view that the matters would get resolved in favor of the company including the claim determination and settlement, the OTS approval by the lenders, descoping of certain part of the project and the project continuing as a going concern till the end of the concession period.

e. Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. Cochin Bridge Infrastructure Company Limited

Ventures Limited (SPV) has received letter from GoHP, to discuss the matter mutually towards amicable resolution. The SPV has invoked arbitration on 19th February 2018, the SPV has received a letter from GoHP dated 4th September 2018 intimating that their office has begun the process

non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one-time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 320.38 lacs."

5. **Material uncertainty related to Going Concern**

   There is a continuing mismatch of cash flows including the dues to the subsidiary which are due for repayment pursuant to negotiation by 31st March 2020. The current liabilities are in excess of current assets by Rs 1,92,562.94 lacs as at 31st March 2019. Further various projects of the Company as stated in detail in note 3 above are under stress and the outcome of the continuance of these projects would be dependent upon a favourable decision being received by the Management on the outstanding litigations.

   In view of the above matters and other details in note 3 there are material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern.

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

   - Indira Container Terminal Private Limited
   - Rajahmundry Godavari Bridge Limited

   The management however is confident that the going concern assumption and the carrying values of the assets and liabilities in these financial results are appropriate. Accordingly, the financial results do not include any adjustments that may result from these uncertainties.

6. Other Financial Assets includes Rs 1,514.01 lacs due from Western Coalfields Limited (WCL) on account of wrongful encashment of bank guarantee against which the Company has filed a suit for Recovery of damages. During the quarter ended 30th September 2017, WCL had encashed bank guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPVs sold to BIF India Holding Pte Ltd on 29th February 2016) towards the coal linkages to be granted by WCL. Subsequent to the encashment, the Company has filed an application for converting earlier injunction application to suit for recovery of damages. The Company has sought a legal opinion in this matter and has been advised that it has a good case for recovery of the amount. The Management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown bank guarantee encashment amount as receivable from WCL.

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7. The Exceptional items include the following

Particulars	March 19	March 18
	(Rs in lacs)	
Provision of Insurance Claim	-	520.00
Impairment of Goodwill	2402.31	-
Total	**2402.31**	**520.00**

The Company's operations constitute a single segment namely "Infrastructure Development" as per IND AS 108 - Operating Segments. Further, the Company's operations are within single geographical segment which is India.

8. The Company has adopted Ind AS 115 w.e.f. 01st April 2018 by using cumulative catch up transition method and accordingly comparatives for the quarter and year ended March 2019 have not been retrospectively adjusted. The adoption of Ind AS 115 does not have any material effect on the above financial results.

9. Figures for previous year have been regrouped / reclassified wherever necessary to conform to the current year presentation

For Gammon Infrastructure Projects Limited

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GAMMON INFRASTRUCTURE PROJECTS LIMITED MUMBAI 25.

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai.
Date: May 29, 2019

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PHONE : (91-22) 2640 0358, 2640 0359

Auditor's Report On Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Gammon Infrastructure Projects Limited,

1. We have audited the accompanying Statement of Consolidated Ind AS Financial Results of Gammon Infrastructure Projects Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its Joint Ventures and Associates for the year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated Ind AS financial statements of the Group, which is in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

4. **Basis of Qualified Opinion**

   a. Attention is invited to Note 3(a) of the Statement in respect of tolling bridge project in Andhra Pradesh where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of Rs 1,12,337 lacs as termination

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payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Group is Rs 99,325.41 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders we are unable to comment on the possible impairment required against the exposure of the Company.

b. Attention is invited to Note 3(b) of the Statement, relating to the project in the SPV Indira Containers Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the Group in the SPV/project is Rs 69,570.74 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. The Company has also received notice to invoke pledged shares against which the Company is in active discussions with bank. Pending conclusion of matters of material uncertainty related to the project, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.

c. Attention is invited to Note 4 of the Statement, where the Company has defaulted in fulfilling its obligation under the one-time settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under the one-time settlement were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 320.38 lacs.

