



GAMMON INFRASTRUCTURE PROJECTS LIMITED

27th November, 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Un-audited Standalone & Consolidated Financial Results for the quarter ended on 30th September, 2019 as approved by the Board of Directors of the Company at its meeting held today along with Auditors' Limited Review Report, and the Meeting concluded at 7:15 p.m.

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 Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2019

(Rs. In Lakhs unless otherwise stated)

Sr No.	Particulars	Quarter ended			Half Year Ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from Operations	44.76	-	953.02	44.76	1,873.86	2,289.04
	Other Income	348.78	340.81	444.22	689.58	855.40	3,598.80
	Total Income	393.54	340.81	1,397.24	734.34	2,729.26	5,887.84
2	Expenses						
	a) Construction Expenses	24.82	-	816.92	24.82	1,602.31	1,978.76
	b) Employee Benefit Expenses	113.55	136.25	231.96	249.79	456.23	810.05
	c) Finance Cost	484.59	589.45	531.66	1,074.04	1,051.21	2,231.53
	d) Depreciation and Amortization Expenses	15.56	16.56	16.98	32.12	35.30	68.99
	e) Other Expenses	73.41	77.03	89.80	150.44	196.87	450.92
	Total Expenses	711.93	819.29	1,687.32	1,531.21	3,341.92	5,540.25
3	Profit/(Loss) Before Exceptional Item & Tax	(318.39)	(478.48)	(290.08)	(796.87)	(612.66)	347.59
4	Exceptional Items - Income / (Expense)	-	-	-	-	-	(7,661.00)
5	Profit/(Loss) Before Tax	(318.39)	(478.48)	(290.08)	(796.87)	(612.66)	(7,313.41)
6	Tax Expense	178.21	(66.15)	15.36	112.06	(30.65)	27.78
	Current Tax	-	-	-	-	-	210.00
	Taxation for earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	178.21	(66.15)	15.36	112.06	(30.65)	(182.22)
7	Profit/(Loss) for the period from continuing operations	(496.60)	(412.33)	(305.44)	(908.93)	(582.01)	(7,341.19)
8	Other Comprehensive Income						
	Items that will not be reclassified subsequently to profit or loss						
	Remeasurement of defined benefit plans	(0.08)	0.64	0.32	0.56	3.95	5.12
	Tax effect thereon	-	-	(0.81)	-	(0.81)	-
	Other Comprehensive Income for the period, net of tax	(0.08)	0.64	(0.49)	0.56	3.14	5.12
9	Total Comprehensive Income for the period	(496.68)	(411.69)	(305.93)	(908.37)	(578.87)	(7,336.07)
10	Paid up Equity Capital (Face Value of Rs.2 each)						18,917.64
11	Other Equity						67,015.18
12	Earnings per equity share [nominal value of share Rs. 2/-]						
	Basic (Rs.)	(0.05)	(0.04)	(0.03)	(0.10)	(0.06)	(0.78)
	Diluted (Rs.)	(0.05)	(0.04)	(0.03)	(0.10)	(0.06)	(0.78)

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai
Date: November 27, 2019





GAMMON INFRASTRUCTURE PROJECTS LIMITED

Particulars	Rs in lacs	
	As at 30-09-2019 (Unaudited)	As at 31-03-2019 (Audited)
Statement of Unaudited Standalone Assets & Liabilities as at 30th September, 2019		
Assets		
Non Current Assets		
a) Property, Plant and Equipment	360.65	392.77
b) Financial Assets		
(i) Investments in Subsidiaries , Joint Ventures and Associates	1,10,038.02	1,10,043.44
(ii) Trade Receivables	5,088.46	5,088.46
(iii) Loans and Advances	2,793.80	2,838.79
(iv) Other Financial Assets	8,119.20	8,169.36
c) Deferred Tax Assets, (Net)	2,543.68	2,655.75
d) Other Non Current Assets	3,326.37	5,878.30
	1,32,270.18	1,35,066.87
Current Assets		
a) Inventories	-	-
b) Financial Assets	-	-
(i) Investments in Subsidiaries , Joint Ventures and Associates	-	-
(ii) Other Investments	4,547.84	4,370.13
(iii) Trade receivables	2,893.94	310.94
(iv) Cash and cash equivalents	226.06	32.44
(v) Bank balances	10.65	10.65
(vi) Loans and Advances	74.10	74.10
(vii) Other Financial Assets	82,107.53	82,033.96
c) Other current assets	340.24	266.66
	90,200.36	87,098.88
Total Assets	2,22,470.54	2,22,165.75
Equity and Liabilities		
Equity		
a) Equity Share Capital	18,917.64	18,917.64
b) Other Equity	66,106.88	67,015.18
	85,024.52	85,932.82
Liabilities		
Non Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Other Financial Liabilities	3,832.77	3,832.77
b) Provisions	3.48	27.88
c) Other Non-Current Liabilities	5,732.63	6,061.70
	9,568.88	9,922.35
Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	4,103.83	3,894.86
(ii) Trade Payables	-	-
- Total outstanding dues of Micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,237.91	2,049.43
(iii) Other Financial Liabilities	93,835.75	92,668.93
b) Provisions	189.71	190.24
c) Liabilities for Current Tax (Net)	2,107.35	2,107.35
d) Other Current Liabilities	25,402.59	25,399.77
	1,27,877.14	1,26,310.58
Total Equity and Liabilities	2,22,470.54	2,22,165.75



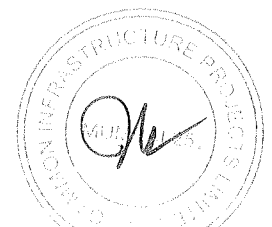


GAMMON INFRASTRUCTURE PROJECTS LIMITED

Standalone Cash Flow Statement for the half year ended September 30, 2019

(All figures are in lacs unless otherwise stated)

