



# GAMMON INFRASTRUCTURE PROJECTS LIMITED

Date: November 13, 2017

To  
The Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block – G,  
Bandra - Kurla Complex, Bandra (E),  
Mumbai – 400051  
Scrip ID: GAMMNINFRA

To,  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001  
Scrip Code: 532959

Dear Sir,

**Sub: Outcome of Board Meeting**

In compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), please find enclosed the Un-audited Standalone Financial results for the quarter ended September 30, 2017 along-with the Auditors' Limited Review Report, as approved by the Board of Directors of the Company at its meeting held today and concluded at 6:00 pm.

Kindly take this on your record.

Yours truly,

For **Gammon Infrastructure Projects Limited**

**Kishor Kumar Mohanty**  
Managing Director





# GAMMON INFRASTRUCTURE PROJECTS LIMITED

Statement of Standalone Assets & Liabilities as at 30th September, 2017

Particulars	Rs in lacs	
	As at 30-09-17 (Unaudited)	As at 31-03-17 (Audited)
<b>Assets</b>		
<b>Non Current Assets</b>		
a) Property, Plant and Equipment	468.64	35.25
b) Financial Assets		-
(i) Investments in Subsidiaries , Joint Ventures and Associates	1,28,778.64	1,27,082.40
(ii) Trade Receivables	4,669.71	4,182.21
(iii) Loans and Advances	25.37	3,169.08
(iv) Other Financial Assets	8,047.92	8,333.72
c) Deferred Tax Assets, (Net)	2,033.85	2,020.75
d) Other Non Current Assets	3,486.99	1,972.99
<b>Total</b>	<b>1,47,511.13</b>	<b>1,46,796.40</b>
<b>Current Assets</b>		
a) Inventories	-	-
b) Financial Assets		
(i) Investments in Subsidiaries , Joint Ventures and Associates	-	-
(ii) Other Investments	4,551.65	7,082.18
(iii) Trade receivables	1,954.50	2,329.54
(iv) Cash and cash equivalents	134.40	1,669.37
(v) Bank balances	10.38	12.37
(vi) Loans and Advances	2,630.47	-
(vii) Other Financial Assets	3,123.49	3,239.38
c) Other current assets	2,679.74	660.07
<b>Total</b>	<b>15,084.63</b>	<b>14,992.91</b>
<b>Total Assets</b>	<b>1,62,595.78</b>	<b>1,61,789.31</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
a) Equity Share Capital	18,917.64	18,917.64
b) Other Equity	73,603.39	73,218.39
<b>Total</b>	<b>92,521.03</b>	<b>92,136.03</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
a) Financial Liabilities		
(i) Borrowings	-	261.59
(ii) Other Financial Liabilities	144.64	141.63
b) Provisions	71.55	57.03
c) Other Non-Current Liabilities	22,443.99	23,025.03
<b>Total</b>	<b>22,660.18</b>	<b>23,485.28</b>
<b>Current Liabilities</b>		
a) Financial Liabilities		
(i) Borrowings	2,970.58	3,619.29
(ii) Trade Payables	2,515.91	1,541.72
(iii) Other Financial Liabilities	12,593.79	12,678.22
b) Provisions	181.45	181.12
c) Liabilities for Current Tax (Net)	1,825.34	1,795.83
d) Other Current Liabilities	27,327.49	26,351.81
<b>Total</b>	<b>47,414.56</b>	<b>46,167.99</b>
<b>Total Equity and Liabilities</b>	<b>1,62,595.78</b>	<b>1,61,789.31</b>

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA

Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201 • E-mail : info@gammoninfra.com

Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728

Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.





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## Notes:

1. The above unaudited standalone financial results, as reviewed by the Audit Committee, are approved and taken on record by the Board of Directors in their meeting held on November 13, 2017.
2. The Statutory auditors of the Company have carried out limited review on the unaudited financial results as required by the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
3. The 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 Companies (Indian Accounting Standards) Amendment Rule, 2016.
4. In respect of the following projects / SPV of the Company there are legal issues, arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matters. These issues are commonly encountered in the Infrastructure business and the management is confident of a favorable resolution in due course. The auditors in their review report have made an emphasis of matter on these matters.
  - a. Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration / settlement. The Company has also in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court granted extension upto June 23, 2017 to settle the matter subsequent to which Company has filled amended plaint. Exposure of the Company in the SPV is Rs. 2,726.93 lacs (funded and non-funded). Since June 30, 2017 the bankers of the said SPV have initiated action under SARFAESI Act and have taken symbolic possession of the property of the SPV. They have also initiated proceedings under DRT against which the company is taking necessary legal steps.
  - b. Hydro power project at Himachal Pradesh - the project is stalled due to local agitation relating to environment issues. The matter with State Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the company in the SPV is Rs. 7,115.31 lacs. No further action has happened during the quarter and six months ended September 30, 2017.
  - c. Container terminal at Mumbai – where the Company is a Joint Venture (JV) partner, the project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the Company incurring losses and default in repayment of debt obligation. The matter with the MBPT was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the lenders. The draft supplementary agreement is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft



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agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First refusal (ROFR) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has during the previous quarter acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company . The exposure of the Company in the JV is Rs. 14,152.12 lacs (funded and non-funded).