5. *Except for the possible effects arising out of the matters mentioned in our basis of qualified opinion paragraph mentioned hereinabove*, In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 3 above, the Statement:

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(a) In the case of the consolidated financial results of the Group includes the results for the year ended March 31, 2019 of the companies listed in Annexure A to this report which are consolidated in accordance with the requirements of the Companies (Indian Accounting Standards) Rules 2015 specified under Section 133 of the Companies Act 2013 and the relevant rules thereon.;

(b) is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and

(c) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India in the case of the consolidated financial results of the Group of the net profit/loss and other financial information of the Group for the year ended March 31, 2019.

6. Material Uncertainty relating to Going Concern.

We invite attention to Note 3 of the Statement for the Year ended March 31, 2019, wherein status of various SPV projects which are stressed due to delay in completion, cost overrun, liquidity crunch and have legal issues, arbitration proceedings or negotiations. The successful progress and completion depend on favourable decisions on outstanding litigations being received by the Management. We also invite attention to Note 5 of the Statement where the Company has stated that as of March 31, 2019 the Group's current liabilities exceeded current assets by Rs. 192562.94 lacs. These conditions, along with the fact of the Auditors' Report of some of the SPV carrying a separate paragraph on Material Uncertainty related to Going Concern referred to in Note 5 of the Statement, indicate the existence of Material Uncertainty which may impact the Group's ability to continue as a going concern. Our report is not qualified on this matter.

7. Emphasis of Matter

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

a) Attention is invited to Note no 3(c) of the Statement, relating to slow progress of work for one of the road project at Madhya Pradesh. These delays have resulted in increase in project cost resulting in cost overrun in the project. The SPV has also received the cure period notice from MPRDC in terms of defaults under the Concession Agreement for delay, no-project work and maintenance work being carried out at site, and to clear the defaults against which the company has submitted their response. The credit facility of the SPV has been marked as NPA by the lenders. Total exposure of the Company is the SPV/Project is Rs. 97,108.47 lacs. The Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. We have relied on the management assertion on this matter. The management also believes that the project would achieve PCOD in a short time.

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b) We invite attention to Note 3(d) of the Statement, an annuity project of the Group where the SPV has accounted for the asset as a financial asset. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The management contends that in view of the strong case it has on the claim matter as aforesaid there will be no impairment necessary towards the financial asset or towards the investment of the Company. The SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Group in the SPV is Rs. 1,24,618.78 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

c) We invite attention to Note 3(e) of the Standalone Ind AS Financial Statements, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

d) We invite attention to Note 3(f) of Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and has also invoked arbitration. The SPV has received a letter from GoHP dated September 4, 2018 intimating that their office has begun the process for finalisation of the panel of Arbitrators and the nomination in this regard shall be intimated to the SPV shortly. The Company's exposure towards the said project includes investment and loans and advances of Rs. 6,787.12 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.

e) We invite attention to Note no 3(g) of the Statement, relating to the Hydropower project in Sikkim. As detailed in the note there are various factors affecting the progress of the project. The management, as detailed in the note, is confident that it will be able to pursue the project viably and does not foresee any need for

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impairment. Considering the assertion of the management no adjustments have been made towards any possible impairment. The exposure of the Company in the SPV is Rs. 10,828.57 lacs.

f) We invite attention to Note no 6 of the Standalone Ind AS Financial Statements, wherein during the previous year, Western Coalfields Limited (WCF) had encashed Bank Guarantee amounting Rs 1,514.01 lacs given in favour of Aparna Infraenergy India Private Limited (one of the SPV's sold to BIF India Holding Pte ltd on February 29, 2016). Subsequent to encashment Company has filed an application for converting earlier injunction application to suit for recovery of damages. The management is hopeful of getting favourable decision on the matter and recovery of damages based on legal advice on the matter. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields.

Other Matters

8. We did not audit the financial statements and other financial information, in respect of 26 subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 5,08,610.90 lacs as at March 31, 2019, total revenues of Rs. 53,478.61 lacs and net cash flow amounting to Rs. 466.74 lacs for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit after tax of Rs.19.55 lacs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 1 Jointly controlled entity, and 1 Associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates in India, is based solely on the reports of the other auditors.