Particulars	Half Year ended September 30, 2019	Half Year ended September 30, 2018
Cash flows from operating activities		
Profit/(loss) before tax	(796.87)	(612.66)
Adjustments:		
Depreciation & amortization	32.12	35.28
Guarantee Commission	(398.98)	(574.52)
Interest received on FD & Banks	(97.28)	(88.93)
Profit on sale of current investment	-	(27.47)
Net gain on financial asset through FVTPL	(177.71)	(118.94)
Write back of provision for advances	-	-
Sundry Balances W/back	(10.54)	(0.26)
Interest expenses on Financial liabilities at amortised cost	853.60	869.32
Banks Interest	220.44	181.88
Exceptional items	-	276.36
	421.65	
Operating cash flows before working capital changes and other assets	(375.22)	(336.30)
Decrease/ (increase) in trade receivables	-	(817.32)
Decrease/ (increase) in financial Assets	8.15	(411.79)
Decrease/ (increase) in Other assets	(97.51)	1,028.90
(Decrease) / increase in financial liabilities	493.32	(667.49)
(Decrease) / increase in Non- financial liabilities	72.73	202.83
(Decrease) / increase in provisions	(24.36)	(5.77)
	452.33	
Cash generated from operations	77.11	(1,006.94)
Income taxes refund / (paid), net	(7.07)	(48.11)
Net cash generated from in operating activities	70.04	(1,055.05)
Cash flows from investing activities		
Movement in Other Bank Balances	50.17	94.55
Purchase of Mutual Funds	-	-
Proceeds from Sale of Mutual Funds	-	63.71
Intercorporate loan	5.42	(27.00)
Interest received	71.09	63.80
	126.68	195.06
Cash flows from financing activities		
Net Proceed from Short term borrowings	208.97	377.69
Interest paid	(212.07)	(228.93)
Net cash used in financing activities	(3.10)	148.76
Net increase / decrease in cash and cash equivalents	193.62	(711.23)
Cash and cash equivalents at the beginning of the period	43.09	746.73
Cash and cash equivalents at the end of the period	236.71	35.50
	193.62	(711.23)





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Notes:

1. The above unaudited Standalone Financial Results for the quarter and half year ended September 30, 2019, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on 27th November, 2019. The statutory auditors have carried out limited Review of the Standalone Financial Results and have issued their modified report thereon.

The statement of standalone cash flow for the corresponding half year ended September 30, 2018 as reported in the above results have been approved by the audit committee and the Company's Board of Directors in the meeting on November 27, 2019 but has not been subjected to review by the statutory auditor.

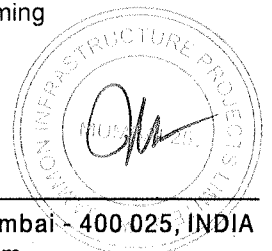
2. The Standalone Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and the Companies (Indian Accounting Standards) Amendment Rule, 2016.
3. **Project related notes:** In respect of the following projects/Special Purpose Vehicles (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 inadequate 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) and since the Client did not cure the breaches under the CA, the SPV has issued a letter dated 3rd July 2018 and 04th August 2018 communicating its intent to terminate the CA.

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 payment of Rs 1,12,337 lacs. The SPV and APRDC have initiated an arbitration process to amicably settle the breaches under the CA. The SPV and APRDC have nominated their arbitrators. The preliminary hearing was held and the SPV has filed the Statement of Claim (SOC) and APRDC has filed the Statement of Dispute (SOD). The matter was last listed on 12.11.2019 and the next meeting of tribunal is scheduled on 10 & 11th Feb, 2020.

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"). The Bench has noticed that the petition was filed in July 2018 and has reserved the matter for orders on admission.

An agreement for pledge of shares dated 28th April 2011 was executed by the Company in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the 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





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Asset" (NPA) on 31st March 2016 in terms of the guidelines laid down by the Reserve Bank of India (RBI).

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 served earlier, 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 vide their letter dated 20th October, 2018 (the Notice) to transfer the Pledged Shares 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 Lead Bank, in response to company's letter requesting for valuation of shares 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.

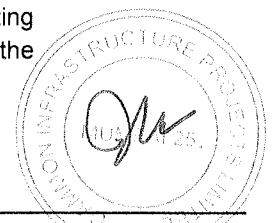
The Lead Bank had invoked the Corporate Guarantee issued by the Company on behalf of the SPV due to the inability of the SPV to pay an amount of Rs 78,052 lacs as per the Corporate Guarantee Agreement entered by the Company and the consortium of bankers within 30 days of receipt of notice. The Company due to its failure to pay the amount has given necessary effects in its books of accounts.

The SPV has submitted a One-Time Settlement (OTS) proposal to the Consortium of Lenders on 22nd November 2018 and the decision on acceptance, which is dependent upon fulfilment of certain conditions, are yet to be concluded.

In the event of termination of CA, 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 limited review report for the quarter ended 30th September 2019.

The Management is 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. Total Exposure of the Company is Rs 1,08,684.42 lacs.

The Auditors have modified their conclusion in their Limited Review Report as follows: "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





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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. Subsequently the SPV has gone into arbitration against APRDC with a claim of Rs 1,12,337 lacs as termination payments from APRDC and the matter is pending before arbitration panel. 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 1,08,684.42 lacs. In the absence of any resolution of arbitration proceedings, 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."

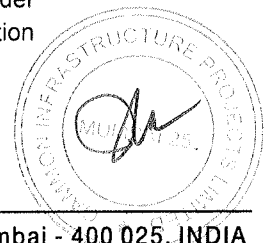
- b. Container terminal at Mumbai – The Project was delayed due to non-fulfilment of certain conditions by the Mumbai Port Trust (MbPT) under the License Agreement (LA) signed by the SPV with them. The Roll on Roll off (RORO) operations was allowed by MbPT as an interim measure for alternate use of the two berths for a mix of cargo of container, steel and RORO and is still 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 SPV had made a detailed representation on the proposal of settlement (the proposal) to MbPT and Ministry of Shipping (MoS), as per the directives of the Court. 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 time granted in 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 from the security trustee to invoke pledged shares of the SPV to the extent of 51% against which the Company has responded and is in active discussions with banks and in view of which the Security Trustee has not acted upon the invocation of pledge of shares and the Company/SPV has not received any further communication on the matter.

The SPV has lodged a claim of Rs 90,404 lacs 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 1,85,075 lacs on the SPV for the Licensee's Event of Default under the LA. The SPV has duly replied to the counter claim vide their letter dated 16th April 2019. A petition was filed under section 9 and also an application under section 11 of the Arbitration and Conciliation





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Act, 1996 was filed where in Order dated 1st August 2019 is passed and interim protection by way of prayer is allowed for carrying ad-hoc RORO operations.

The SPV and the Client has nominated their arbitrators and the respective nominee arbitrators have jointly given their concurrence for appointment of the Presiding Arbitrator/Umpire arbitrator. The preliminary meeting of the Arbitral tribunal was convened on 21st August 2019, where the parties have submitted their Statement of Claims (SOC) prior to the next hearing. (The SPV has duly filed its SOC on 8th November 2019.)

The SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders', and the decision on acceptance, which is dependent upon fulfilment of certain conditions, are yet to be concluded.

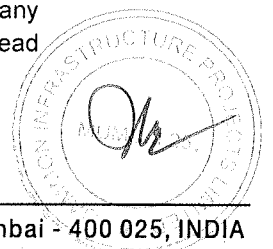
There exists material uncertainty relating to the revival of the Project in favour of the SPV. The Auditors of the SPV have highlighted material uncertainty regarding going concern issue in their report for the year ended March 31, 2019. The Management is hopeful of amicable resolution in respect of the Project. The exposure of the Company in the SPV is Rs 13,440.89 lacs (funded and non-funded).

