Date: 7th November, 2019

The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (East),
Mumbai - 400 051
NSE Code: GAMMONIND

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE Code: 509550

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 7th November, 2019 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, you are hereby informed that the Board of Directors ("Board") of the Company at its meeting held on 7th November, 2019 which commenced at 3:45 p.m. and concluded at 7.05 p.m. *inter - alia* transacted the following business:

1. The Board approved and took on record the following:

   (i) Audited Standalone Financial Statements of the Company for the quarter and financial year ended 31st March, 2019;

   (ii) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 including the Cash Flow Statement.

The aforesaid Financial Results duly reviewed by the Audit Committee, have been approved and taken on record by the Board of Directors together with the Audit Report of the Statutory Auditors and the same are placed on the website of the Company at http://www.gammonindia.com/investors/financial-results.htm.

2. Further this is to inform that the 97th Annual General Meeting of the Company for the Financial Year 2018-19 is scheduled to be held on 13th December, 2019 at the Textiles Committee, P. Balu Road, Prabhadevi Chowk, Mumbai 400025.

   Pursuant to the provisions of Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby notify that the Register of Members and Share Transfer books of the Company will remain closed from 6th December, 2019 to 13th December, 2019 (both days inclusive) for the purpose of the 97th Annual General Meeting of the Company.

You are requested to take the above information on record.

Thanking you,

For Gammon India Limited

Niki Shingade
Company Secretary

Encl: As above

STATEMENTS OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Crore)

Sr No		Particulars	Year Ended 2018-19 Audited	Year Ended 2017-18 Audited
1		**Income**		
	(a)	Revenue from Operations	984.38	726.63
	(b)	Other Income	78.31	329.66
		Total Income	**1062.69**	**1056.29**
2		**Expenses**		
	(a)	Cost of Sales	770.67	225.29
	(b)	Purchases of stock-in-trade	0.09	2.00
	(c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	-	16.45
	(d)	Subcontracting Expenses	127.56	188.62
	(e)	Employee benefits expense	28.54	38.59
	(f)	Finance Costs	683.71	782.80
	(g)	Depreciation & amortization	13.46	46.39
	(h)	Other expenses	203.50	113.66
		Total Expenses	**1827.53**	**1413.79**
3		**Profit/(Loss) before exceptional items and tax (1-2)**	**(764.85)**	**(357.51)**
4		Exceptional items (Income) / Expense	443.32	1,225.98
5		**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax (3-4)**	**(1208.17)**	**(1583.49)**
6		Share of profit / (loss) of associates and joint ventures	**(79.33)**	**(21.76)**
7		**Profit/(loss) before tax (5-6)**	**(1287.50)**	**(1605.24)**
8		**Profit/(Loss) from continuing operations**	**(1287.50)**	**(1605.24)**
9		**Tax expenses**		
		Current Tax	8.01	6.79
		Excess / Short Provision of Earlier years	0.03	2.58
		Deferred Tax Liability / (asset)	0.90	(15.67)
		Total tax expenses	**8.94**	**(6.32)**
10		**Profit/(Loss) for the period from continuing operations (8-9)**	**(1296.44)**	**(1598.93)**
11		**Profit/(Loss) from discontinued Operations**	0.00	0.00
12		**Tax expenses**		
		Current Tax	-	0.00
		Excess / Short Provision of Earlier years	-	-
		Deferred Tax Liability / (asset)	-	0.00
		Total tax expenses	**0.00**	**0.00**
13		**Profit/(Loss) from Discontinued Operations after Tax (11-12)**	**0.00**	**0.00**
14		**PROFIT FOR THE YEAR (10) + (13)**	**(1296.44)**	**(1598.93)**
15		**Other Comprehensive Income:**		
		Items that will not be reclassified to profit or loss:		
		- Remeasurements of the defined benefit plans [net of tax]	(0.14)	0.19
		Items that will be reclassified to profit or loss		
		- Exchange differences through OCI	46.56	(127.60)
		- Net gain/ (loss) on fair value of equity instruments through OCI	(32.42)	(90.53)
		Other Comprehensive Income for the year	**14.00**	**(217.95)**
16		**Total Comprehensive Income / (Loss) For The Period**		
		Profit for the year attributable to:		
		- Owners of the Company	(1209.89)	(1551.33)
		- Non- Controlling interest	(86.55)	(47.62)
17		**Other Comprehensive Income attributable to:**		
		- Owners of the Company	13.99	(217.96)
		- Non- Controlling interest	0.01	0.01
18		**Total Comprehensive Income attributable to:**		
		- Owners of the Company	(1195.90)	(1769.29)
		- Non- Controlling interest	(86.54)	(47.61)
19		**Earnings per equity share**		
		Basic	(32.80)	(42.06)
		Diluted	(32.80)	(42.06)

