Date: 28th November, 2018

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 28th November, 2018 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 28th November, 2018 which commenced at 3.00 p.m. and concluded at 5.30 p.m. transacted the following business:

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

(i) un-audited financial results for the quarter and half year ended 30th September, 2017 alongwith the limited review report of the Statutory Auditors;
(ii) un-audited financial results for the quarter ended 31st December, 2017 and alongwith the limited review report of the Statutory Auditors;
(iii) Audited Standalone Financial Results for the quarter and financial year ended 31st March 2018.
(iv) Statement of Assets & Liabilities as on Half Year ended 30th September, 2017 and Financial Year ended 31st March, 2018;
(v) Audit Report on the Standalone Audited Financial Results for the Financial Year ended 31st March, 2018 and;
(vi) Statement on Impact of Audit Qualifications for the financial year ended 31st March, 2018 (Standalone).

The aforesaid unaudited financial results for the quarters ended 30th September and 31st December 2017 and Audited Standalone Financial Results for the year ended 31st March, 2018 have been duly reviewed by the Audit Committee. The same are also placed on the website of the Company at http://www.gammonindia.com/investors/financial-results.htm.

The Board also discussed a Non binding proposal received from an investor for proposed investment in the Company which, inter-alia includes a resolution plan for repayment of CDR debts, which is subject to further discussions with the lenders.

You are requested to take the above information on record.

Thanking you,

For Gammon India Limited

Niki Shingade
Compliance Officer

Encl: As above

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED AND SIX MONTHS ENDED 30 SEPTEMBER 2017

(₹ in Crore except earning per share data)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Mar-17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	**Income**						
	a) Revenue from Operations	63.21	29.25	679.43	92.46	1,540.65	761.68
	b) Other Income	9.12	62.45	76.53	71.57	150.77	308.17
	Total Income (a+b)	72.33	91.70	755.96	164.03	1,691.42	1,069.85
II	**Expenses**						
	a) Cost of material consumed	10.01	15.39	197.94	25.40	528.31	246.10
	b) Excise Duty	-	-	3.09	-	6.17	-
	c) Purchases of stock-in-trade	-	-	83.31	-	132.18	-
	d) Changes in inventories of finished goods, work-in progress and stock-in-trade	(3.04)	11.43	(76.41)	8.39	(64.57)	49.39
	e) Subcontracting Expenses	7.64	6.77	168.59	14.41	378.22	203.44
	f) Employee benefits expense	3.63	3.05	86.64	6.68	164.55	78.43
	g) Finance Costs	138.56	135.53	163.14	274.09	327.71	518.90
	h) Depreciation & amortization	3.37	2.60	29.25	5.97	58.49	32.65
	i) Other expenses	13.59	42.42	180.75	56.01	296.99	298.57
	Total Expenses	173.76	217.18	836.30	390.95	1,828.05	1,427.48
III	**Profit/(Loss) before exceptional items and tax**	(101.43)	(125.48)	(80.35)	(226.92)	(136.63)	(357.63)
IV	**Exceptional items Income / (Expense)**	(1,241.38)	(236.00)	-	(1,477.38)	(40.98)	(1,305.09)
V	**Profit / (Loss) before tax**	(1,342.81)	(361.48)	(80.35)	(1,704.30)	(177.60)	(1,662.72)
VI	**Profit/(Loss) from continuing operations**	(1,342.81)	(361.48)	(80.35)	(1,704.30)	(177.60)	(1,614.82)
VII	**Tax expenses**						
	Current Tax	-	-		-		-
	Excess / Short Provision of Earlier years	-	-	-	-		2.93
	Deferred Tax Liability / (asset)	(32.96)	-	(8.44)	(32.96)	(15.12)	(5.73)
	Total tax expenses	(32.96)	-	(8.44)	(32.96)	(15.12)	(2.80)
VIII	**Profit/(Loss) for the period from continuing operations**	(1,309.85)	(361.48)	(71.92)	(1,671.34)	(162.48)	(1,612.02)
IX	**Profit/(Loss) from discontinued Operations**	-	-				(47.90)
X	**Tax expenses**	-					
	Current Tax	-	-	-	-		-
	Excess / Short Provision of Earlier years	-	-	-	-		-
	Deferred Tax Liability / (asset)	-	-		-		-
	Total tax expenses	-	-	-	-	-	-
XI	**Profit/(Loss) from Discontinued Operations after Tax**	-	-	-	-	-	(47.90)
XII	**PROFIT FOR THE YEAR**	(1,309.85)	(361.48)	(71.92)	(1,671.34)	(162.48)	(1,659.92)
XIII	**Other Comprehensive Income:**						
	Items that will not be reclassified to profit or loss (net of Tax)	0.04	(0.04)	(0.95)	-	(2.43)	(2.03)
XIII	**Other Comprehensive Income:**	0.04	(0.04)	(0.95)	-	(2.43)	(2.03)
XIV	**Total Comprehensive Income / (Loss) For The Period**	(1,309.81)	(361.52)	(72.86)	(1,671.34)	(164.92)	(1,661.95)
XVII	**Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)**	74.11	74.11	74.11	74.11	74.11	74.11
XVIII	**Other Equity**	-	-	-	-	-	569.47
XIX	**Earnings per equity share**						
	Basic	(35.59)	(9.80)	(0.20)	(45.41)	(0.45)	(45.10)
	Diluted	(35.52)	(9.78)	(0.20)	(45.32)	(0.45)	(45.01)

See accompanying notes to the financial results

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STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2017

(₹. in Crore)

Particulars	As at September 30, 2017	As at March 31, 2017
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	458.05	451.28
(b) Capital work-in-progress	13.84	20.05
(c) Intangible Asset	-	-
(d) Financial assets		-
(i) Investments	511.01	1,202.79
(ii) Trade receivable	310.67	294.86
(iii) Loans	1,278.89	2,009.01
(iv) Others	191.16	356.04
(e) Deferred tax assets (net)	-	-
(f) Other non-current assets	1,264.00	1,266.77
TOTAL NON-CURRENT ASSETS	**4,027.62**	**5,600.80**
CURRENT ASSETS		
(a) Inventories	128.03	146.27
(b) Financial assets		-
(i) Investments	4.13	5.74
(ii) Trade receivables	43.50	60.46
(iii) Cash and cash equivalents	8.12	44.84
(iv) Bank balances	5.18	6.95
(v) Loans	49.64	15.63
(vi) Others	38.18	33.03
(c) Current tax assets (net)	-	-
(d) Other current assets	69.73	57.07
TOTAL CURRENT ASSETS	**346.51**	**369.99**
TOTAL ASSETS	**4,374.13**	**5,970.79**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(1,101.85)	569.47
TOTAL EQUITY	**(1,027.74)**	**643.58**
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	2,192.17
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to other than Micro and Small Enterprises	11.84	8.77
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.47	0.90
(c) Deferred tax liabilities (net)	109.64	243.70
(d) Other non-current liabilities	96.16	101.92
TOTAL NON-CURRENT LIABILITIES	**230.11**	**2,559.46**
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	949.14
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	0.44	-
- Total outstanding dues to other than Micro and Small Enterprises	174.91	199.71
(iii) Other financial liabilities	4,681.90	1,298.49
(b) Other current liabilities	79.72	67.72
(c) Provisions	232.47	250.37
(d) Current tax liabilities (net)	2.32	2.32
TOTAL CURRENT LIABILITIES	**5,171.76**	**2,767.75**
TOTAL EQUITY AND LIABILITIES	**4,374.13**	**5,970.79**

GAMMON INDIA LIMITED
Registered Office: Floor 3rd, Plot No - 3/8, Hamilton House, J.N. Heredia Marg, Ballard Estate, Mumbai 400038. Maharashtra, India; **Telephone:** +91-22-22705562;
E-mail: gammon@gammonindia.com; **Website:** www.gammonindia.com;
CIN: L74999MH1922PLC000997

Notes:

1. The Financial Results for the quarter and half year ended September 30, 2017 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 28, 2018 and have been subjected to limited review by the Statutory Auditors of the Company.