The Auditors have modified their conclusion in their limited review report 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 13,440.89 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 SPV and MBPT have initiated arbitration proceedings which are in progress. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders not being concluded, 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) for 30 years for upgradation of existing highway to four lane with Madhya Pradesh Road Development Corporation Limited (MPRDC) The Project was scheduled to commence commercial operations from 19th September 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

In view of the discussions with MPRDC regarding extension of COD, the SPV had submitted a restructuring proposal to the Lenders. The Company had received the revised sanctions for senior debt from the Lenders and the documentation for the same has been executed. However, 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 September 30, 2019. One of the Members of the Consortium lenders has issued a notice dated October 22, 2019 under SARFESI Act, 2002 and has requested the SPV to discharge entire liability within 60 days from the date of the notice. The Lead Bank has also issued notices dated October 15, 2019 for invocation for Corporate Guarantee issued by the Company due to financial default by the SPV. The SPV and the Company has filed its response dated November 11, 2019 to the said notices issued by the Lead





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Bank. The exposure of the Company in the SPV is Rs 77,051.23 lacs (funded and non-funded).

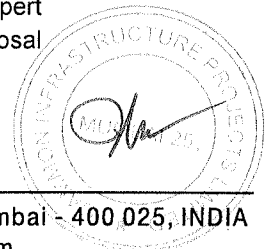
The construction activities in the last few quarters have been severely impacted due to delay in loan disbursements by the Lenders and Grant from the Government, delay in processing and payment of Change of scope work. Consequently, the SPV has received a cure period notice in March 2019 from MPRDC to clear the defaults within a period of 30 days. The SPV has suitably responded to the cure period notice on 18th May 2019. The SPV has also received a notice of suspension of CA from MPRDC under the provisions of the CA, based on the request of the Lenders to which the SPV has suitably responded to MPRDC with a request to withdraw the said suspension notice. The SPV's request to withdraw the suspension notice has been turned down by MPRDC.

In a recent meeting held on 10th July 2019 between MoRTH, MPRDC and the SPV, chaired by the Hon'ble Minister of Road Transport and Highways, it was noted that the Lenders had initiated a substitution process where they received a single bid for the Project from a contractor, which was not acceptable to the Lenders and therefore the substitution of the SPV was not happening and the SPV also submitted the current status of the Project. Based on the discussion at the meeting, the Hon'ble Minister directed MPRDC to reconsider the matter of termination and approve the Change of Scope (CoS) early, payment for pending bills be released to the SPV and the SPV may be allowed to complete the Project to avoid further delay in construction & disputes. In the meeting held on 6th November 2019, the Hon'ble Minister of Road Transport and Highways has convened the meeting with MPRDC, the Consortium of Lenders and the SPV to discuss the Comprehensive Resolution Plan submitted by the SPV for revival of the project.

There has been cost overrun in the project and the Company has not carried out fresh traffic study to assess viability and possible impairment of the project. The management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. There exists material uncertainty relating to the future of the project.

The Auditors have modified their conclusion in their limited review report as follows:
"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 Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. The Company has not carried out fresh traffic study to assess viability and possible impairment of the project. The grantor has issued notice of suspension of the concession agreement as aforesaid. Further the credit facility of the SPV has been marked as NPA and recalled by the lender since the reporting date. Total exposure of the Company in the SPV/Project is Rs. 77,051.23 lacs. In view of the aforesaid status of the project there exists material uncertainty related to the future of the project resulting in possible impairment towards the exposure in the project. Such impairment has not been determined in view of the facts detailed in note 3 (c) of the statement and therefore we are unable to comment on possible impairment."

- 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). 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 had submitted a One-Time Settlement (OTS) proposal





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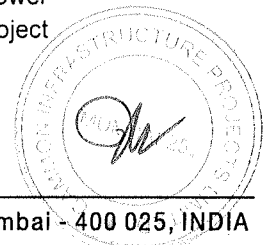
on 29th November 2018 to the consortium of Lenders and the same is under consideration of the Lenders, except 2 (two) of the consortium lenders who have granted their approval for the proposal. These 2 (two) consortium lenders have assigned their share of debt to an Asset Reconstruction Company (ARC). The exposure of the Company to the SPV is Rs 1,29,909.65 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.

Based on the recent meetings between NHAI, the Lenders and the SPV, the Lenders have started releasing the funds for balance project work and the SPV has commenced the balance project and maintenance work at site.

One of the Consortium Lenders has filed an application on 30th July 2019 with the National Company Law Tribunal (NCLT), New Delhi seeking insolvency proceedings against the SPV for unpaid debt. The matter was listed on 22nd August 2019 before the Principal Bench, Delhi. The matter was attended by the SPV's legal counsel. The matter was last listed on 10th October 2019 and an order dated 11th October 2019 was passed before the NCLT, New Delhi Special bench reserving the matter for order.

The management is of the view that the above 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 outcome of the application filed with NCLT 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.
Matter was last listed on 10.07.2019 wherein it was argued and after considering the points of arguments, the Hon'ble High Court passed the orders that the writs petition stands dismissed with reserving the liberty to seek appropriate resolution before the Arbitral Tribunal. The SPV is in the process of re-constituting the Arbitral Tribunal.
The exposure of the Company in the SPV is Rs 2,391.58 lacs (funded and non-funded).
- f. Hydro power project at Himachal Pradesh - the Project is stalled due to local agitation relating to environment issues. The SPV has received letter from GoHP, to discuss the matter mutually towards amicable resolution. After the SPV 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 and has also reminded GoHP to nominate its arbitrator failing which the SPV proposes to move the High Court under section 11 of the Arbitration and Conciliation Act. 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. 7,127.07 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





GAMMON INFRASTRUCTURE PROJECTS LIMITED

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. 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. 9,410.33 lacs.

4. The Company has not been able to fulfill 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 requested for 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. 5,504.65 lacs are 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 30th September 2019 is Rs 522.18 lacs.

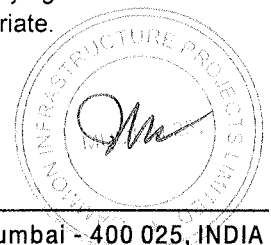
The Auditors have modified their conclusion on this matter as follows:

"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 as to account for the reversal of benefits of Rs. 5,504.65 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 522.18 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. The liquidity crunch is affecting the Company's operation with increasing severity. 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. The resolutions planned by the management are pending since a long time and are not concluding in favor of the Company.