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GAMMON INDIA LIMITED

Registered Office : Floor 3rd, Plot - 3/8, Hamilton House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 038. Maharashtra, India; **Telephone :** +91-22-2270 5562
E-Mail : gammon@gammonindia.com; **Website :** www.gammonindia.com
CIN : L74999MH1922PLC000997

GAMMON INDIA LTD.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	444.01	459.34
(b) Capital work-in-progress	3.33	10.38
(c) Intangible Asset	-	0.18
(d) Goodwill on Consolidation	-	147.42
(e) Financial assets	-	-
(i) Investments	853.86	1,200.01
(ii) Trade receivable	269.85	279.27
(iii) Loans	193.11	90.31
(iv) Others financial assets	28.90	54.19
(f) Deferred tax assets (net)	0.25	0.36
(g) Other non-current assets	1,399.82	1,346.05
TOTAL NON-CURRENT ASSETS	**3,193.13**	**3,587.50**
CURRENT ASSETS		
(a) Inventories	911.72	1,801.47
(b) Financial assets	-	-
(i) Investments	0.96	3.92
(ii) Trade receivables	156.74	199.04
(iii) Cash and cash equivalents	6.64	33.55
(iv) Bank balances	6.58	4.66
(v) Loans	68.72	67.86
(vi) Others	28.88	27.09
(c) Other current assets	191.04	84.36
TOTAL CURRENT ASSETS	**1,371.28**	**2,221.94**
TOTAL ASSETS	**4,564.41**	**5,809.45**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(3,449.28)	(2,240.97)
Equity attributable to owners of the parent	**(3,375.17)**	**(2,166.86)**
(c) Non-controlling interests	(116.78)	(87.12)
TOTAL EQUITY	**(3,491.95)**	**(2,253.98)**
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	48.56	116.28
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to other than Micro and Small Enterprises	20.99	34.53
(b) Provisions	0.46	3.64
(c) Deferred tax liabilities (net)	102.33	110.36
(d) Other non-current liabilities	207.07	224.12
TOTAL NON-CURRENT LIABILITIES	**379.41**	**488.93**
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	622.78	699.86
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	0.84	0.44
- Total outstanding dues to other than Micro and Small Enterprises	233.68	249.56
(iii) Other financial liabilities	6,415.77	6,208.79
(b) Other current liabilities	129.53	245.36
(c) Provisions	264.41	162.05
(d) Current tax liabilities (net)	9.94	8.44
TOTAL CURRENT LIABILITIES	**7,676.95**	**7,574.50**
TOTAL EQUITY AND LIABILITIES	**4,564.41**	**5,809.45**

See accompanying notes to the financial results

Notes:

1. The Consolidated Financial Results for the year ended 31st March 2019 were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 07th November 2019.

2. Results for the year ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016.

3. The Company had evaluated its existing claims in respect of on-going, completed and/or terminated contracts of Rs. 894.41 crore upto March 31, 2019 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realization.

   The auditors have qualified their report on this account as follows

   "We invite attention to note no 3, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is Rs. 894.41 crores. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the year ended March 31, 2019."

4. There are disputes in four projects of the Company. The total exposure against these projects is Rs. 256.25 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 77.05 crores. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

   The auditors have qualified their report on this account as follows

   "We invite attention to Note no 4 relating Trade receivables, inventories and loans and advances which includes an amount of Rs. 256.25 crores in respect of disputes in four projects of the Company. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure."

5. The Group's exposure to a real estate project being carried out in one of the subsidiary company in Bhopal is Rs 885.01 crore. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The Company has already made a provision of Rs 100 crores against its project development inventory based on internal estimates of the realisable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment.

   The auditors have qualified their report on this account as follows

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"We invite attention to note no 5 relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 324.74 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of Rs. 785.04 crores (net of provision)"

6. During the period one of the lenders has levied penal interest and charges as reversal of benefit of CDR of Rs 107.28 crores. The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.

The auditors have qualified their report on this account as follows

"We draw attention to note no 6 relating to penal interest of Rs.107.28 during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest."

7. **(a) Material Uncertainty Relating to Going Concern – Holding Company**

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. As on March 31, 2019 the Company's current liabilities exceed the current assets by Rs. 6305.69 crores. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy code.