- d. One of the SPV of the Company commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows are significantly lower than the projections made at the time of the bids. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval. The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The proposal for S4A has moved to overseeing committee of RBI. The first meeting was held on 8<sup>th</sup> Nov 2017 and it is likely to be taken in the next meeting fixed by RBI. The exposure of the Company to the SPV is Rs. 95,603.61 lacs (funded and non-funded).
- e. One of the SPV having annuity Road Project in the State of Bihar is expected to have cost overrun on account of issues beyond the scope of the SPV and primarily attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. 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 SPV has also separately applied to the lenders for 5:25 Flexible Structuring Scheme for which sanction from two banks among consortium members has been received and sanction from rest bankers are expected by end of November 2017. Considering the said application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company and which will resolve the challenges faced by the project. The exposure of the Company in the SPV is Rs. 1,30,036.08 lacs.
- f. The Company had divested some of its subsidiaries in the previous periods for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch including defaults in payment of its financial obligations. The management is taking active steps to tide over the present situations for which based on detailed evaluation of the







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current situation plans are formulated and active discussions are underway with various stakeholders. There is significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. However the Management is confident that the going concern assumption and the carrying values of the assets and liabilities in these quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

- g. During the current quarter ended September 2017, Western Coalfields Limited (WCF) has encashed Bank Guarantee amounting Rs 1514.01 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) towards the coal linkages to be granted by WCF. Subsequent to the encashment Company has filed an application for converting earlier injunction application to suit for recovery of damages. The management is hopeful of getting positive response on the matter and recovery of damages based on legal advice received in this regard. Pending the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited the same to the statement of profit and loss for the quarter ended September 30, 2017.
5. No adjustment has been made in the financial results for the quarter and six months ended September 30, 2017 for the excess managerial remuneration amounting to Rs. 497.17 lacs for the period upto March 2017, beyond the prescribed limits due to inadequacy of profits. The Company has made representation to the Ministry of Corporate Affairs (MCA) in respect of Rs. 388.45 lacs to reconsider its earlier decision wherein the applications made by the Company for approval for waiver of recovery of the said excess remuneration was rejected. For the balance amount of Rs. 108.72 lacs paid for the previous financial year ended 31<sup>st</sup> March, 2017 the Company is in the process of making an application to the Central Government for approval / waiver of the same.

The Auditors have qualified their report on this matter as follows

*"Attention is invited to note 5 to the Statement relating to the excess managerial remuneration paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. The Company had once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and the six months ended September 30, 2017. Similarly for the previous period ended March 31, 2017, the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial results for the remuneration of the said period. This matter was qualified in our audit report dated June 18, 2017 on the financial statements for the period ended March 31, 2017 respectively"*





6. Vijayawada Gundugolanu Road Project Private Limited (SPV) had received termination notice from NHAH on 26th Aug 2016 and consequently NHAH took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of the Company's efforts and dialogues with top officials of NHAH and MORTH, NHAH has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. Though the Company have not fulfilled the condition of revocation of termination notice by NHAH i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group, the Company is still engaged with NHAH for a mutual and amicable settlement . The exposure of the company in the SPV is Rs. 15,599.93 lacs (funded and non-funded).

The Auditors have qualified their report on this matter as follows

*"Attention is invited to Note no 6 in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAH on 26th August 2016 and consequently NHAH took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has not fulfilled the condition of revocation of termination notice by NHAH i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group. The Company is still negotiating with NHAH for a mutual and amicable settlement. The exposure of the company in the SPV is Rs. 15,599.53 lacs (including Bank guarantee of Rs 8420.00 Lakhs). We are unable to comment upon the fructification of the amicable settlement with NHAH or continuance of the project. "*

7. The Company has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). 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 for the extension of the time period for the payment of the outstanding. In terms of the original arrangement, the benefits received under the one time settlement were to be reversed. The management is hopeful of receiving the extension and / or non-reversal of the benefits of OTS. Pending that no adjustments have been made in these financial results..

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

*"Attention is invited to Note no 7, where the Company has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). 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 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 we are unable to state whether the Company has to account for the reversal of benefits of Rs. 3280.01 lacs in its financial statements."*





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8. The Exceptional items of the previous reported periods includes the following :

Particulars	For the year ended March 17
	(Rs in lacs)
Project Claim received	241.00
Total	241.00

9. 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.