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.





GAMMON INFRASTRUCTURE PROJECTS LIMITED

Accordingly, the financial statements do not include any adjustments that may result from these uncertainties.

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.

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. 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.
7. The application of IND AS 116 "Leases" effective from April 1, 2019, has no impact on the profit and loss for the quarter ended September 30, 2019 as the Company does not have any right of use assets.
8. 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.
9. Figures for previous period have been regrouped / reclassified wherever necessary to conform to the current period's presentation.

For Gammon Infrastructure Projects Limited

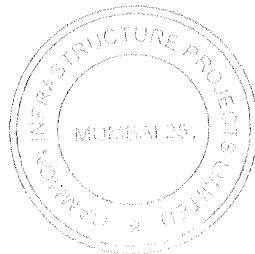
Kishor Kumar Mohanty

Managing Director

DIN: 00080498

Place: Mumbai.

Date: November 27, 2019



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

Independent Auditor's Limited Review Report on Unaudited Standalone Financials Results for the quarter and half year ended on September 30, 2019 of Gammon Infrastructure Projects Limited 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 reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Gammon Infrastructure Projects Limited ("the Company") for the quarter and half year ended September 30, 2019, attached herewith, being submitted 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. Attention is drawn to note no. 1 relating to the fact that the cash flow figures for the corresponding six months period ended 30th September 2018 have been prepared by the management but have not been subjected to our limited review.
2. This Statement is the responsibility of the Company's Management. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" 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.
3. 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.

4. Basis of Qualified Conclusion

- (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. Subsequently the SPV has gone into arbitration against APRDC with a claim of Rs 1,12,337 lacs as termination payments from APRDC and the matter is pending before arbitration panel. One of the Lenders has filed for Corporate Insolvency



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resolution proceeding against the SPV before the Hon'ble National Company Law Tribunal (NCLT). Total Exposure of the Company is Rs 1,08,684.42 lacs. In the absence of any resolution of arbitration proceedings, 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 13,440.89 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 SPV and MbPT have initiated arbitration proceedings which are in progress. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders not being concluded, we are unable to comment whether any provision is required towards possible impairment towards the said exposure.
- (c) 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 Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. The Company has not carried out fresh traffic study to assess viability and possible impairment of the project. The grantor has issued notice of suspension of the concession agreement as aforesaid. Further the credit facility of the SPV has been marked as NPA and recalled by the lender since the reporting date. Total exposure of the Company in the SPV/Project is Rs. 77,051.23 lacs. In view of the aforesaid status of the project there exists material uncertainty related to the future of the project resulting in possible impairment towards the exposure in the project. Such impairment has not been determined in view of the facts detailed in note 3 (c) of the statement and therefore we are unable to comment on possible impairment.
- (d) 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. 5,504.65 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 522.18 lacs.

5. 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



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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 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

6. Material Uncertainty relating to Going Concern.

We invite attention to Note 5 of the Statement for the Quarter and Half Year ended September 30, 2019, relating to material uncertainty relating to going concern. The Company's current liabilities exceeded current assets significantly. There is a continuing mismatch including defaults in payment of its financial obligations to its subsidiary Company. The liquidity crunch is affecting the Company's operation with increasing severity. We also invite attention to note 3 of the Statement 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 future of these projects as also the successful progress and completion depends on favourable decisions on outstanding litigations being received by the Management. The resolutions planned by the management are pending since a long time and are not concluding in favor of the Company. These conditions 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 Conclusion, we draw attention to the following matters;

- a) We invite attention to Note 3(d) of the Statement, 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 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 Company in the SPV is Rs. 1,29,909.65 lacs including non-fund exposure. Pending conclusions, no adjustments have been made in the financial statements.



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- b) We invite attention to Note 3(e) 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.2,391.58 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.
- c) We invite attention to Note 3(f) 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 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. 7,127.07 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.
- d) 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 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. 9,410.33 lacs.
- e) 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



K N Padmanabhan
Partner

M. No. 36410

Mumbai, Dated: - November 27, 2019

UDIN : 19036410AAAAEG3924





GAMMON INFRASTRUCTURE PROJECTS LIMITED

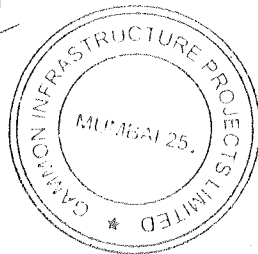
Statement of Unaudited Consolidated Financial Results for the quarter and half year ended 30th September, 2019

(Rs. In Lakhs unless otherwise stated)

Sr No.	Particulars	Quarter ended			Half Year		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	9,504.91	9,741.21	11,317.47	19,246.12	23,710.22	49,671.81
	Other Income	364.81	623.45	365.09	988.26	806.53	3,003.38
	Total Income	9,869.72	10,364.66	11,682.56	20,234.38	24,516.75	52,675.19
2	Expenses						
	Project expenses	2,897.27	2,486.80	4,543.76	5,384.07	8,467.92	17,025.69
	Purchase of electricity	90.84	241.28	-	332.13	-	-
	Changes in inventory	(94.30)	219.28	0.00	124.98	273.34	2,421.24
	Employee benefit expenses	514.09	549.88	582.86	1,063.97	1,164.99	2,321.93
	Depreciation & amortization	3,182.70	3,053.24	2,728.60	6,235.94	5,443.19	10,874.67
	Finance Costs	9,892.44	9,514.20	8,843.73	19,406.64	17,551.11	36,128.43
	Other expenses	520.93	695.48	985.92	1,216.41	1,715.09	7,991.20
	Total Expenses	17,003.98	16,760.16	17,684.87	33,764.14	34,615.65	76,763.16
3	Profit / (Loss) before share of profit / (loss) of an associate / a joint venture and exceptional Items	(7,134.26)	(6,395.50)	(6,002.31)	(13,529.76)	(10,098.90)	(24,087.98)
4	Share of profit / (loss) of an associate and joint venture	-	-	-	-	-	19.55
5	Profit / (Loss) before exceptional Item and tax	(7,134.26)	(6,395.50)	(6,002.31)	(13,529.76)	(10,098.90)	(24,068.43)
6	Exceptional items Income / (Expense)	-	-	-	-	-	(2,402.31)
7	Profit / (loss) before tax	(7,134.26)	(6,395.50)	(6,002.31)	(13,529.76)	(10,098.90)	(26,470.74)
8	Tax Expense	425.11	364.12	(1,380.10)	789.23	(2,764.86)	(5,477.01)
	Current Tax	49.00	94.00	77.69	143.00	221.19	784.00
	Taxation for earlier years	(0.02)	0.02	-	-	-	(24.66)
	Deferred Tax Liability / (asset)	376.13	270.10	(1,457.79)	646.23	(2,986.05)	(6,236.35)
9	Profit/(Loss) for the period from continuing operations	(7,559.37)	(6,759.62)	(4,622.21)	(14,318.99)	(7,334.03)	(20,993.73)
10	Other Comprehensive Income						
	Remeasurement of defined benefit plans	0.75	2.78	0.32	3.53	3.95	6.96
	Tax effect thereon	-	-	(0.81)	-	(0.81)	-
	Other Comprehensive Income for the period, net of tax	0.75	2.78	(0.49)	3.53	3.14	6.96
11	Total Comprehensive Income for the period	(7,558.62)	(6,756.84)	(4,622.70)	(14,315.46)	(7,330.89)	(20,986.77)
	Profit/(Loss) attributable to:						
	Owners of the Company	(6,220.78)	(5,449.34)	(3,437.92)	(11,670.12)	(5,186.45)	(15,549.95)
	Non-Controlling Interest	(1,338.59)	(1,310.28)	(1,184.30)	(2,648.87)	(2,147.59)	(5,443.77)
	Other Comprehensive Income attributable to:						
	Owners of the Company	0.54	2.49	(0.49)	3.03	3.14	7.51
	Non-Controlling Interest	0.21	0.29	-	0.50	-	(0.55)
	Earnings per equity share [nominal value of share Rs. 2/-]						
	Basic (Rs.)	(0.66)	(0.58)	(0.36)	(1.23)	(0.55)	(1.65)
	Diluted (Rs.)	(0.66)	(0.58)	(0.36)	(1.23)	(0.55)	(1.65)