ICICI bank has invoked pledge of shares of Gammon Infrastructure Projects Limited (GIPL) which were pledged as security (for the loan taken by Company) by one of the Company's wholly owned subsidiary towards recovery of its dues to the Company.

The CDR lenders also invoked pledge of Company's holdings of 23.15% in Gammon Engineers and Contractors Private Limited and 23.08% holding in Transrail Lighting Limited apart from sale of further shares of GIPL for recovery of its dues apart from invoking the personal guarantee of the promoter Mr. Abhijit Rajan and the Corporate Guarantee given by a "promoter Group Company".

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

The Company's subsidiary has sold 33,40,00,200 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of Rs.94.99 crores.

The Company has repaid term loan of Canara bank aggregating to Rs. 286 crores (including interest) through monetization of the land owned by one of its subsidiary Metropolitan Infrastructure Private Limited.

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

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

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

To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019. The ICA was executed by all the lenders. Hence the prerogative of the circular which states the binding effect of the ICA is fulfilled.

The Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The management feels subject to lenders approval the proposal of the investor would be still valid. The broad terms of the proposal were;

(I) The Investor upon satisfactory completion of the due diligence and conditions precedent (as may be specified in the Definitive Agreements), will invest INR 50 crore as primary investment into Gammon for a minimum of 60% stake and management control.

(II) Gammon India would be revived as a construction company primarily in the EPC business.

(III) The claims from various EPC projects are around Rs. 3,600 crore and will continue to remain in the Company.

(IV) The Total Debt to be assumed at Rs. 500 crore the assumed debt would be restructured with a new maturity and repayment profile having an IRR of 8%. To facilitate this restructuring and retire this restructured debt, the investor proposes that the following package of assets would be collateralized to the lenders.

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Gammon House asset will be developed and sold by entering into a development agreement with leading developers. As per the estimates provided by the developer funds to the tune of Rs 630 Crores are estimated to be available for the lenders.
The aforementioned proposal is subject to further negotiations between the Company, its lenders and the Investor.
The company is also actively exploring various options for monetisation of various assets to repay the debt. The management is however hopeful of being successful in accomplishing its objective and servicing the debt and maintain its going concern status.

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

(b) Material Uncertainty Relating to Going Concern – Subsidiary Companies

i. ACBI
The Company is facing financial difficulties and material uncertanities relataing to Operations and cashflows which is significantly impairing its ability to continue as a going concern. More specifically the company is facing the following issues:
1. The company has incurred substantial cash losses in its operations (in previous periods) and more than than 50% of its networth is eroded.
2. The Current liabilities of the Company is more than the Current Assets by Rs 8489.42 lacs.
3. There are no Orders on hand and the power sector is already laden with troubled projects and facing uncertainties.
4. The RBI has directed the Company to refund the excess share application money received as detailed in note 18(a).
5. The investment in Ansaldo GB-Engineering Pvt Ltd is facing impairment issues on account of defaults to their bankers resulting in posession of properties of ACGB by lenders for auction.
The management is hopeful of tiding over these problems with amicable resolution with lenders and RBI. The Company has made profits in the current year and out of the collection repaid its majority of the debts towards lenders. The Company is also in negotiation with various customers for getting manufacturing and spares contracts and suceeded in getting few. The Company is also taking up the overseas opportunities with its associate companies which can give the new order to substantiate future operations of the Company.
The management also is constantly persuing new opprtunities in the power sector and therefore is of the view that there are material uncertainties relating to going concern but is hopeful of reviving the Company.

ii. GHBV, GIBV, PVAN, ATSLBV, GIFZE
The Company has underlying investment in Sofinter group and also land available in Francotossi Mechanica S.p.A.. As per the valuation reports for each companies the investment value is sufficient to cover the exposure in the respective SPV companies. The Company is also reviewing the resolution plan to cover the shortfall in Current Assets over Current Liabilities.

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iii Patna Water Supply Distribution network Pvt Ltd

There is no activities presently happening at the project, since the project is terminated by Client and Bank Guarantees have been en-cashed by the Client. The matter is presently under arbitration and the outcome of which will determine the position of the company. There are significant uncertainties of continuation of the project which ultimately has an impact on the going concern assumption of the company. The Management is hopeful of getting the favourable outcome in their favour.