2. Results for the quarter and half year ended September 30, 2017 have been prepared for the purposes of compliance with SEBI Listing Obligation and Disclosure Requirement Regulations and have been adopted simultaneously with the annual audited Standalone Financial Statements for the year ended March 31, 2018. The same 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 figures for the quarter ended September 2016 are taken from published year to date figures upto September 30 2016, which were subjected to limited review by the predecessor statutory auditors. These figures are not adjusted for the effects of scheme and BTA in respect of Transmission and Distribution division. The effect of the scheme and BTA were given effect to in the quarter ended March 31, 2017 after the receipt of the regulatory approval. Therefore the previous period quarterly numbers of September 30, 2016 are not comparable with the current quarter ended September 30, 2017

4. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs. 942.65 crores (net of provisions made) as at September 30, 2017 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. has 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. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. 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. Despite these factors the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM.

   The auditors have qualified their report on this account as follows

   "We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 942.65 crores (net of provisions made) as at September 30, 2017 including towards the corporate guarantees issued towards the

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bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the quarter ended September 30, 2017."

5. Pursuant to the rejection of remuneration paid/payable to Chairman for the period 1st April,2012 to 31st March,2017 aggregating to RS.30.54 crores and recovery of excess remuneration paid to erstwhile Executive Director aggregating to RS. 0.59 crores ,the Company has reversed the said managerial remuneration and has shown the net recoverable remuneration (after reversal of unpaid salary) aggregating to Rs. 24.53 crores as receivable from the Chairman and the erstwhile Executive Director. The Board on the recommendation of the nomination and remuneration committee has decided to seek from its shareholders /lenders waiver of the remuneration recoverable as aforementioned.

6. There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 399.52 Crore consisting of receivable of Rs. 164.29 crores, inventory Rs. 51.75 crore and other receivables Rs. 183.48 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

   ""Trade receivable, inventories loans and advances which includes an amount of Rs. 399.52 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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 (refer Note 6)."

7. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 194.89 crores (net of provisions of Rs. 230 crores made). The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has already made a provision of Rs 130 crores in March 2017 against its exposure based on internal estimates of the realisable value and further provision of Rs. 100 crores is made during the period. The provision for the year has been shown as exceptional item

   The auditors have qualified their report on this account as follows

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[illegible]

"We invite attention to note no 7 relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 294.89 crores net of impairment provision. During the year further provision of Rs. 100 crore is made leaving a net exposure of Rs. 194.89 crores based on internal estimates of realisability. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required".

8. 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.114.22 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.

9. The Company has receivable including retention and work in progress aggregating to Rs. 55.42 Crore (inventory - Rs. 24.33 crores and receivables Rs. 31.09 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.

10. The Company has evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration have assessed the likely amount of claims being settled in favour of the Company. During the year Company has recognised further claims amounting to Rs. 46 crores. The expert has reviewed all the claims and has opined that an amount aggregating to Rs. 866.01 crores will be reasonably certain to be settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realisation.

The auditors have qualified their opinion.

"We invite attention to note no 10, detailing the recognition of claims during the year of Rs. 46 crores in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at September 30, 2017 is Rs. 866.01 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 results of the quarter ended September 30, 2017".

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11. Material Uncertainty Relating to Going Concern

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 30th September, 2017 the Company's current liabilities exceed the current assets by Rs. 4825.22 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 which were pledged as security by one of the Company's wholly owned subsidiary towards recovery of its dues. As on 30th September, 2017 the Company's wholly owned subsidiary held 40,04,99,700 equity shares (42.52%) in GIPL.

The CDR lenders also invoked pledge of Company's holdings of 17.26% in Gammon Engineers and Contractors Private Limited and 17.38% holding in Transrail Lighting Limited 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".

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

The demerger of the transmission and distribution business and part of the Civil EPC business in the previous year has resulted in the reduction of CDR lenders exposure by Rs. 10,362 crores including funded and non-funded exposures. After the carve out of businesses the total exposure of the lenders in the Company is RS. 4263 crores (Fund based-Rs. 3872 crores (excluding interest) and Non-Fund Based - Rs. 391 crores).

The Company's subsidiary has sold 16,50,00,300 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of Rs. 57.81 crores.

Post the balance sheet date, 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.

During the year under review as part of its plan of revival under the CDR/SDR mechanism, the Company also undertook the demerger of residual EPC Business through a combination of slump sale and slump exchange to its wholly owned subsidiary Gammon Transmission Limited and also approved the investment by a strategic Investor in GTL with a change of management which is pending approval of lenders, shareholders and the regulatory authorities. It is proposed that a debt of Rs. 70 crore fund based and Rs. 52 crores non fund based will be transferred as part of the residual EPC undertaking.

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The Company has recently been in talks with an Investor who has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are;

(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 INR 3,600 crore and will continue to remain in the Company.

(IV) The Total Debt to be assumed= INR 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:

Gammon House:

Gammon House asset will be developed and sold by entering into a development agreement with leading developers. For this a debt of INR 200 crore will be repaid by the Investor over a period of 4 years at an IRR of 8%.

CDR lenders having exclusive charge on Gammon House will continue to retain the charge and Rs 200 crore will be paid to them. Alternatively Gammon House can be sold & entire proceeds can be given to the two lenders.

Apart from Gammon House the company has other assets like claims, investments & other assets. The Investor expects to repay approx. Rs 500 crores over a period of 4 years to the lenders after deducting arbitration & legal costs.

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 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 realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments and also the acceptance of the investors proposal by the lenders. 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.

12. The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is Rs 336.98 crores. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. During the year the management has on a conservative basis made a provision of Rs. 100 crores against its exposure based on internal estimates of the realizable value. The management is confident that there will be no further provision required towards impairment. The provision for the year has been shown as exceptional item

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The auditors have qualified their report on this account as follows

"We invite attention to note no 12 relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the year on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 336.98 crores. The Subsidiary's financials are also 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 against the exposure."

13. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.

14. The Company on prudent basis has stopped recognizing further interest on all the loans which are doubtful of recovery and for which provisions for impairment are made either in full or part

15. One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali since the Balance Sheet date. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. Therefore the company has made a provision for impairment of its investment in the subsidiary of Rs. 505.44 Crores net of the reversal of the provision of deferred tax liability recognised on transition date of Rs. 101.09 Crores. Further provision of Rs. 268.90 Crores has been made against its exposure as loan & interest receivable. The provision for the year has been shown as exceptional item.

16. The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited and Gactel Turnkeys Project Limited, the companies through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is Rs.153.49 crores for the year. (Rs. 529.96 crores for the year ended March 31, 2017). The impairment provision is made based on the market price of the said shares of GIPL. The provision for the year has been shown as exceptional item.

17. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1112.34 crores of which Gammon International BV is Rs. 826.14 Crores and Gammon Holding Mauritius Limited is Rs. 286.20 Crores. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is Rs. 125 Crores. However on the prudent basis Company has provided Rs. 350 crores during the year against its exposure to GIBV. The provision for the year has been shown as exceptional item.