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

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai
Date: November 27, 2019



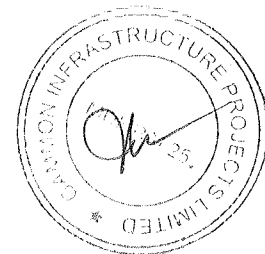


GAMMON INFRASTRUCTURE PROJECTS LIMITED

Consolidated Statement of Assets and Liabilities

(Rs.in Lakhs)

Particulars	As at	
	30-Sep-19 (Unaudited)	31-Mar-19 (Audited)
Assets		
Non Current Assets		
a) Property, Plant and Equipment	36,286.89	22,312.04
b) Capital work-in-progress	8,936.86	8,936.86
c) Goodwill on Consolidation	2,131.47	2,131.48
d) Other Intangible assets	1,78,481.84	1,83,150.42
e) Intangible assets under development	96,944.00	93,600.82
f) Financial Assets	-	-
(i) Investment in Joint Venture/Associate	155.94	155.94
(ii) Trade Receivables	-	-
(iii) Loans and advances	397.85	392.16
(iv) Other financial asset	1,03,649.70	98,646.70
g) Deferred Tax Assets (Net)	3,804.56	4,398.60
h) Other Non-current assets	9,200.26	11,324.43
Total Non-Current Assets	4,39,989.37	4,25,049.45
Current Assets		
a) Inventories	628.92	729.67
b) Financial Assets	-	-
(i) Investments	4,547.84	4,370.13
(ii) Trade receivables	23,634.69	26,092.29
(iii) Cash and cash equivalents	1,514.76	1,116.83
(iv) Bank balances	3,658.21	3,817.05
(v) Loans and Advances	473.16	473.09
(vi) Other Financial Assets	20,937.12	21,079.62
c) Other current assets	2,403.79	2,278.71
d) Asset Held For Sale	18.00	18.00
Total Current Assets	57,816.49	59,975.39
Total Assets	4,97,805.86	4,85,024.84
Equity and Liabilities		
Equity		
a) Equity Share Capital	18,917.64	18,917.64
b) Other Equity	4,834.52	16,519.40
Equity attributable to equity share holders of parent	23,752.16	35,437.04
c) Non-Controlling Interest	(6,664.83)	(4,015.47)
Total Equity	17,087.33	31,421.57
Liabilities		
Non Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	1,34,136.47	1,45,796.00
(ii) Other Financial Liabilities	17,235.24	5,232.77
b) Provisions	5,048.37	4,260.40
c) Deferred Tax Liabilities (Net)	761.03	708.82
d) Other Non-Current Liabilities	44,675.57	45,066.95
Total Non Current Liabilities	2,01,856.69	2,01,064.94
Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	7,799.62	7,398.98
(ii) Trade Payables		
Total outstanding dues of Micro & Small Enterprise		
Total outstanding dues of creditors other than Micro & Small Enterprise	17,376.25	18,947.74
(iii) Other Financial Liabilities	2,47,276.87	2,19,806.41
b) Provisions	389.48	520.59
c) Liabilities for Current Tax (Net)	2,266.42	2,217.63
d) Other Current Liabilities	3,753.20	3,646.98
Total Current Liabilities	2,78,861.84	2,52,538.33
Total Equity and Liabilities	4,97,805.86	4,85,024.84





GAMMON INFRASTRUCTURE PROJECTS LIMITED

Notes:

1. The above unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2019, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on 27th November, 2019. The statutory auditors have carried out limited Review of the Consolidated Financial Results and have issued their modified report thereon.

The Statutory auditors have carried out "Limited Review" of the results only for the quarter and half year ended September 30, 2019. The Financials and Other financial information for the quarter and half year ended September 30, 2018 have not been subjected to limited review. However, management has exercised due diligence to ensure that such financial results provide true and fair views of its affairs.

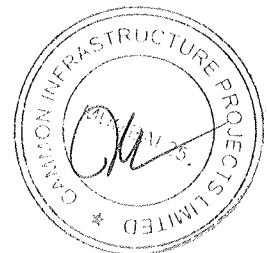
2. The Consolidated Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and the Companies (Indian Accounting Standards) Amendment Rule, 2016.
3. **Project related notes:** In respect of the following projects/Special Purpose Vehicles (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 inadequate 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) and since the Client did not cure the breaches under the CA, the SPV has issued a letter dated 3rd July 2018 and 04th August 2018 communicating its intent to terminate the CA.

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 payment of Rs 1,12,337 lacs. The SPV and APRDC have initiated an arbitration process to amicably settle the breaches under the CA. The SPV and APRDC have nominated their arbitrators. The preliminary hearing was held and the SPV has filed the Statement of Claim (SOC) and APRDC has filed the Statement of Dispute (SOD). The matter was last listed on 12.11.2019 and the next meeting of tribunal is scheduled on 10 & 11th Feb, 2020.

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





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("NCLT").The Bench has noticed that the petition was filed in July 2018 and has reserved the matter for orders on admission.