8. The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements including the INDAS effects:

   a) M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financial statements reflects total assets of Rs. 288.47 crores and total revenues of Rs. 16.36 crores. the groups share in the net loss being Rs. 56.38 Crores. The JV is accounted on equity method. There, are no audited financial statements after 31st December 2012.

   b) M/s SAE Powerlines S.r.L, Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements for the year 31st December 2017 & 31st December 2018 has been not received.

   c) M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,072.54 crores and total revenues of Rs. 47.82 crores.

   d) M/s Gammon & Billimoria Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 104.79 crores and total revenues of Rs. Nil.

   e) M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of Rs. 154.03 Crores, Revenue of Rs. NIL Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.12 Crores. The JV is accounted on equity method.

   f) M/s G&B Contracting LLC a, associate of the group whose financial statements reflect Total Assets of Rs. 134.67 Crores, Revenue of Rs. 201.62 Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.63 Crores. Associate is accounted on equity method.

The auditors have qualified their opinion.

The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered , as follows

i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company
whose financial statements reflects total assets of Rs. 288.47 crores and total revenues of Rs. 16.36 crores. the groups share in the net loss being Rs. 56.38 Crores. The JV is accounted on equity method. There, are no audited financial statements after 31st December 2012.

ii. M/s SAE Powerlines S.r.L, Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements for the year 31st December 2017 & 31st December 2018 has been not received.

iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,072.54 crores and total revenues of Rs. 47.82 crores.

iv. M/s Gammon & Billimoria Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 104.79 crores and total revenues of Rs. Nil.

v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of Rs. 154.03 Crores, Revenue of Rs. NIL Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.12 Crores. The JV is accounted on equity method.

vi. M/s G&B Contracting LLC a, associate of the group whose financial statements reflect Total Assets of Rs. 134.67 Crores, Revenue of Rs. 201.62 Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.63 Crores. Associate is accounted on equity method.

Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any.

9. The auditors of two subsidiaries of the Company have qualified their auditors' report which is being replicated by the Group auditor as follows:

I. Ansaldo Caldaie Boilers India Limited:
ACBI had received amounts as share application money of Rs 16.64 Crores for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive for reasons detailed in the aforesaid note. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.

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II. Patna Water Supply Private Limited:

The client has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of Rs 65.85 Cr. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court by the Company , pending the outcome, the amount encashed net of the unadjusted advance received from the client has been shown as current and considered good based on the legal advise received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their banker's net of advances have been shown under Current Liabilities. In view thereof we are unable to state whether the same is good and recoverable pending the outcome of the decision.

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

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

11. The Company has receivable including retention and work in progress (unbilled revenue) aggregating to Rs. 44.51 crores in various jobs relating to the real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.

12. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.703.61 crores (net of provisions made upto 422.40 crores March 31, 2018) as at March 31, 2019 including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the

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value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure of Rs. 703.61 Crore notwithstanding its ongoing endeavor to recover the value of the non core assets.

On account of the above facts and the absence of financial statements of the said FTM, FTM functions under severe long term restrictions which impair its ability to transfer funds to its parent. Further the parent does not have any control whatsoever as the entire control lies with the commissioner and the parent does not have access to information also. The Management of the Company and the Board of FTM have no say in the matter and has no access to records which are with the Commissioner. Therefore, in accordance with INDAS 110 – Consolidated Financial Statements, in the absence of control, the said FTM is excluded from Consolidation.
The said Subsidiary has therefore been accounted as Financial Instrument accounted on Fair Value through Other Comprehensive Income. Since no information is available from the commissioner, the fair value changes cannot be identified and the investment is carried without further fair value changes.

13. During the year One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres. Therefore, the company has made a further provision for impairment of goodwill of Rs 151.16 Cr and written down carrying amount of property development (inventory) by Rs. 123.91 Cr on the basis of aforesaid transaction.

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

15. During the year the lenders have invoked the pledge of shares of Transrail Lighting Limited (TLL) and Gammon Engineers and Contractors Private Limited (GECPL). Many of the lenders have not shared the credit advice for the value of the shares invoked. The company has however accounted the same on the basis of the value shared by some of the lenders and have given effect to the respective loan accounts. The said TLL and GECPL have ceased to be associates of the company.

16. The Group is engaged in "Construction and Engineering" and "Real Estate Development" segment. Disclosure of segments is given in Annexure 1.

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17. Some awards amounting to Rs. 22.50 crore received by the Holding Company during the year 2017-18 were not booked in that year. The financial statements of Holding Company of 2017-18 have been restated to correct this error. There is no effect in 2018-19. The figures in the above results for the quarter and year ended March 31, 2018 are as restated.