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

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

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

NAYAN PARIKH & CO.

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Annexure A

Name of Company	Relationship
Gammon Infrastructure Projects Limited	Holding Company
Birmitrapur Barkote Highway Private Limited	Subsidiary
Cochin Bridge Infrastructure Company Limited	Subsidiary
Gammon Logistics Limited	Subsidiary
Gammon Projects Developers Limited	Subsidiary
Gammon Renewable Energy Infrastructure Limited	Subsidiary
Gammon Road Infrastructure Limited	Subsidiary
Gammon Seaport Infrastructure Limited	Subsidiary
Haryana Biomass Power Limited	Subsidiary
Jaguar Projects Developers Limited	Subsidiary
Marine Project Services Limited	Subsidiary
Patna Highway Projects Limited	Subsidiary
Rajahmundry Godavari Bridge Limited	Subsidiary
SidhiSingrauli Road Projects Limited	Subsidiary
Tada Infra Development Company Limited	Subsidiary
Tidong Hydro Power Limited	Subsidiary
Vizag Seaport Private Limited	Subsidiary
Yamunanagar Panchkula Highway Private Limited	Subsidiary
Youngthang Power Ventures Limited	Subsidiary
Vijayawada Gundugolanu Road Project Private Limited	Subsidiary
Pravara Renewable Energy Limited	Subsidiary
Sikkim Hydro Power Ventures Limited	Subsidiary
Indira Container Terminal Private Limited	Subsidiary
Ras Cities and Townships Private Limited	Step-down subsidiary
Chitoor Infra Company Private Limited	Step-down subsidiary
Earthlink Infrastructure Projects Private Limited	Step-down subsidiary
Segue Infrastructure Projects Private Limited	Step-down subsidiary
Eversun Sparkle Maritimes Services Private Limited	Associate
GIPL - GIL JV	Joint Venture

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

ANNEXURE I

Statement on Impact of Audit Qualifications
(for audit report with modified opinion) submitted along-with
Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sr. no.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	**52,675.19**	**52,675.19**
	2	Total Expenditure	73,668.92	84,642.48
	3	Net Profit / (Loss)	(20,933.73)	(20,933.73)
	4	Earnings Per Share	(1.65)	(1.65)
	5	Total Assets	**4,85,024.84**	**4,85,024.84**
	6	Total Liabilities	4,53,603.27	4,53,603.27
	7	Net Worth	**31,421.57**	**31,421.57**
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification (each audit qualification separately):**			
1.	**Details of Audit Qualification:** Attention is invited to Note 3(a) of the Statement in respect of tolling bridge project in Andhra Pradesh where the SPV had served a notice of termination of the concession to Andhra Pradesh Road Development Corporation (APRDC) and followed up with a subsequent communication for correcting technical breach in the notice of termination. The Management has elaborated the sequence and its action relating to the project in the said note and has asserted that in the event of termination, the termination payments would be adequate to recover the exposure to the project by the Group. The management has made a claim of Rs 1,12,337 lacs as termination payments from APRDC. One of the Lenders has filed for Corporate Insolvency resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the			

	Group is Rs 99,325.41 lacs. In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders we are unable to comment on the possible impairment required against the exposure of the Company.
	a. **Type of Audit Qualification:** Qualified Opinion
	b. **Frequency of qualification:** appeared in annual financial statements for the year ended 31st March 2019. Auditors had also qualified their review report during quarter ended June 2018, September 2018 & December 2018
	c. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not applicable.
	d. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	e. **Management's estimation on the impact of audit qualification:** The Company is in discussion with lenders for : a) OTS which is under discussion / approval from sanctioning authority. b) As regards invocation of pledge shares of RGBL held by GIPL, banks have stated that beneficial holding still remains with the Company. c) Also, Company has served a termination notice to APRDC as per Concession Agreement and claimed amounts on account of breaches by grantor. Also Company has initiated arbitration against APRDC for claim amount which will cover the existing loan from lenders and holding Company. Company has appointed its arbitrator. d)One of the Consortium lenders for the Project has initiated and served notice under the Corporate Insolvency Resolution Process before the Hon'ble National Company Law Tribunal, Mumbai Branch (NCLT) and the NCLT hearing is underway in the matter. e)Company expect the OTS to be cleared by lenders which reduce cost and Company could break even.
	(i) **If management is unable to estimate the impact, reasons for the same:** Not Applicable
	(ii) **Auditors' Comments on (i) or (ii) above**: In the absence of any confirmation of the termination amount from APRDC, the NCLT hearing, decision of the OTS by the lenders we are unable to comment.