An agreement for pledge of shares dated 28th April 2011 was executed by the Company in favour of the Security Trustee (the Pledge Agreement) to inter-alia secure the 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 2016 in terms of the guidelines laid down by the Reserve Bank of India (RBI).

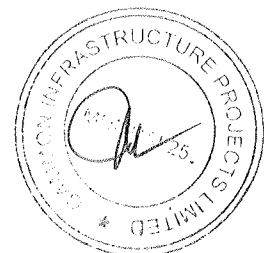
In view of the continuing payment defaults by the SPV and no viable remedy being offered by the SPV/GIPL in terms of the recall notice served earlier , the SPV has committed an "Event of Default" within the meaning of the CLA and the Security Trustee has served a notice exercising its rights as available under the Pledge Agreement vide their letter dated 20th October, 2018 (the Notice) to transfer the Pledged Shares 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 Lead Bank, in response to company's letter requesting for valuation of shares 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 had invoked the Corporate Guarantee issued by the Company on behalf of the SPV due to the inability of the SPV to pay an amount of Rs 78,052 lacs as per the Corporate Guarantee Agreement entered by the Company and the consortium of bankers within 30 days of receipt of notice. The Company due to its failure to pay the amount has given necessary effects in its books of accounts.

The SPV has submitted a One-Time Settlement (OTS) proposal to the Consortium of Lenders on 22nd November 2018 and the decision on acceptance, which is dependent upon fulfilment of certain conditions, are yet to be concluded.

In the event of termination of CA, 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





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have also highlighted the material uncertainty with regard to going concern issue in their limited review report for the quarter ended 30th September 2019.

The Management is 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. Total Exposure of the Group is Rs 97,292.23 lacs.

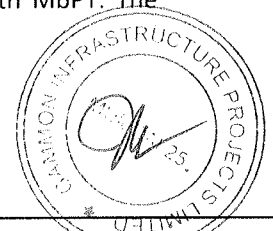
The Auditors have modified their conclusion in their Limited Review Report as follows:

“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. Subsequently the SPV has gone into arbitration against APRDC with a claim of Rs 1,12,337 lacs as termination payments from APRDC and the matter is pending before arbitration panel. 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 97,292.23 lacs. In the absence of any resolution of arbitration proceedings, 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 Group.”

- 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. The Roll on Roll off (RORO) operations was allowed by MbPT as an interim measure for alternate use of the two berths for a mix of cargo of container, steel and RORO and is still 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 SPV had made a detailed representation on the proposal of settlement (the proposal) to MbPT and Ministry of Shipping (MoS), as per the directives of the Court. 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 time granted in 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





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Company has also received notice from the security trustee to invoke pledged shares of the SPV to the extent of 51% against which the Company has responded and is in active discussions with banks and in view of which the Security Trustee has not acted upon the invocation of pledge of shares and the Company/SPV has not received any further communication on the matter.

The SPV has lodged a claim of Rs 90,404 lacs 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 1,85,075 lacs on the SPV for the Licensee's Event of Default under the LA. The SPV has duly replied to the counter claim vide their letter dated 16th April 2019. A petition was filed under section 9 and also an application under section 11 of the Arbitration and Conciliation Act, 1996 was filed where in Order dated 1st August 2019 is passed and interim protection by way of prayer is allowed for carrying ad-hoc RORO operations.

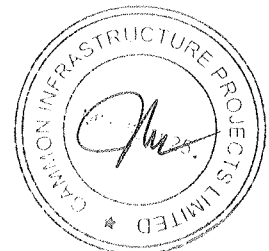
The SPV and the Client has nominated their arbitrators and the respective nominee arbitrators have jointly given their concurrence for appointment of the Presiding Arbitrator/Umpire arbitrator. The preliminary meeting of the Arbitral tribunal was convened on 21st August 2019, where the parties have submitted their Statement of Claims (SOC) prior to the next hearing. (The SPV has duly filed its SOC on 8th November 2019.)

The SPV has submitted a One-Time Settlement (OTS) proposal to the consortium of Lenders', and the decision on acceptance, which is dependent upon fulfilment of certain conditions, are yet to be concluded.

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 67,656.90 lacs (funded and non-funded).

The Auditors have modified their conclusion in their limited review report 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 67,656.90 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 SPV and MbPT have initiated arbitration proceedings which are in progress. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders not being





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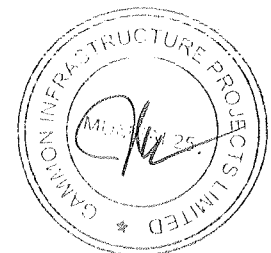
concluded, we are unable to comment whether any provision is required towards possible impairment towards the said exposure.”

- c. One of the SPV of the Company had signed a Concession Agreement (CA) for 30 years for upgradation of existing highway to four lane with Madhya Pradesh Road Development Corporation Limited (MPRDC) The Project was scheduled to commence commercial operations from 19th September 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

In view of the discussions with MPRDC regarding extension of COD, the SPV had submitted a restructuring proposal to the Lenders. The Company had received the revised sanctions for senior debt from the Lenders and the documentation for the same has been executed. However, 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 September 30, 2019. One of the Members of the Consortium lenders has issued a notice dated October 22, 2019 under SARFESI Act, 2002 and has requested the SPV to discharge entire liability within 60 days from the date of the notice. The Lead Bank has also issued notices dated October 15, 2019 for invocation for Corporate Guarantee issued by the Company due to financial default by the SPV. The SPV and the Company has filed its response dated November 11, 2019 to the said notices issued by the Lead Bank. The exposure of the Group in the SPV is Rs 1,00,591.02 lacs (funded and non-funded).

The construction activities in the last few quarters have been severely impacted due to delay in loan disbursements by the Lenders and Grant from the Government, delay in processing and payment of Change of scope work. Consequently, the SPV has received a cure period notice in March 2019 from MPRDC to clear the defaults within a period of 30 days The SPV has suitably responded to the cure period notice on 18th May 2019. The SPV has also received a notice of suspension of CA from MPRDC under the provisions of the CA, based on the request of the Lenders to which the SPV has suitably responded to MPRDC with a request to withdraw the said suspension notice. The SPV's request to withdraw the suspension notice has been turned down by MPRDC.

In a recent meeting held on 10th July 2019 between MoRTH, MPRDC and the SPV, chaired by the Hon'ble Minister of Road Transport and Highways , it was noted that the Lenders had initiated a substitution process where they received a single bid for the Project from a contractor, which was not acceptable to the Lenders and therefore the substitution of the SPV was not happening and the SPV also submitted the current status of the Project. Based on the discussion at the meeting, the Hon'ble Minister directed MPRDC to reconsider the matter of termination and approve the Change of Scope (CoS) early, payment for pending bills be released to the SPV and the SPV may be allowed to complete the Project to avoid further delay in construction & disputes. In the meeting held on 6th November 2019, the Hon'ble Minister of Road Transport and Highways has convened the meeting





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with MPRDC, the Consortium of Lenders and the SPV to discuss the Comprehensive Resolution Plan submitted by the SPV for revival of the project.