Particulars	Effects on 2017-18
Increase in Revenue	22.50
Decrease in Loss	22.50
Increase in Basic & Diluted EPS	0.61
Increase in Equity	22.50

18. Exceptional items represent the following

Particulars	Period ended March 31, 2019	Period ended March 31, 2018
Impairment of insurance claim	-	1.85
Impairment provisions of Investments, Goodwill and Loans and Receivables	482.09	1,179.33
Reversal of provision	(38.77)	-
Loss on Foreclosure of projects	-	44.80
TOTAL	**443.32**	**1,225.98**

19. The Company has adopted Ind AS 115 w.e.f. April 01, 2018 by using cumulative catch up method and accordingly comparatives for the year ending March 31,2018 will not be retrospectively adjusted. Except for classification of Contract Assets and Contract Liabilities, the adoption of Ind AS 115 does not have significant effect on the above financial results.

20. Corresponding figures of the previous period have been regrouped / rearranged wherever necessary.

For Gammon India Limited

Anurag Choudhary
Executive Director & CFO
DIN No. 00955456
Mumbai, 7th November, 2019

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Anexure 1

Segment Reporting as per IND AS108 " Operating Segments"

	Particulars	Real Estate Business		Construction and Engineering		Total	
		2018 - 19	2017 - 18	2018 - 19	2017 - 18	2018 - 19	2017 - 18
1	**Segment Revenue**						
	External Turnover	690.53	107.34	293.85	619.29	**984.38**	**726.63**
	Less : Internal Segment Turnover	-	-	-	-	-	-
	Net	690.53	107.34	293.85	619.29	**984.38**	**726.63**
						-	
2	**Segment Result before Interest and Taxes**	**(304.32)**	**(500.75)**	**(377.76)**	**(651.35)**	**(682.09)**	**(1,152.11)**
	Less: Interest Expense	6.79	7.75	676.92	775.06	**683.71**	**782.80**
	Add: Other Income		1.14	72.90	306.98	**72.90**	**308.11**
	Add: Interest Income	0.00	7.28	5.41	14.26	**5.41**	**21.54**
	Profit Before Tax	**(311.11)**	**(500.08)**	**(976.38)**	**(1,105.17)**	**(1,287.49)**	**(1,605.25)**
	Less: Current Tax	-	2.00	8.04	7.36	**8.04**	**9.36**
	Less: Deferred Tax	-	-	0.90	(15.67)	**0.90**	**-15.67**
	Profit after Tax (before adjustment for Non - Controlling Interest)	**(311.11)**	**(502.08)**	**(985.31)**	**(1,096.87)**	**(1,296.43)**	**(1,598.95)**
	Add: Share of (Profit) / Loss transferred to Non - Controlling Interest	**86.67**	**12.18**	**(173.22)**	**(59.80)**	**(86.55)**	**(47.62)**
	Profit after Tax (after adjustment for Non-Controlling Interest)	**(397.79)**	**(514.26)**	**(812.09)**	**(1,037.06)**	**(1,209.88)**	**(1,551.33)**
3	**Other Information**						
	Segment Assets	1,010.28	1,900.75	3,554.11	3,908.70	**4,564.39**	**5,809.45**
	Segment Liabilities	900.62	1,193.42	7,155.76	6,870.01	**8,056.38**	**8,063.43**
	Capital Employed	109.66	707.33	(3,601.65)	(2,961.31)	**(3,491.99)**	**(2,253.98)**
	Capital Expenditure	-	0.14	0.12	2.25	**0.12**	**2.39**
	Depreciation / Amortisation and Depletion Expense	0.02	0.03	13.43	46.36	**13.46**	**46.39**

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ANNEXURE I

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

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2019
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sr. no.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	1,062.69	1,062.69
	2	Total Expenditure	2,359.12	2,359.12
	3	Net Profit/(loss)	(1,296.44)	(1,296.44)
	4	Earnings Per Share	(32.80)	(32.80)
	5	Total Assets	4,564.39	4,564.39
	6	Total Liabilities	8,056.38	8,056.38
	7	Net Worth	(3,491.98)	(3,491.98)
	8	Any Other Financial Item	-	-

II. Audit Qualification (each audit qualification separately):

1

a. **Details of Audit Qualification:**
We invite attention to note no 3, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is Rs. 894.41 crores. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the year ended March 31, 2019.

b. **Type of Audit Qualification: Qualified Opinion**

c. **Frequency of qualification:** 4th Time in Audited Accounts

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**
The management believes that they have strong case for each of the claims lodged against the client. This has been validated by independent techno legal consultant. The Board therefore has decided to account the claims.

(ii) **If management is unable to estimate the impact, reasons for the same:**
Not Applicable

(iii) **Auditors' Comments on (i) or (ii) above:**
In the absence of confirmations from the client we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results for the year ended 31st March 2019.