18. One of the subsidiary ("Gammon Realty Limited) has received advance of Rs 30 Crore against sale of its stake in its subsidiary ("Preeti Township Private Limited)

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pending execution of share purchase agreement and transfer of shares in favour of buyer. Further there are no other major assets remains (in "Gammon Realty Limited") to repay the loan of GIL therefore the company has made a provision of Rs. 120 Crores against its exposure. The provision for the year has been shown as exceptional item.

19. The Exceptional items include the following

Rs. In Crore

Particulars	Half Year ended September 30, 2017	Year ended March 31, 2017
Net provision for impairment of Investments net of DTL reversal	583.90	557.97
Impairment provisions of Loans	940.90	606.26
Impairment provisions of Trade Receivable	-	119.28
Impairment provision of Other Receivable	-	28.55
Write back of Diminution in the value of Investment	-	(6.98)
Write back of provision of Loans	(47.42)	-
Total	**1477.38**	**1305.09**

20. The details of previous due date of the Non-Convertible Debentures interest and its next due dates is given herein below:

Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Amount (Rs in Crores)
NCD 10.5% monthly interest payments (Rs. 10.89 Cr. not paid since April'16)	30th September, 2017	No	31st October, 2017	0.59 Cr
NCD 11.05% monthly interest payments (Rs. 15.47 Cr. not paid since April'16)	30th September, 2017	No	31st October, 2017	0.84 Cr
NCD 9.50% monthly interest payments (Rs. 13.15 Cr. not paid since April'16)	30th September, 2017	No	31st October, 2017	0.72 Cr
NCD 9.95% half yearly interest payments (Rs. 7.01 Cr. not paid since September'16)	30th September, 2017	No	31st March, 2018	2.22 Cr

Details of previous due date of the Non-Convertible Debentures principal and its next due date is given herein below:

Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Amount (Rs in Crores)
NCD 10.5% quarterly Principal payments (Rs. 10.24 Cr. not paid since April'16)	15th July,2017	No	15th October, 2017	2.52 Cr.
NCD 11.05% quarterly Principal payments	15th July,2017	No	15th October, 2017	3.00 Cr.

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Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Amount (Rs in Crores)
(Rs. 14 Cr. not paid since April'16)				
NCD 9.50% quarterly Principal payments (Rs. 12.60 Cr. not paid since April'16)	15th July,2017	No	15th October, 2017	2.70 Cr.
NCD 9.95% yearly Principal payments (Rs. 7.81 Cr.cr not paid since April'16)	15th July,2017	No	15th October, 2017	1.50 Cr.

21. Additional Disclosure as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Particulars	As at September 30, 2017
A	Debt Equity Ratio	(3.80)
B	Debt Service Coverage Ratio	(0.33)
C	Interest Service Coverage Ratio	(2.49)
D	Debenture Redemption Reserve	81.00
E	Net Worth	(1027.74)
F	Net Profit after Tax (six months ended September 30, 2017)	(1501.78)
G	Basic Earnings per share (For six months ended September 30, 2017)	(45.41)

i) Debt Equity Ratio = Term Loans and Debentures / Networth
ii) Debt Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / (Interest + Principal repayment of long term loans)
iii) Interest Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / interest
iv) Net Worth = Equity + Other Equity

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

For Gammon India Limited

Abhijit Rajan
Chairman
DIN No. 00177173
Mumbai, November 28, 2018

GAMMON INDIA LTD.

SIGNED FOR IDENTIFICATION BY
K.N.Padul
NAYAN PARIKH & CO
MUMBAI

NAYAN PARIKH & CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
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PHONE : (91-22) 2640 0358, 2640 0359

Review Report

To
The Board of Directors
Gammon India Limited,
Mumbai.

1 We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Gammon India Limited ("the Company") for the quarter and six months ended September 30, 2017 and standalone unaudited Balance Sheet as at September 30, 2017 ("the statement") which are included in the accompanying statement of unaudited standalone financial results. This statement is 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. These results are prepared for the purpose of compliance with the Listing Obligations and Disclosure Requirements and have been adopted along with the audited accounts for the year ended March 31, 2018. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind-AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Basis of Qualified Conclusion

a. We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM.

The funded and non-funded exposure of the Company to FTM is Rs. 942.65 crores (net of provisions made) as at September 30, 2017 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the quarter ended September 30, 2017.

b. We invite attention to note no 10, detailing the recognition of claims during the year of Rs. 46 crores in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at September 30, 2017 is Rs. 866.01 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 results of the quarter ended September 30, 2017.

c. We invite attention to note no 7 relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 294.89 crores net of impairment provision. During the year further provision of Rs. 100 crore is made leaving a net exposure of Rs. 194.89 crores based on internal estimates of realisability. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.

d. Trade receivable, inventories loans and advances which includes an amount of Rs. 399.52 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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 (refer note no. 6).

e. We invite attention to note no 12 relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the year on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 336.98 crores. The Subsidiary's financials are also 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 against the exposure.

4. **Qualified Conclusion**

Except for the possible effects arising out of the matters mentioned in para a to e of 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 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.

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

We invite attention to the note no 11 relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders have recalled all the loans and their present excess of Current Liabilities over Current Assets is Rs. 4825.22 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. Further due to the issues detailed in the note 11 the Company is continuously delayed in 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 no 11 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.

knP

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6. **Emphasis of Matter**

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

a) We draw attention to Note no 8 of the financial results relating to recoverability of an amount of Rs.114.22 crores as at September 30, 2017 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 9 relating to the projects of real estate sector where the exposure is Rs. 55.42 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

7. The Comparative financial results of the Company for the quarter ended September 30, 2016 and also the previous quarter ended June 30, 2017 included in this statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated December 12, 2016 and March 6, 2018 respectively expressed a modified opinion.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated : November 28, 2018

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED AND NINE MONTHS ENDED 31 DECEMBER 2017