There has been cost overrun in the project and the Company has not carried out fresh traffic study to assess viability and possible impairment of the project. The management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. There exists material uncertainty relating to the future of the project.

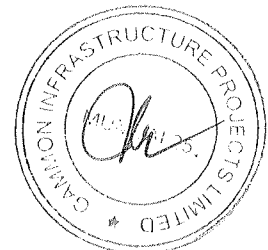
The Auditors have modified their conclusion in their limited review report as follows:

“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 Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. The Company has not carried out fresh traffic study to assess viability and possible impairment of the project. The grantor has issued notice of suspension of the concession agreement as aforesaid. Further the credit facility of the SPV has been marked as NPA and recalled by the lenders since the reporting date. Total exposure of the Group in the SPV/Project is Rs. 1,00,591.02 lacs. In view of the aforesaid status of the project there exists material uncertainty related to the future of the project resulting in possible impairment towards the exposure in the project. Such impairment has not been determined in view of the facts detailed in note 3 (c) of the statement and therefore we are unable to comment on possible impairment.”

- 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). 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 had 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 Group to the SPV is Rs 1,29,671.15 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.

Based on the recent meetings between NHAI, the Lenders and the SPV, the Lenders have started releasing the funds for balance project work and the SPV has commenced the balance project and maintenance work at site.

One of the Consortium Lenders has filed an application on 30th July 2019 with the National Company Law Tribunal (NCLT), New Delhi seeking insolvency proceedings against the SPV for unpaid debt. The matter was listed on 22nd August 2019 before the Principal Bench, Delhi. The matter was attended





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by the SPV's legal counsel. The matter was last listed on 10th October 2019 and an order dated 11th October 2019 was passed before the NCLT, New Delhi Special bench reserving the matter for order.

The management is of the view that the above 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 outcome of the application filed with NCLT and the project continuing as a going concern till the end of the concession period.

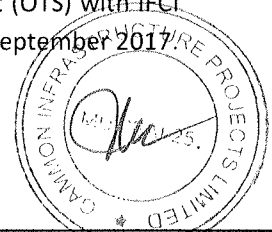
- e. Bridge project at Cochin - the Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. Cochin Bridge Infrastructure Company Limited (SPV) has initiated arbitration / settlement process. The SPV has also in parallel filed a writ in the matter 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.

Matter was last listed on 10.07.2019 wherein it was argued and after considering the points of arguments, the Hon'ble High Court passed the orders that the writs petition stands dismissed with reserving the liberty to seek appropriate resolution before the Arbitral Tribunal. The SPV is the process of re-constituting the Arbitral Tribunal.

- f. Hydro power project at Himachal Pradesh - the Project is stalled due to local agitation relating to environment issues. The SPV has received letter from GoHP, to discuss the matter mutually towards amicable resolution. After the SPV 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 and has also reminded GoHP to nominate its arbitrator failing which the SPV proposes to move the High Court under section 11 of the Arbitration and Conciliation Act. The Management is hopeful of an early settlement in the matter and is confident of recovering the amount of exposure. The exposure of the Group in the SPV is Rs. 6,784.37 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. 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 Group in the SPV is Rs. 10,821.70 lacs.

4. The Company has not been able to fulfill 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





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The Company has requested for 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. 5,504.65 lacs are 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 30th September 2019 is Rs 522.18 lacs.

The Auditors have modified their conclusion on this matter as follows:

“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. 5,504.65 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 522.18 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. The liquidity crunch is affecting the Group's operation with increasing severity. Further various projects of the Group 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. The resolutions planned by the management are pending since a long time and are not concluding in favor of the Company.

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

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.

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. 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





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the matter. Pending the outcome, the Company has shown bank guarantee encashment amount as receivable from WCL.

7. One of the SPV had been involved in a dispute with an operational creditor. Pursuant to order of Hon'ble Bombay high Court dated 04-04-2017, the Arbitral Tribunal was constituted. After submission of claims and counter claims, the Arbitral Tribunal vide its order dated June 15, 2019 upheld the claim of the Ask Energy Solutions Limited amounting to Rs 914 lacs. The company has challenged the award by filing an application under section 34 of Arbitration and Conciliation Act in Bombay High Court, pending which no effects of the above order have been given in the books of accounts
8. The Group has adopted Ind AS 116, effective from April 1, 2019 and applied the standard to its leases, prospectively, with the cumulative effect of applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information. Instead, the cumulative effect of applying this standard has been recognised as on April 1, 2019. Application of the standard has resulted in recognising a right-of-use asset and a corresponding lease liability of Rs 15,517.75 lacs. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the half year ended September 30, 2019, Rs. 537.66 Lakhs has been accounted as Finance Cost and Rs. 841.78 Lakhs as Depreciation against the lease rentals of Rs.1045.75 Lakhs that would have been accounted had the company continued to apply the previous lease accounting standard and during the quarter ended September 30,2019, Rs 328.50 Lakhs has been accounted as Finance Cost and Rs 478.60 Lakhs as Depreciation against the lease rentals of Rs 548.43 Lakhs that would have been accounted had the company continued to apply the previous lease accounting standard.
9. The Group'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 period have been regrouped / reclassified wherever necessary to conform to the current period's presentation.

For Gammon Infrastructure Projects Limited

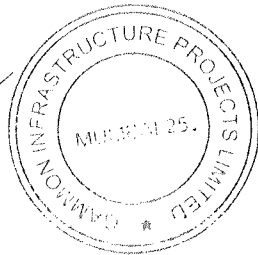
Kishor Kumar Mohanty

Managing Director

DIN: 00080498

Place: Mumbai.