2

a. **Details of Audit Qualification:**
We invite attention to note no 4 relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 256.25 crores in respect of disputes in four projects of the Company. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.

b. **Type of Audit Qualification: Qualified Opinion**

c. **Frequency of qualification:** 4th Time in Audited Accounts

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
Not Applicable

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	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	(i) **Management's estimation on the impact of audit qualification:** There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 256.25 crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
	(ii) **If management is unable to estimate the impact, reasons for the same:** **Not Applicable**
	(iii) **Auditors' Comments on (i) or (ii) above:** Pending the conclusion of the disputes we are unable to state whether any provisions would be required against the Company's exposure.
3.	a. **Details of Audit Qualification:** We invite attention to note no 5 relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 324.74 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of Rs. 785.04 crores (net of provision).
	b. **Type of Audit Qualification: Qualified Opinion**
	c. **Frequency of qualification:** 3rd Time in Audited Accounts
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** **Not Applicable**
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	(i) **Management's estimation on the impact of audit qualification:** Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. However on prudent basis management has made a provision of Rs. 100 crores and management is confident that there will be no further provision required towards impairment.
	(ii) **If management is unable to estimate the impact, reasons for the same:** **Not Applicable**
	(iii) **Auditors' Comments on (i) or (ii) above:** In the absence of any indicators of value arising out of the project we are unable to state whether any provision is required towards the exposure of Rs. 785.04 crores.
4	a. **Details of Audit Qualification:** We draw attention to note no 6 relating to penal interest of Rs.107.28 during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest.
	b. **Type of Audit Qualification: Qualified Opinion**
	c. **Frequency of qualification:** 1st Time in Audited Accounts
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** **Not Applicable**
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	(iv) **Management's estimation on the impact of audit qualification:**

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		The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.
		(v) **If management is unable to estimate the impact, reasons for the same:** **Not Applicable**
		(vi) **Auditors' Comments on (i) or (ii) above:** In the absence of any confirmation for reversal of charges by the lenders, we are unable state whether any provisioning is require for the claims made by lenders.
5.	a.	Details of Audit Qualification: The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered , as follows i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financial statements reflects total assets of Rs. 288.47 crores and total revenues of Rs. 16.36 crores. the groups share in the net loss being Rs. 56.38 Crores. The JV is accounted on equity method. There, are no audited financial statements after 31st December 2012. ii. M/s SAE Powerlines S.r.L, Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements for the year 31st December 2017 & 31st December 2018 has been not received. iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,072.54 crores and total revenues of Rs. 47.82 crores. iv. M/s Gammon & Billimoria Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 104.79 crores and total revenues of Rs. Nil. v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of Rs. 154.03 Crores, Revenue of Rs. NIL Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.12 Crores. The JV is accounted on equity method. vi. M/s G&B Contracting LLC a, associate of the group whose financial statements reflect Total Assets of Rs. 134.67 Crores, Revenue of Rs. 201.62 Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.63 Crores. Associate is accounted on equity method. Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any.
	b.	**Type of Audit Qualification: Qualified Opinion**
	c.	**Frequency of qualification:** 6th Time in Audited Accounts
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** **Not Applicable**
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**
		(i) Management's estimation on the impact of audit qualification: The audit could not be completed due to various reasons for the above entities. Based on the discussions with the respective managements, we do not foresee any material impacts arising out of audit in the aforesaid financials statements.

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	(ii) If management is unable to estimate the impact, reasons for the same: **Not Applicable**
	(iii) Auditors' Comments on (i) or (ii) above: In the absence of audit reports we are unable to further comments on the management response
6.	**a. Details of Audit Qualification:** The auditors of two subsidiaries of the Company have qualified their auditors' report as follows: i. Ansaldo Caldaie Boilers India Limited: ACBI had received amounts as share application money of Rs 16.64 Crores for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive for reasons detailed in the aforesaid note. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities. ii. In the case of Patna Water Supply Pvt. Ltd: The client has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of Rs 65.85 Cr. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court by the Company , pending the outcome, the amount encashed net of the unadjusted advance received from the client has been shown as current and considered good based on the legal advise received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their banker's net of advances have been shown under Current Liabilities. In view thereof we are unable to state whether the same is good and recoverable pending the outcome of the decision.
	a. Type of Audit Qualification: Qualified Opinion
	b. Frequency of qualification: In respect of ACBI – 3rd time In respect of Patna Water Supply Private Ltd: 2nd time
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	d. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: ACBI has made an application to RBI for write back of the share application money received from Ansaldo Caldaie Italy. . In respect of Patna Water Supply Pvt. Ltd.(PWS)- The Company has raised final bill of encashment of Bank Guarantee aggregating to Rs 125 crores. The Company has also invoked arbitration and appointed its arbitrator. Therefore management believes that it has a good chance of winning the arbitration and to receive the claims.
	(ii) If management is unable to estimate the impact, reasons for the same: **Not Applicable**
	(iii) Auditors' Comments on (i) or (ii) above: In respect of ACBI - In the absence of fresh development we are unable to offer further comments. In respect of Patna Water Supply Ltd (PWS) In the absence of fresh