(₹ in Crore except earning per share data)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	**Income**						
	a) Revenue from Operations	5.68	63.21	717.56	98.14	2,258.95	761.68
	b) Other Income	(9.31)	9.12	93.28	62.26	243.57	308.17
	Total Income (a+b)	**(3.63)**	**72.33**	**810.84**	**160.40**	**2,502.53**	**1,069.85**
II	**Expenses**						
	a) Cost of material consumed	3.76	10.01	206.36	29.16	734.67	246.10
	b) Excise Duty	-	-	2.90	-	9.07	-
	c) Purchases of stock-in-trade	-	-	33.53	-	165.71	-
	d) Changes in inventories of finished goods, work-in progress and stock-in-trade	(11.91)	(3.04)	(27.95)	(3.52)	(92.53)	49.39
	e) Subcontracting Expenses	11.35	7.64	148.83	25.76	527.05	203.44
	f) Employee benefits expense	2.72	3.63	85.46	9.40	250.03	78.43
	g) Finance Costs	133.76	138.56	190.49	407.85	518.21	518.90
	h) Depreciation & amortization	3.06	3.37	29.27	9.03	87.75	32.65
	i) Other expenses	12.73	13.59	160.81	68.74	458.07	298.57
	Total Expenses	**155.47**	**173.76**	**829.71**	**546.42**	**2,658.04**	**1,427.48**
III	**Profit/(Loss) before exceptional items and tax**	**(159.10)**	**(101.43)**	**(18.87)**	**(386.02)**	**(155.51)**	**(357.63)**
IV	**Exceptional items Income / (Expense)**	12.57	(1,241.38)	(4.47)	(1,464.81)	(45.45)	(1,305.09)
V	**Profit / (Loss) before tax**	**(146.53)**	**(1,342.81)**	**(23.33)**	**(1,850.83)**	**(200.96)**	**(1,662.72)**
VI	**Profit/(Loss) from continuing operations**	**(146.53)**	**(1,342.81)**	**(23.33)**	**(1,850.83)**	**(200.96)**	**(1,614.82)**
VII	**Tax expenses**						
	Current Tax	-	-		-		-
	Excess / Short Provision of Earlier years	-	-	-	-		2.93
	Deferred Tax Liability / (asset)	(0.02)	(32.96)	(2.80)	(32.98)	(17.93)	(5.73)
	Total tax expenses	**(0.02)**	**(32.96)**	**(2.80)**	**(32.98)**	**(17.93)**	**(2.80)**
VIII	**Profit/(Loss) for the period from continuing operations**	**(146.51)**	**(1,309.85)**	**(20.53)**	**(1,817.85)**	**(183.03)**	**(1,612.02)**
IX	**Profit/(Loss) from discontinued Operations**	-	-				(47.90)
X	**Tax expenses**	-	-				
	Current Tax	-	-	-			-
	Excess / Short Provision of Earlier years	-	-	-			-
	Deferred Tax Liability / (asset)	-	-				-
	Total tax expenses	-	-	-	-	-	-
XI	**Profit/(Loss) from Discontinued Operations after Tax**	-	-	-	-	-	**(47.90)**
XII	**PROFIT FOR THE YEAR**	**(146.51)**	**(1,309.85)**	**(20.53)**	**(1,817.85)**	**(183.03)**	**(1,659.92)**
XIII	**Other Comprehensive Income:**						
	Items that will not be reclassified to profit or loss (net of Tax)	-	0.04	(1.05)	-	(3.49)	(2.03)
	Income tax thereon						
XIII	**Other Comprehensive Income:**	-	**0.04**	**(1.05)**	-	**(3.49)**	**(2.03)**
XIV	**Total Comprehensive Income / (Loss) For The Period**	**(146.51)**	**(1,309.81)**	**(21.58)**	**(1,817.85)**	**(186.52)**	**(1,661.95)**
XVII	**Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)**	74.11	74.11	74.11	74.11	74.11	74.11
XVIII	**Other Equity**	-	-	-	-	-	569.47
XIX	**Earnings per equity share**						
	Basic	(3.97)	(35.59)	(0.56)	(49.28)	(4.99)	(45.10)
	Diluted	(3.96)	(35.52)	(0.56)	(49.19)	(4.99)	(45.01)

See accompanying notes to the financial results

GAMMON INDIA LTD

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GAMMON INDIA LIMITED

Registered Office: Floor 3rd, Plot No - 3/8, Hamilton House, J.N. Heredia Marg, Ballard Estate, Mumbai 400038. Maharashtra, India; **Telephone:** +91-22-22705562;

E-mail: gammon@gammonindia.com; **Website:** www.gammonindia.com;

CIN: L74999MH1922PLC000997

Notes:

1. The Financial Results for the quarter and nine months ended December 31, 2017 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 28, 2018 and have been subjected to limited review by the Statutory Auditors of the Company.

2. Results for the quarter and nine months ended December 31, 2017 have been prepared for the purposes of compliance with SEBI Listing Obligation and Disclosure Requirement Regulations and have been adopted simultaneously with the annual audited Standalone Financial Statements for the year ended March 31, 2018. The same 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 figures for the quarter ended December 2016 are taken from published year to date figures upto December 31, 2016, which were subjected to limited review by the predecessor statutory auditors. These figures are not adjusted for the effects of scheme and BTA in respect of Transmission and Distribution division. The effect of the scheme and BTA were given effect to in the quarter ended March 31, 2017 after the receipt of the regulatory approval. Therefore the previous period quarterly numbers of December 31, 2016 are not comparable with the current quarter ended December 31, 2017

4. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs. 933.06 crores (net of provisions made) as at December 31, 2017 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. has 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. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. 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. Despite these factors the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM.

   The auditors have qualified their report on this account as follows

   "We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 933.06 crores (net of provisions made) as at December 31, 2017 including towards the corporate guarantees issued towards the

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bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the quarter ended December 31, 2017."

5. Pursuant to the rejection of remuneration paid/payable to Chairman for the period 1st April,2012 to 31st March,2017 aggregating to RS.30.54 crores and recovery of excess remuneration paid to erstwhile Executive Director aggregating to RS. 0.59 crores ,the Company has reversed the said managerial remuneration and has shown the net recoverable remuneration (after reversal of unpaid salary) aggregating to Rs. 24.53 crores as receivable from the Chairman and the erstwhile Executive Director. The Board on the recommendation of the nomination and remuneration committee has decided to seek from its shareholders /lenders waiver of the remuneration recoverable as aforementioned.

6. There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 400.75 Crore consisting of receivable of Rs. 160.52 crores, inventory Rs. 51.82 crore and other receivables Rs. 188.41 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

   "Trade receivable, inventories loans and advances which includes an amount of Rs. 400.75 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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 (refer Note 6)."

7. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 186.12 crores (net of provisions of Rs. 230 crores made). The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has already made a provision of Rs 130 crores in March 2017 against its exposure based on internal estimates of the realisable value and further provision of Rs. 100 crores during the year. The provision for the year has been shown as exceptional item

   The auditors have qualified their report on this account as follows

"We invite attention to note no 7 relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 286.12 crores net of impairment provision. During the year further provision of Rs. 100 crore is made leaving a net exposure of Rs. 186.12 crores based on internal estimates of realisability. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required."

8. 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.114.22 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.

9. The Company has receivable including retention and work in progress aggregating to Rs. 54.82 Crore (inventory - Rs. 24.40 crores and receivables Rs. 30.42 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.

10. The Company has evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration have assessed the likely amount of claims being settled in favour of the Company. During the period Company has recognised further claims amounting to Rs. 46 crores. The expert has reviewed all the claims and has opined that an amount aggregating to Rs. 866.01 crores will be reasonably certain to be settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realisation.

The auditors have qualified their opinion.

"We invite attention to note no 10, detailing the recognition of claims during the year of Rs. 46 crores in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at December 31, 2017 is Rs. 866.01 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,

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its realisation and the consequent effect on the financial results of the quarter ended December 31, 2017."

11. Material Uncertainty Relating to Going Concern
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 December 31, 2017 the Company's current liabilities exceed the current assets by Rs. 5026.30 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 which were pledged as security by one of the Company's wholly owned subsidiary towards recovery of its dues. As on December 31, 2017 the Company's wholly owned subsidiary held 40,04,99,700 equity shares (42.52%) in GIPL.

The CDR lenders also invoked pledge of Company's holdings of 17.26% in Gammon Engineers and Contractors Private Limited and 17.38% holding in Transrail Lighting Limited 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".

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

The demerger of the transmission and distribution business and part of the Civil EPC business in the previous year has resulted in the reduction of CDR lenders exposure by Rs. 10,362 crores including funded and non-funded exposures. After the carve out of businesses the total exposure of the lenders in the Company is RS. 4263 crores (Fund based-Rs. 3872 crores (excluding interest) and Non-Fund Based - Rs. 391 crores).

The Company's subsidiary has sold 16,50,00,300 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of Rs. 57.81 crores.

Post the balance sheet date, 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.