10. Figures for previous periods have been regrouped / reclassified wherever necessary to conform to the current quarters presentation

**For Gammon Infrastructure Projects Limited**

**Kishor Kumar Mohanty**  
Managing Director  
DIN: 00080498  
Place: Mumbai.  
Date: November 13, 2017





**Natvarlal Vepari & Co.**  
**CHARTERED ACCOUNTANTS**

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**Review Report**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Gammon Infrastructure Projects Limited ("the Company") for the quarter and six months ended September 30, 2017 and standalone unaudited Balance Sheet as at September 30, 2017 ("the Statement"), which are included in the accompanying statement of standalone unaudited financial results. This statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. **Basis of Qualified Conclusion**
  - (a) "Attention is invited to note 5 to the Statement relating to the excess managerial remuneration paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. The Company had once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject



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to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and the six months ended September 30, 2017. Similarly for the previous period ended March 31, 2017, the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial results for the remuneration of the said period. This matter was qualified in our audit report dated June 18, 2017 on the financial statements for the year ended March 31, 2017 respectively”

- (b) Attention is invited to Note no 6 in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has not fulfilled the condition of revocation of termination notice by NHAI i.e., financial closure and other commitments including entering into a binding agreement with Hinduja Group. The Company is still negotiating with NHAI for a mutual and amicable settlement. The exposure of the company in the SPV is Rs. 15,599.53 lacs (including Bank guarantee of Rs 8420.00 Lakhs). We are unable to comment upon the fructification of the amicable settlement with NHAI or continuance of the project.
- (c) Attention is invited to Note no 7, where the Company has defaulted in fulfilling its obligation under the one time settlement with Industrial Financial Corporation of India (IFCI). 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 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 we are unable to state whether the Company has to account for the reversal of benefits of Rs. 3280.01 lacs in its financial statements.

#### 4. Qualified Conclusion

*Except for the possible effects arising out of the matters mentioned in our basis for qualified conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information*



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required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular bearing nos. Circular No. CIR / CFD / CMD / 15 / 2015 dated November 30, 2015 and CIR / CFD / FAC / 62 / 2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

## **5. Emphasis of Matter**

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

- a) We invite attention to Note 4(a) of the Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. The Company's exposure towards the said project (funded and non-funded) is Rs. 2726.93 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.
- b) We invite attention to Note 4(b) of the Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and is also exploring legal steps. The Company's exposure towards the said project includes investment and loans and advances of Rs. 7,115.31 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements
- c) We invite attention to Note 4(c) of the Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 14,152.12 lacs (funded and non-funded). As mentioned in the said note a draft supplementary agreement has been discussed between the parties under which the project would go for a re-bid and the SPV has a Right Of First Offer. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has during the quarter ended June 30, 2017 acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV Company. Pending execution of the supplementary agreement and the conclusion of the Re-bid, no adjustments have been made in the financial statements
- d) We invite attention to Note 4(d) of the Statement, in respect of a tolling bridge project in Andhra Pradesh where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA. In order to overcome the current situation and after due deliberations



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with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. Pending conclusions no adjustments have been made in the financial statements. The Company's exposure towards the project/SPV is Rs. 95,603.61 lacs (funded and non-funded).

- e) We invite attention to Note 4 (e) an annuity project of the Company where the SPV has accounted for the asset as a financial asset. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for 5:25 Flexible Structuring Scheme. Considering the proposed 5:25 Flexible Structuring Scheme application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is Rs. 1,30,036.08 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.
- f) We invite attention to Note 4(f) of the Statement; wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets resulting in continued mismatch despite the sale of some of the SPVs. There is therefore a continuing mismatch including defaults in payment of its financial obligations. The management is taking active steps to tide over the present situations for which based on detailed evaluation of the current situation plans are formulated and active discussions are underway with various stakeholders. These conditions, along with other matters as aforesaid arising out of pending conclusions of matters and also as set forth in the said Note of the Statement, indicate the existence of significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern.
- g) We invite attention to Note 4(g) of the Statement; wherein during the current quarter ended September 2017, Western Coalfields Limited (WCF) has encashed Bank Guarantee amounting Rs 1514.01 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 positive response on the matter and recovery of damages, pending



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the outcome, the Company has shown guarantee encashment amount as receivable from Western Coal Fields and not debited to results for the quarter ended September 30, 2017.

For Natvarlal Vepari & Co  
Chartered Accountants  
Firm Registration No. 106971W



N Jayendran

Partner

M. No. 040441

Mumbai, Dated: - November 13, 2017