2.	**Details of Audit Qualification:** Attention is invited to Note 3(b) of the Statement, relating to the project in the SPV namely; Indira Container Terminal Pvt Ltd. There exists material uncertainty relating to the future of the project where the exposure of the Group in the SPV/project is Rs 69,570.74 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the project. The credit facility are marked as NPA by the lenders. The Company has also received notice to invoke pledged shares against which the Company is in active discussions with bank. Pending conclusion of matters of material uncertainty related to the project, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure.
	Type of Audit Qualification: Qualified Opinion
	Frequency of qualification: appeared in annual financial statements for the year ended 31st March 2019. Auditors had also qualified their review report during quarter ended September 2018 & December 2018
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.
	For Audit Qualification(s) where the impact is not quantified by the auditor:
	Management's estimation on the impact of audit qualification: Company is in talks with bankers for OTS and also have requested lenders not to act upon invocation of pledge shares. The Management is also hopeful of favourable settlement with MBPT.
	If management is unable to estimate the impact, reasons for the same: Not Applicable
	Auditors' Comments on (i) or (ii) above: Pending conclusion of matters of material uncertainty, the notice to invoke pledge of shares and decision of the OTS by the lenders being in preliminary stage we are unable to comment whether any provision is required towards possible impairment towards the said exposure

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3.	**Details of Audit Qualification**: Attention is invited to Note no. 4 of the Statement, where the Company has defaulted in fulfilling its obligation under the One-Time Settlement (OTS) with IFCI Limited. The Company was required to pay the entire outstanding by September 30, 2017. The Company has been unable to discharge the liability and has not been able to get further extension for the payment of the outstanding although it is actively engaged with IFCI Limited for obtaining the extension and/or non-reversal of the benefits of the OTS. In terms of the original arrangement, the benefits received under OTS were to be reversed. Although the management is hopeful of obtaining the extension and / or non-reversal of the benefits of the OTS, pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements. The company has however provided interest at the rate of 11.50% p.a. as per the agreement. The interest payable on the outstanding amount before reversal of the aforesaid benefit as on balance sheet date is Rs 320.38 lacs.
	Type of Audit Qualification: Qualified Opinion
	Frequency of qualification: appeared in annual financial statements for the year ended 31st March 2018 & 2019. Auditors had also qualified their review report during quarter ended September 2017, December 2017, June 2018, September 2018 & December 2018.
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable
	For Audit Qualification(s) where the impact is not quantified by the auditor:
	Management's estimation on the impact of audit qualification: The Management is hopeful of receiving the extension with non-reversal of the benefits of OTS. Therefore no effects have been given for the reversal of benefits

		If management is unable to estimate the impact, reasons for the same: Not Applicable
		Auditors' Comments on (i) or (ii) above: pending the acceptance by IFCI Limited we are unable to state whether the Company has to account for the reversal of benefits of Rs. 4,884.10 lacs in its financial statements.

Signatories:	
Mr. Kishor Kumar Mohanty Managing Director	
Mr. Naresh Sasanwar Chief Financial Officer	
Mr. Mahendra Agrawala Chairman of the Audit Committee	
For Nayan Parikh & CO. Chartered Accountants Firm Regn no.: 107023W Mr. K N Padmanabhan Partner M. no. 36410	NAYAN PARIKH & CO. MUMBAI Chartered Accountants
Place: Mumbai	
Date: May 29, 2019	