During the year under review as part of its plan of revival under the CDR/SDR mechanism, the Company also undertook the demerger of residual EPC Business through a combination of slump sale and slump exchange to its wholly owned subsidiary Gammon Transmission Limited and also approved the investment by a strategic Investor in GTL with a change of management which is pending approval of lenders, shareholders and the regulatory authorities. It is proposed that a debt of Rs. 70 crore fund based and Rs. 52 crores non fund based will be transferred as part of the residual EPC undertaking.

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The Company has recently been in talks with an Investor who has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are;

(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 INR 3,600 crore and will continue to remain in the Company.

(IV) The Total Debt to be assumed= INR 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:

Gammon House:

Gammon House asset will be developed and sold by entering into a development agreement with leading developers. For this a debt of INR 200 crore will be repaid by the Investor over a period of 4 years at an IRR of 8%.

CDR lenders having exclusive charge on Gammon House will continue to retain the charge and Rs 200 crore will be paid to them. Alternatively Gammon House can be sold & entire proceeds can be given to the two lenders.

Apart from Gammon House the company has other assets like claims, investments & other assets. The Investor expects to repay approx. Rs 500 crores over a period of 4 years to the lenders after deducting arbitration & legal costs.

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 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 realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments and also the acceptance of the Investors proposal by the lenders. 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.

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12. The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is Rs 343.86 crores. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. During the year the management has on a conservative basis made a provision of Rs. 100 crores against its exposure based on internal estimates of the realizable value. The management is confident that there will be no further provision required towards impairment. The provision for the year has been shown as exceptional item

The auditors have qualified their report on this account as follows

"We invite attention to note no 12 relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the year on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 343.86 crores. The Subsidiary's financials are also 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 against the exposure."

13. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.

14. The Company on prudent basis has stopped recognizing further interest on all the loans which are doubtful of recovery and for which provisions for impairment are made either in full or part

15. One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali since the Balance Sheet date. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. Therefore the company has made a provision for impairment of its investment in the subsidiary of Rs. 505.44 Crores net of the reversal of the provision of deferred tax liability recognised on transition date of Rs. 101.09 Crores. Further provision of Rs. 268.90 Crores has been made against its exposure as loan & interest receivable. The provision for the year has been shown as exceptional item.

16. The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited and Gactel Turnkeys Project Limited, the companies through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is Rs.153.49 crores for the year. (Rs. 529.96 crores for the year ended March 31, 2017). The impairment provision is made based on the market price of the said shares of GIPL. The provision for the year has been shown as exceptional item.

17. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1112.34 crores of which Gammon International BV is Rs. 826.14 Crores and Gammon Holding Mauritius Limited is Rs. 286.20 Crores. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary

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in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is Rs. 125 Crores. However on the prudent basis Company has provided Rs. 350 crores during the year against its exposure to GIBV. The provision for the year has been shown as exceptional item.

18. One of the subsidiary ("Gammon Realty Limited) has received advance of Rs 30 Crore against sale of its stake in its subsidiary ("Preeti Township Private Limited) pending execution of share purchase agreement and transfer of shares in favour of buyer. Further there are no other major assets remains (in "Gammon Realty Limited") to repay the loan of GIL therefore the company has made a provision of Rs. 120 Crores against its exposure. The provision for the year has been shown as exceptional item.

19. The Exceptional items include the following

Rs. in Crore

Particulars	Nine months ended December, 2017	Year ended March 31, 2017
Net provision for impairment of Investments net of DTL reversal	583.90	557.97
Impairment provisions of Loans	940.90	606.26
Impairment provisions of Trade Receivable	-	119.28
Impairment provision of Other Receivable	-	28.55
Write back of Diminution in the value of Investment	-	(6.98)
Write back of provision of Loans	(59.49)	-
Total	**1464.81**	**1305.09**

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

For Gammon India Limited

Abhijit Rajan
Chairman
DIN No. 00177173,
Mumbai, November 28, 2018

GAMMON INDIA LTD.

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NAYAN PARIKH & CO
MUMBAI.

NAYAN PARIKH & CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
OFFICE NO. 9, 2ND FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.
PHONE : (91-22) 2640 0358, 2640 0359

Review Report

To
The Board of Directors
Gammon India Limited,
Mumbai.

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Gammon India Limited ("the Company") for the quarter and nine months ended December 31, 2017. This statement is 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. These results are prepared for the purpose of compliance with the Listing Obligations and Disclosure Requirements and have been adopted alongwith the audited accounts for the year ended March 31, 2018. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind-AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. **Basis of Qualified Conclusion**

   a. We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 933.06 crores (net of provisions made) as at December 31, 2017 including towards

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the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the quarter ended December 31, 2017.

b. We invite attention to note no 10, detailing the recognition of claims during the year of Rs. 46 crores in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at December 31, 2017 is Rs. 866.01 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 results of the quarter ended December 31, 2017.

c. We invite attention to note no 7 relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 286.12 crores net of impairment provision. During the year further provision of Rs. 100 crore is made leaving a net exposure of Rs. 186.12 crores based on internal estimates of realisability. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.

d. Trade receivable, inventories loans and advances which includes an amount of Rs. 400.75 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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 (refer Note 6).

e. We invite attention to note no 12 relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the year on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 343.86 crores. The Subsidiary's financials are also 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 against the exposure.

4. Qualified Conclusion

Except for the possible effects arising out of the matters mentioned in para a to e of 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 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.

5. Material Uncertainty Related to Going Concern

We invite attention to the note no 11 relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders have recalled all the loans and their present excess of Current Liabilities over Current Assets is Rs. 5025.30 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. Further due to the issues detailed in the note 11 the Company is continuously delayed in 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 no 11 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.

NAYAN PARIKH & CO.
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CHARTERED ACCOUNTANTS
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6. Emphasis of Matter

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

a) We draw attention to Note no 8 of the financial results relating to recoverability of an amount of Rs.114.22 crores as at December 31, 2017 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 9 relating to the projects of real estate sector where the exposure is Rs. 54.82 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

7. The Comparative financial results of the Company for the quarter ended December 31, 2016 included in this statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated February 15, 2017 expressed a modified opinion

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated : November 28, 2018

STATEMENT OF STANDALONE RESULTS FOR THE QUARTER ENDED AND YEAR ENDED 31 MARCH 2018

(₹ in Crore except earning per share data)