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	development in arbitration matter we are unable to offer further comments	
III.	**Signatories:**	**Signatures**
	Executive Director & CFO Mr. Anurag Choudhry	
	Chief Executive Auditor Mr Ajit Desai	
	Audit Committee Chairman. Mr. Soumendra Nath Sanyal	
	Auditors For Nayan Parikh & Co. Chartered Accountants Firm Registration No. 107023W K N Padmanabhan Partner M. No. 36410	
	Place: Mumbai	
	Date: November 7, 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

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

To
The Board of Directors of
Gammon India Limited,

1. We have audited the accompanying Statement of Consolidated Financial Results of Gammon India Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its Joint Ventures and Associates for the year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements of the Group, which is in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.

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

3. **Basis of Qualified Opinion**

   a. We invite attention to note no 3, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2019 is Rs. 894.41 crores. These claims are recognised only on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the year ended March 31, 2019.

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b. We invite attention to note no 4 relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 256.25 crores in respect of disputes in four projects of the Company. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.

c. We invite attention to note no 5 relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 324.74 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of Rs. 785.04 crores (net of provision).

d. We draw attention to note no 6 relating to penal interest of Rs.107.28 during the year charged by one of the lenders on its facilities. The same has not been debited to profit and loss account as management is disputing the same and in discussion with lenders for the reversal of the said penal interest. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest.

e. The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered , as follows

   i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financial statements reflects total assets of Rs. 288.47 crores and total revenues of Rs. 16.36 crores. the groups share in the net loss being Rs. 56.38 Crores. The JV is accounted on equity method. There, are no audited financial statements after 31st December 2012.

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ii. M/s SAE Powerlines S.r.L, Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements for the year 31st December 2017 & 31st December 2018 has been not received.

iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,072.54 crores and total revenues of Rs. 47.82 crores.

iv. M/s Gammon & Billimoria Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 104.79 crores and total revenues of Rs. Nil.

v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group whose financial statements reflect Total Assets of Rs. 154.03 Crores, Revenue of Rs. NIL Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.12 Crores. The JV is accounted on equity method.

vi. M/s G&B Contracting LLC a, associate of the group whose financial statements reflect Total Assets of Rs. 134.67 Crores, Revenue of Rs. 201.62 Crores for the year ended March 31, 2019, the groups share in the net loss is Rs. 0.63 Crores. Associate is accounted on equity method.

Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any.

f. The auditors of two subsidiaries of the Company have qualified their auditors' report as follows:

i. In the case of Ansaldo Caldaie Boilers India Pvt Ltd

- ACBI had received amounts as share application money of Rs 16.64 Crores for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive for reasons detailed in the aforesaid note. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.

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ii. In the case of Patna Water Supply Pvt. Ltd

- The client has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of Rs 65.85 Cr. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court by the Company , pending the outcome, the amount encashed net of the unadjusted advance received from the client has been shown as current and considered good based on the legal advise received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their banker's net of advances have been shown under Current Liabilities. In view thereof we are unable to state whether the same is good and recoverable pending the outcome of the decision.

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

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to the following material uncertainty related to going concern included in the notes on the consolidated financial statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under

a. In respect of Holding Company

- We invite attention to the note no 7 relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and the present excess of Current Liabilities over

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Current Assets is Rs. 6305.69 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. Further due to the issues detailed in the note 7 the Company has continuously delayed the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. However the Company has obtained stay subject to deposit of money with the NCLT. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 7 including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

b. In respect of Subsidiaries in the following cases the auditors' have carried a paragraph relating to going concern which is extracted from the Independent Auditors' Report of the respective component detailed below:

- **Ansaldo Caldaie Boilers India Pvt Ltd**
  The Company is facing difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the company`s ability to continue as a going concern. Our report is not qualified on this matter.
- **Patna Water Supply Distribution network Pvt Ltd**
  There is no activities presently happening at the project, since the project is terminated by client and Bank Guarantees have been en-cashed by the client. The matter is presently under arbitration and outcome of which will determine the position of the company. There are significant uncertainties of continuation of the project which ultimately has an impact on going concern assumption of the company. Our report is not qualified on this matter.
- **ATSL Holding BV**
  As at March 31, 2019 Current liabilities exceed current assets by Euro 1.70 Crores (₹ 133.09 Crores), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

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- **Gammon Holding BV**

  As on 31st March 2019, current liabilities exceed current assets by Euro 6.14 Crores (₹ 477.38 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However, the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A. which in turn depends upon the value of non-core assets of the said Franco Tossi Mechanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these condensed Ind AS financial statements.

- **Gammon International BV**

  As on 31st March 2019, current liabilities exceed current assets by Euro 6.61 Crores (₹ 513.79 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.P.A.. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

- **Gammon International FZE**

  As on 31st March 2019, current liabilities exceed current assets by AED 1.24 Crores (₹ 23.52 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

- **Pvan Eerd Beheersmaatschappij B.V**

  As on 31st March 2019, current liabilities exceed current assets by Euro 1.44 Crores (₹ 112.15 Crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However, the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SPA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the

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carrying values of the assets and liabilities in these financial statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters related to Emphasis of Matter included in the audit report issued on the consolidated financial statements of Holding Company, a subsidiary company of the Holding Company, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under

a) We draw attention to Note no 10 relating to recoverability of an amount of Rs.235.77 crores as at March 31, 2019 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs.7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

b) We draw attention to Note no 11 relating to the projects of real estate sector where the exposure is Rs. 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

Other Matters

a) We did not audit the financial statements and other financial information, in respect of 16 subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 1,597.34 crores as at March 31, 2019, total revenues of Rs. 881.70 crores and net cash outflow amounting to Rs. 10.54 crores for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit of Rs 0.82 crores in respect of 3 joint ventures for the year ended March 31, 2019, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections

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(3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates in India, is based solely on the reports of the other auditors.

b) We did not audit the financial statements of 2 subsidiary, whose financial statements reflect total assets of Rs. 1,177.32 crores as at March 31, 2019, total revenues of Rs. 47.82 crores and net cash outflow amounting to Rs. 0.25 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. We also did not audit the financial statements of 2 joint ventures and 1 associates whose financial statements reflect total assets of Rs. 577.17 crores and total revenue of Rs. 225.71 crores, the Company's share of loss in such joint ventures accounted under equity method being Rs. 57.12 crores. These financial statements are unaudited and have been furnished to us by the Management including the application of the INDAS accounting standards. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint ventures, is based solely on such unaudited financial statements and has been qualified for the material subsidiary as detailed in Basis of Qualified Opinion paragraph.

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

K N Padmanabhan
Partner
M. No. 36410

NAYAN PARIKH & CO. ★ MUMBAI ★ Chartered Accountants

Mumbai, Dated : November 7, 2019
UDIN: 19036410AAAADU7307

Annexure A

Sr no.	Name of Entity	Nature of Relationship
1.	Gammon India Limited	Parent
2.	ATSL Infrastructure Projects Limited	Subsidiary
3.	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary
4.	Gammon International FZE ('GIFZE')	Subsidiary
5.	P.Van Eerd Beheersmaatschappaji B.V. Netherlands ('PVAN')	Subsidiary
6.	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary
7.	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary
8.	Gammon Power Limited. ('GPL')	Subsidiary
9.	ATSL Holding B.V. Netherlands	Subsidiary
10.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary
11.	Associated Transrail Structures Limited., Nigeria	Subsidiary
12.	Gammon Realty Limited. ('GRL')	Subsidiary
13.	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
14.	Gammon Italy S.r.L	Subsidiary
15.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
16.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary
17.	Gammon Transmission Limited ('GTL')	Subsidiary
18.	Gammon Real estate developers private limited (GRDL')	Subsidiary
19.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary
20.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
21.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
22.	GIPL - GIL JV	Joint Venture
23.	Gammon – Ojsc Mosmetrostroy – JV('GOM')	Joint Venture
24.	Ansaldocaldaie-GB Engineering Private Limited.('ACGB')	Joint Venture
25.	Gammon SEW('GSEW')	Joint Venture
26.	Campo Puma Oriente S.A.	Joint Venture
27.	Sofinter S.p.A	Associates
28.	G & B Contracting LLC (GBLLC)	Associates
29.	Gammon Infrastructure Projects Limited (GIPL)	Associates

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