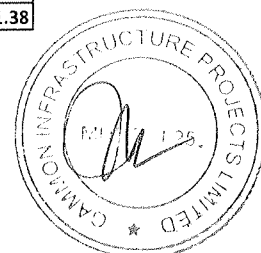
Date: November 27, 2019





GAMMON INFRASTRUCTURE PROJECTS LIMITED

Consolidated Cash Flow Statement for the half year ended September 30, 2019		
(Rs. in lacs)		
Particulars	Half Year ended September 30, 2019	Half Year ended September 30, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (Loss) before tax as per statement of profit and loss	(13,529.75)	(10,098.90)
Adjusted for:		
Remeasurement gain/(loss) on defined benefit plans	3.53	3.95
Depreciation	6,235.93	5,443.19
Finance Income	(4,659.70)	(2,716.74)
Interest Income	(132.42)	(134.98)
Fair value/profit on investment	(177.71)	(118.94)
Provision for periodic/operation and maintenance exp	645.96	154.25
Profit on Sale of Assets	-	-
Gain on Mutual Fund investment	-	(27.47)
Write back of provision for advances	(264.67)	(120.89)
Finance Cost	19,406.64	17,551.11
Amorisation of Grant	(391.38)	(395.74)
Operating Profit before Working Capital Changes	7,136.43	9,538.84
Adjusted for:		
Trade and Other Receivables	4,254.53	4,573.17
Inventories	100.75	(59.26)
Trade and Other Payables	443.45	(1,142.46)
Cash Generated from operations	11,935.16	12,910.29
Tax Paid (Net)	(158.90)	(415.12)
Net Cash flow from Operating Activities	11,776.26	12,495.17
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible and Intangible Assets	(59.09)	(1,201.07)
Proceeds from sale of property, plant and equipment	-	940.80
Proceeds from sale of Current Investments	-	63.71
Movement in Other Bank Balances	239.51	(3,054.36)
Interest Received	112.14	147.94
Net Cash Flow (Used in) Investing Activities	292.56	(3,102.98)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	-	4,163.37
Repayment of Long Term Borrowings	(2,975.99)	(3,662.73)
Short Term Borrowings net	400.65	(127.88)
Lease Liability Payment	(1,023.31)	-
Interest Paid	(8,072.24)	(12,922.44)
Net Cash Flow from/(Used in) financing activities	(11,670.89)	(12,549.68)
Net Increase / (decrease) in Cash and Cash equivalents	397.93	(3,157.49)
Opening balance of Cash and Cash equivalents	1,116.83	5,008.87
Closing balance of Cash and Cash equivalents	1,514.76	1,851.38
Components of Cash and Cash Equivalents		
Cash on hand	14.65	38.91
Cash with bank	1,500.11	1,812.47
	1,514.76	1,851.38



NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

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Independent Auditor's Limited Review Report on Unaudited Consolidated Financials Results for the quarter and half year ended on September 30, 2019 of Gammon Infrastructure Projects Limited 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 reviewed the accompanying statement of unaudited Consolidated Financial Results ("Statement") 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 quarter and half year ended September 30, 2019, attached herewith, being submitted 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. Attention is drawn to the fact that the consolidated figures for the quarter and half year ended September 2018, as reported in these financial results have been prepared by the management but have not been subjected to our Limited review.
2. This Statement is the responsibility of the Company's Management. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" 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.
3. 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.
4. **Basis of Qualified Conclusion**
 - (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



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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. Subsequently the SPV has gone into arbitration against APRDC with a claim of Rs 1,12,337 lacs as termination payments from APRDC and the matter is pending before arbitration panel. 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 97,292.23 lacs. In the absence of any resolution of arbitration proceedings, 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 Group.

- (b) Attention is invited to Note 3 (b) of the Statement, relating to the project in the SPV Indra 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 67,656.90 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 SPV and MbPT have initiated arbitration proceedings which are in progress. Pending conclusion of matters of material uncertainty related to the project and decision of the OTS by the lenders not being concluded, we are unable to comment whether any provision is required towards possible impairment towards the said exposure.
- (c) 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 Management believes that the traffic initially assessed would be the same and would cover the exposure consequent to the cost overrun. The Company has not carried out fresh traffic study to assess viability and possible impairment of the project. The grantor has issued notice of suspension of the concession agreement as aforesaid. Further the credit facility of the SPV has been marked as NPA and recalled by the lenders since the reporting date. Total exposure of the Group in the SPV/Project is Rs. 1,00,591.02 lacs. In view of the aforesaid status of the project there exists material uncertainty related to the future of the project resulting in possible impairment towards the exposure in the project. Such impairment has not been determined in view of the facts detailed in note 3 (c) of the statement and therefore we are unable to comment on possible impairment.
- (d) 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



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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. 5,504.65 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 522.18 lacs.

5. The consolidated financial results of the Group includes the results for the quarter and half year ended September 30, 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.

6. 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 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.

7. Material Uncertainty relating to Going Concern.

We invite attention to Note 5 of the Statement for the Quarter and Half Year ended September 30, 2019, relating to material uncertainty relating to going concern. The Group's current liabilities exceeded current assets significantly. There is a continuing mismatch including defaults in payment of its financial obligations. The liquidity crunch is affecting the Group's operation with increasing severity. We also invite attention to note 3 of the Statement 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 future of these projects as also the successful progress and completion depends on favourable decisions on outstanding litigations being received by the Management. The resolutions planned by the management are pending since a long time and are not concluding in favor of the Company. These conditions 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.



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8. Emphasis of Matter

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

- a) We invite attention to Note 3(d) of the Statement, 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 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. 1,29,671.15 lacs including non-fund exposure. Pending conclusions, no adjustments have been made in the financial statements.
- b) We invite attention to Note 3(e) 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. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.
- c) We invite attention to Note 3(f) 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 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 Group's exposure towards the said project includes investment and loans and advances of Rs. 6,784.37 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements.
- d) We invite attention to Note 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 impairment.



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Considering the assertion of the management no adjustments have been made towards any possible impairment. The exposure of the Group in the SPV is Rs. 10,821.70 lacs.

- e) 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.

9. Other Matter

The statement includes the standalone financial results of 3 subsidiaries, which have been reviewed by their Auditor's whose standalone financial results reflect total assets of Rs.1,59,720.40, total revenues of Rs.12,266.94 lacs, total net loss after tax of Rs.5,094.52 lacs and other comprehensive income of Rs. 0.85 lacs for the half year ended September 30, 2019. The other Auditors' reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is solely based on the reports of the other auditor and the procedures performed by us as stated in para 3 above. The statement also includes the standalone financial results of 18 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets of Rs. 12640.98 Lacs, total revenues of Rs. 5.72 lacs, total net profit after tax of Rs. 2.43 lacs and other comprehensive income of Rs. Nil lacs for the half year ended September 30, 2019, as considered in the statement. According to the information and explanations given to us by the management, these standalone financial results are not material to the Group. Our conclusion on the statement is not modified in respect of the above matter.

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



K N Padmanabhan
Partner

M. No. 36410

Mumbai, Dated: - November 27, 2019

UDIN : 19036410AAAAEH3191



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Annexure A

Name of Company	Relationship
Gammon Infrastructure Projects Limited	Holding Company
Bimitrapur 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
Marine Project Services Limited	Subsidiary
Patna Highway Projects Limited	Subsidiary
Rajahmundry Godavari Bridge Limited	Subsidiary
Sidhi Singrauli 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