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
		Audited	Unaudited	Audited	Audited	Audited
I	**Income**					
	a) Revenue from Operations	144.30	5.68	71.28	242.44	761.68
	b) Other Income	48.37	(9.31)	76.37	110.63	308.17
	Total Income (a+b)	**192.67**	**(3.63)**	**147.65**	**353.07**	**1,069.85**
II	**Expenses**					
	a) Cost of material consumed	11.15	3.76	7.16	40.31	246.10
	b) Excide Duty	-	-	-	-	-
	c) Purchases of stock-in-trade	-	-	-	-	-
	d) Changes in inventories of finished goods, work-in progress and stock-in-trade	7.21	(11.91)	4.14	3.69	49.39
	e) Subcontracting Expenses	35.49	11.35	13.78	61.25	203.44
	f) Employee benefits expense	2.43	2.72	5.15	11.83	78.43
	g) Finance Costs	168.06	133.76	129.89	575.91	518.90
	h) Depreciation & amortization	2.74	3.06	3.02	11.77	32.65
	i) Other expenses	8.56	12.73	134.07	77.30	298.57
	Total Expenses	**235.64**	**155.47**	**297.21**	**782.06**	**1,427.48**
III	**Profit/(Loss) before exceptional items and tax**	**(42.97)**	**(159.10)**	**(149.56)**	**(428.99)**	**(357.63**
IV	**Exceptional items Income / (Expense)**	(121.84)	12.57	(1,259.63)	(1,586.65)	(1,305.09
V	**Profit / (Loss) before tax**	**(164.81)**	**(146.53)**	**(1,409.19)**	**(2,015.64)**	**(1,662.72**
VI	**Profit/(Loss) from continuing operations**	**(164.81)**	**(146.53)**	**(1,409.19)**	**(2,015.64)**	**(1,614.82**
VII	**Tax expenses**					
	Current Tax	-	-		-	-
	Excess / Short Provision of Earlier years	-	-	2.93	-	2.93
	Deferred Tax Liability / (asset)	0.43	(0.02)	(0.01)	(32.55)	(5.73
	Total tax expenses	**0.43**	**(0.02)**	**2.92**	**(32.55)**	**(2.80**
VIII	**Profit/(Loss) for the period from continuing operations**	**(165.24)**	**(146.51)**	**(1,412.11)**	**(1,983.09)**	**(1,612.02**
IX	**Profit/(Loss) from discontinued Operations**	-	-			(47.90
X	**Tax expenses**	-				
	Current Tax	-	-	-		-
	Excess / Short Provision of Earlier years	-	-	-		-
	Deferred Tax Liability / (asset)	-	-			-
	Total tax expenses	-	-	-	-	-
XI	**Profit/(Loss) from Discontinued Operations after Tax**	-	-	-	-	**(47.90**
XII	**PROFIT FOR THE YEAR**	**(165.24)**	**(146.51)**	**(1,412.11)**	**(1,983.09)**	**(1,659.92**
XIII	**Other Comprehensive Income:**					
	Items that will not be reclassified to profit or loss (net of Tax)	(0.20)	(0.04)	(1.28)	(0.20)	(2.03
XIV	**Total Comprehensive Income / (Loss) For The Period**	**(165.44)**	**(146.55)**	**(1,413.39)**	**(1,983.29)**	**(1,661.95**
XVII	**Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)**	74.11	74.11	74.11	74.11	74.11
XVIII	**Other Equity**	-	-	-	-	569.47
XIX	**Earnings per equity share**					
	Basic	(4.48)	(3.97)	(38.37)	(53.76)	(45.10
	Diluted	(4.47)	(3.96)	(38.29)	(53.66)	(45.01

See accompanying notes to the financial results

GAMMON INDIA LTD

IDENTIFICATION

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GAMMON INDIA LIMITED
Registered Office: Floor 3rd, Plot No - 3/8, Hamilton House, J.N. Heredia Marg, Ballard Estate, Mumbai 400038. Maharashtra, India; **Telephone:** +91-22-22705562;
E-mail: gammon@gammonindia.com; **Website:** www.gammonindia.com;
CIN: L74999MH1922PLC000997

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2018

(₹. in Crore)

Particulars	As at 31 March 2018	As at 31 March 2017
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	450.74	451.28
(b) Capital work-in-progress	10.38	20.05
(c) Intangible Asset	-	-
(d) Financial assets		
(i) Investments	442.77	1,202.79
(ii) Trade receivable	207.71	294.86
(iii) Loans	1,283.86	2,009.01
(iv) Others	197.02	356.04
(e) Deferred tax assets (net)	-	-
(f) Other non-current assets	1,311.88	1,266.77
TOTAL NON-CURRENT ASSETS	**3,904.36**	**5,600.80**
CURRENT ASSETS		
(a) Inventories	123.82	146.27
(b) Financial assets		
(i) Investments	3.93	5.74
(ii) Trade receivables	132.00	60.46
(iii) Cash and cash equivalents	10.11	44.84
(iv) Bank balances	3.05	6.95
(v) Loans	8.65	15.63
(vi) Others	25.81	33.03
(c) Current tax assets (net)	-	-
(d) Other current assets	59.21	57.07
TOTAL CURRENT ASSETS	**366.58**	**369.99**
TOTAL ASSETS	**4,270.94**	**5,970.79**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(1,413.42)	569.47
TOTAL EQUITY	**(1,339.31)**	**643.58**
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	2,192.17
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to other than Micro and Small Enterprises	10.95	8.77
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.35	0.90
(c) Deferred tax liabilities (net)	110.06	243.70
(d) Other non-current liabilities	90.58	101.92
TOTAL NON-CURRENT LIABILITIES	**223.94**	**2,559.46**
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	949.14
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	0.44	0.65
- Total outstanding dues to other than Micro and Small Enterprises	137.13	199.06
(iii) Other financial liabilities	4,898.15	1,298.49
(b) Other current liabilities	116.25	67.72
(c) Provisions	232.01	250.37
(d) Current tax liabilities (net)	2.32	2.32
TOTAL CURRENT LIABILITIES	**5,386.30**	**2,767.75**
TOTAL EQUITY AND LIABILITIES	**4,270.94**	**5,970.79**

Notes:

1. The Financial Results for the quarter and year ended March 31, 2018 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 28, 2018 and have been subjected to limited review by the Statutory Auditors of the Company.

2. Results for the quarter and year ended March 31, 2018 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 figures for the quarter ended March 31, 2018 are derived from the audited figures of the twelve months period ended March 31, 2018 and the year to date figures upto December 31, 2017 which were subjected to limited review by the statutory auditors and are adopted simultaneously with these results.

4. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs. 943.08 crores (net of provisions made) as at March 31, 2018 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. has 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. The valuation pegged by the commissioner is based on the valuation of land in adjoining premises which is also under administration. 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. Despite these factors the management expects that the surplus available to the equity shareholder will be adequate to cover the exposure of the Company towards FTM.

   The auditors have qualified their report on this account as follows

   "We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 943.08 crores (net of provisions made) as at March 31 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2018."

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5. Pursuant to the rejection of remuneration paid/payable to Chairman for the period 1st April,2012 to 31st March,2017 aggregating to RS.30.54 crores and recovery of excess remuneration paid to erstwhile Executive Director aggregating to RS. 0.59 crores ,the Company has reversed the said managerial remuneration and has shown the net recoverable remuneration (after reversal of unpaid salary) aggregating to Rs. 24.53 crores as receivable from the Chairman and the erstwhile Executive Director. The Board on the recommendation of the nomination and remuneration committee has decided to seek from its shareholders /lenders waiver of the remuneration recoverable as aforementioned.

6. There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 402.54 Crores consisting of receivable of Rs. 164.29 crores, inventory 38.72 crores and other receivables Rs. 199.53 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 6 relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 402.54 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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."

7. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 192.88 crores (net of provisions of Rs. 230 crores made). The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released. The Company has already made a provision of Rs 130 crores in March 2017 against its exposure based on internal estimates of the realisable value and further provision of Rs. 100 crores is made during the period. The provision for the year has been shown as exceptional item

   The auditors have qualified their report on this account as follows

   "We invite attention to note no 7 relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 192.88 crores net of impairment provisions of Rs. 230 crores made based on internal estimates of asset value. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required."

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MUMBAI

8. 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.114.22 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.

9. The Company has receivable including retention and work in progress aggregating to Rs. 54.72 Crore (inventory - Rs. 24.30 crores and receivables Rs. 30.42 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.

10. The Company has evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration have assess the likely amount of claims being settled in favour of the Company. During the year Company has recognised further claims amounting to Rs. 140.35 crores. The expert has reviewed all the claims and has opined that an amount aggregating to Rs. 912.36 crores will be reasonably certain to be settled in favour of the Company. The management contends that the same are due to them and they have a very good chance of realisation.

    The auditors have qualified their opinion.

    "We invite attention to note no 10, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Company has recognised further claims amounting to Rs. 140.35 crores. The aggregate amount of claims outstanding as at March 31, 2018 is Rs. 912.36 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, 2018".

11. Material Uncertainty Relating to Going Concern
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, 2018 the Company's current liabilities exceed the current assets by Rs. 5019.72

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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 which were pledged as security by one of the Company's wholly owned subsidiary towards recovery of its dues. As on March 31, 2018 the Company's wholly owned subsidiary held 40,04,99,700 equity shares (42.52%) in GIPL.

The CDR lenders also invoked pledge of Company's holdings of 17.26% in Gammon Engineers and Contractors Private Limited and 17.38% holding in Transrail Lighting Limited 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".

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

The demerger of the transmission and distribution business and part of the Civil EPC business in the previous year has resulted in the reduction of CDR lenders exposure by Rs. 10,362 crores including funded and non-funded exposures. After the carve out of businesses the total exposure of the lenders in the Company is RS. 4263 crores (Fund based-Rs. 3872 crores (excluding interest) and Non-Fund Based - Rs. 391 crores).

The Company's subsidiary has sold 16,50,00,300 equity shares of Gammon Infrastructure Projects Limited and repaid Bank loan of Rs. 57.81 crores.

Post the balance sheet date, 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.

During the year under review as part of its plan of revival under the CDR/SDR mechanism, the Company also undertook the demerger of residual EPC Business through a combination of slump sale and slump exchange to its wholly owned subsidiary Gammon Transmission Limited and also approved the investment by a strategic Investor in GTL with a change of management which is pending approval of lenders, shareholders and the regulatory authorities. It is proposed that a debt of Rs. 70 crore fund based and Rs. 52 crores non fund based will be transferred as part of the residual EPC undertaking.

The Company has recently been in talks with an Investor who has evinced interest in acquiring major stake in the Company and the draft proposal from the Investor also includes a debt resolution plan. The broad terms of the proposal are;

(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.

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

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

(IV) The Total Debt to be assumed= INR 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:

Gammon House:

Gammon House asset will be developed and sold by entering into a development agreement with leading developers. For this a debt of INR 200 crore will be repaid by the Investor over a period of 4 years at an IRR of 8%.

CDR lenders having exclusive charge on Gammon House will continue to retain the charge and Rs 200 crore will be paid to them. Alternatively Gammon House can be sold & entire proceeds can be given to the two lenders.

Apart from Gammon House the company has other assets like claims, investments & other assets. The Investor expects to repay approx. Rs 500 crores over a period of 4 years to the lenders after deducting arbitration & legal costs.

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 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 realised, realisation of the claim amounts filed by the Company, monetisation of the stake sale of Campo Puma and other investments and also the acceptance of the Investors proposal by the lenders. 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.

12. The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is Rs 324.68 crores. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. During the year the management has on a conservative basis made a provision of Rs. 100 crores against its exposure based on internal estimates of the realizable value. The management is confident that there will be no further provision required towards impairment. The provision for the year has been shown as exceptional item

The auditors have qualified their report on this account as follows

"We invite attention to note no 12 relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of Rs. 100 crores against the exposure of Rs. 324.68 crores. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability

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we are unable to state whether any further provision is required towards the balance exposure of Rs. 224.68 crores."

13. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.

14. The Company on prudent basis has stopped recognizing further interest on all the loans which are doubtful of recovery and for which provisions for impairment are made either in full or part

15. One of the subsidiary ("Metropolitan Infrahousing Private Limited") has sold the Land at Dombivali since the Balance Sheet date. After this there are no major assets in the books of MIPL except for a parcel of land aggregating to 45 acres to repay the loan of GIL. Therefore the company has made a provision for impairment of its investment in the subsidiary of Rs. 505.44 Crores net of the reversal of the provision of deferred tax liability recognised on transition date of Rs. 101.09 Crores. Further provision of Rs. 268.90 Crores has been made against its exposure as loan & interest receivable as on March 31, 2018. The provision for the year has been shown as exceptional item.

16. The company has made impairment provision towards the carrying value of investment carried at cost in respect of investment in Gammon Power Limited and Gactel Turnkeys Project Limited, the companies through which the equity stake in Gammon Infrastructure Project Limited (GIPL) is held. The provision made is Rs.153.49 crores for the year ended March 31, 2018 (Rs. 529.96 crores for the year ended March 31, 2017). The impairment provision is made based on the market price of the said shares of GIPL. The provision for the year has been shown as exceptional item.

17. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1112.34 crores of which Gammon International BV is Rs. 826.14 Crores and Gammon Holding Mauritius Limited is Rs. 286.20 Crores. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML the reduction in Equity value as per the recent valuation report is Rs. 125 Crores. However on the prudent basis Company has provided Rs. 350 crores during the year against its exposure to GIBV. The provision for the year has been shown as exceptional item.

18. One of the subsidiary ("Gammon Realty Limited) has received advance of Rs 30 Crore against sale of its stake in its subsidiary ("Preeti Township Private Limited) pending execution of share purchase agreement and transfer of shares in favour of buyer. Further there are no other major assets remains in ("Gammon Realty Limited") to repay the loan of GIL therefore the company has made a provision of Rs. 120 Crores against its exposure as on March 31, 2018. The provision for the year has been shown as exceptional item.

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19. The Exceptional items include the following

Rs. In Crore

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net provision for impairment of Investments net of DTL reversal	658.93	557.97
Impairment provisions of Loans	940.90	606.26
Impairment provisions of Trade Receivable	-	119.28
Impairment provision of Other Receivable	-	28.55
Loss on Foreclosure of Project	44.80	-
Write back of Diminution in the value of Investment	-	(6.98)
Write back of provision of Loans	(57.98)	-
Total	**1586.65**	**1305.09**

20. The details of previous due date of the Non-Convertible Debentures interest and its next due dates is given herein below:

Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Next Due Amount
NCD 10.5% monthly interest payments (Rs. 14.36 Cr. not paid since April'16)	31.03.2018	No	30.04.2018	0.59 Cr
NCD 11.05% monthly interest payments (Rs. 20.38 Cr. not paid since April'16)	31.03.2018	No	30.04.2018	0..84 Cr
NCD 9.50% monthly interest payments (Rs. 17.38 Cr. not paid since April'16)	31.03.2018	No	30.04.2018	0.72 Cr
NCD 9.95% half yearly interest payments (Rs. 9.22 Cr. not paid since September'16)	31.03.2018	No	30.09.2018	2.22 Cr

Details of previous due date of the Non-Convertible Debentures principal and its next due date is given herein below:

Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Amount in crores
NCD 10.5% quarterly Principal payments (Rs. 15.28 Cr. not paid since	15.01.2018	No	15.04.2018	2.73 Cr.

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Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Amount in crores
April'16)				
NCD 11.05% quarterly Principal payments (Rs. 20 Cr. not paid since April'16)	15.01.2018	No	15.04.2018	3.25 Cr.
NCD 9.50% quarterly Principal payments (Rs. 18 Cr. not paid since April'16)	15.01.2018	No	15.04.2018	2.93 Cr.
NCD 9.95% yearly Principal payments (Rs. 10.81 Cr.cr not paid since April'16)	15.01.2018	No	15.04.2018	1.63 Cr.

21. Additional Disclosure as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	**Particulars**	**As at March 31, 2018**
A	Debt Equity Ratio	(2.91)
B	Debt Service Coverage Ratio	(0.33)
C	Interest Service Coverage Ratio	(1.86)
D	Debenture Redemption Reserve	81.00
E	Net Worth	(1339.30)
F	Net Profit after Tax	(1983.09)
G	Basic Earnings per share	(53.76)

i) Debt Equity Ratio = Term Loans and Debentures / Networth
ii) Debt Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / (Interest + Principal repayment of long term loans)
iii) Interest Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / interest
iv) Net Worth = Equity + Other Equity

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

For Gammon India Limited

Abhijit Rajan
Chairman
DIN No. 00177173
Mumbai, November 28, 2018

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MUMBAI

ANNEXURE I

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

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2018 [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	353.07	353.07
	2	Total Expenditure	2336.16	2336.16
	3	Net Profit/(loss) before OCI	(1,983.09)	(1,983.09)
	4	Earnings Per Share- Basic	(53.76)	(53.76)
	5	Total Assets	4270.95	4270.95
	6	Total Liabilities	4270.95	4270.95
	7	Net Worth	(1339.30)	(1339.30)
	8	Any Other Financial Item	-	-
II.	**Audit Qualification (each audit qualification separately):**			
1.	a.	**Details of Audit Qualification:** We invite attention to note no 37(c) relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 943.08.crores (net of provisions made) as at March 31 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2018.		
	b.	**Type of Audit Qualification: Qualified Opinion**		
	c.	**Frequency of qualification:** Since December 2013 – 5th Time in audited accounts.		
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:-NA**		
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**		
		(i) **Management's estimation on the impact of audit qualification:** Based on estimation given by the Commissioner in charge, the management believes the value of non-core assets including land is sufficient to cover external liabilities of FTM as also the exposure of the Group. However on a prudent basis Company has provided Rs.100 crores. Accordingly Board has come to the conclusion that no further impairment is required for the Company.		
		(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 indication of the value of the non-core assets or the surplus we are unable to quantify the possible further provision towards the exposure of the Company and therefore also the effect on the loss/profit of the		

GAMMON INDIA LTD.

	Company for the quarter and the period ended 31st March 2018.
2.	a. **Details of Audit Qualification:** We invite attention to note no 7, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Company has recognised further claims amounting to Rs. 140.35 crores. The aggregate amount of claims outstanding as at March 31, 2018 is Rs. 912.36 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, 2018.
	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:** 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 of the quarter ended 31st March 2018 and year ended 31st March 2018
3.	a. **Details of Audit Qualification:** We invite attention to note no 37(d) relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 192.88 crores net of impairment provisions of Rs. 230 crores made based on internal estimates of asset value. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.
	b. **Type of Audit Qualification: Qualified Opinion**
	c. **Frequency of qualification:** Since September 2014 – 4th Time in Audited Accounts.
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** e. **Not Applicable**
	f. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	(i) **Management's estimation on the impact of audit qualification:** The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 36 months ago, which the management believes is still valid. Furthermore, the company is in the process of enhancing its output of oil field from the current level, which is expected to further improve the value. The disputes between the partners are expected to be resolved within a short time after which the financial statements will be signed and released.

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		The Company has made a provision of Rs 230 crores against its exposure based on internal estimates of the realisable value and the 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 light of the on-going dispute with the partners resulting in the financial statements not being finalised and in view of the impairment testing of the said exposure not being carried out by Gammon India Limited and the available independent valuations are more than 36 months old. The internal estimates of realisability are not backed by independent valuation and we are therefore unable to state whether the said impairment carried out is adequate or not.
4.	a.	**Details of Audit Qualification:** We invite attention to Note 4(a)(iii) relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 402.54 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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:** 3rd Time in Audited Accounts
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** a. **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:** There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 402.54 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.
5.	a.	**Details of Audit Qualification:** We invite attention to note no 31(iii) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of Rs. 100 crores against the exposure of Rs. 324.68 crores. The Subsidiary's financials are also 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 balance exposure of Rs. 224.68 crores.
	b.	**Type of Audit Qualification: Qualified Opinion**
	c.	**Frequency of qualification:** 2nd Time in Audited Accounts
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
	e.	**Not Applicable**
	f.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**

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	(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. The 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. 224.68 crores.

III.	**Signatories:**	**Signatures**
	Chairman Mr. Abhijit Rajan	
	Audit Committee Chairman. Mr. Naval Chowdhary	navalchowdhary
	Auditors For Nayan Parikh & Co. Chartered Accountants Firm Registration No. 107023W K.N.Padmanabhan Partner M. No. 036410	K N Padmanabhan
	Place: Mumbai	
	Date: 28.11.2018	

GAMMON INDIA

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(REGISTERED)
CHARTERED ACCOUNTANTS
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PHONE : (91-22) 2640 0358, 2640 0359

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

To
The Board of Directors
Gammon India Limited.
Mumbai.

1. We have audited the Standalone Financial Results of Gammon India Limited ("the Company") for the year ended March 31, 2018. attached herewith ("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. The quarterly Standalone Financial Results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to limited review.

2. The Standalone Financial Results for the quarter ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited Annual Financial Statements as at and for the year ended March 31, 2018, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Companies (Indian Accounting Standards) Regulation, 2015 specified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2018; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

4. Basis of Qualified Opinion

(a) We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 943.08.crores (net of provisions made) as at March 31, 2018 including towards the corporate guarantees issued towards the bank guarantees issued in favour of the said FTM. The management as detailed in the said note is awaiting the details of the surplus arising out of the disposal of the non-core assets and the recovery of the liabilities therefrom. The management expects that the surplus will be adequate to cover the exposure. However in the absence of any indication of the value of the non-core assets or the surplus we are unable to quantify the possible provision towards the exposure of the Company and therefore also the effect on the loss/profit of the Company for the year ended March 31, 2018.

(b) We invite attention to note no 10, detailing the recognition of claims during the earlier years and the current year in respect of on-going, completed and/or terminated contracts. During the year Company has recognised further claims amounting to Rs. 140.35 crores. The aggregate amount of claims outstanding as at March 31, 2018 is Rs. 912.36 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, 2018.

(c) We invite attention to note no 7 relating to the Company's Exposure to Campo Puma Oriente S.A. of Rs. 192.88 crores net of impairment provisions of Rs. 230 crores made based on internal estimates of asset value. In the light of the on-going dispute with the partners resulting in the financial statements not being finalised, in view of the impairment testing of the said exposure not being carried out by Gammon India Limited, the available independent valuations are more than 36 months old and the internal estimates of realisability not being backed by independent valuation, we are unable to state whether any further impairment would be required.

(d) We invite attention to Note 6 relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 402.54 crores in respect of disputes in seven projects of the Company and/or its SPVs. 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

(e) We invite attention to note no 12 relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of Rs. 100 crores against the exposure of Rs. 324.68 crores. The Subsidiary's financials are also 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 balance exposure of Rs. 224.68 crores.

5. Qualified Opinion

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

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

(ii) give a true and fair view of the net profit, total comprehensive income and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.

6. Material Uncertainty related to Going Concern.

We invite attention to the note no 11 relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders have recalled all the loans and their present excess of Current Liabilities over Current Assets is Rs. 5019.72 crores. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. Further due to the issues detailed in the note 11 the Company is continuously delayed in 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 11 including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern

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assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account

7. **Emphasis of Matter**

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

a) We draw attention to Note no 8 relating to recoverability of an amount of Rs.114.22 crores as at March 31, 2018 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. 9 relating to the projects of real estate sector where the exposure is Rs. 54.72 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

8. The comparative financial information of the Company for the quarter ended and the year ended March 31, 2017 included in this statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated September 20, 2017 expressed a qualified opinion.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - November 28, 2018