

AJR INFRA AND TOLLING LIMITED

(Formerly Gammon Infrastructure Projects Limited)

ANNEXURE I

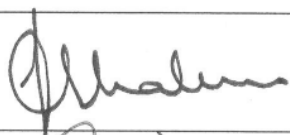
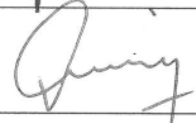



Statement on Impact of Audit Qualifications
(for audit report with modified opinion) submitted along-with
Annual Audited Standalone Financial Results

Rs in lacs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024				
[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	2,022.42	2,022.42
	2	Total Expenditure	26,109.01	26,109.01
	3	Net Profit / (Loss)	(24,086.59)	(24,086.59)
	4	Earnings Per Share	(2.56)	(2.56)
	5	Total Assets	41,786.33	41,786.33
	6	Total Liabilities	1,64,078.97	1,64,078.97
	7	Net Worth	(1,22,292.64)	(1,22,292.64)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
1.	<p>Details of Audit Qualification: Attention is invited to Note 5(a) of the Financial Results, relating to the Project in the SPV; Indira Container Terminal Pvt Ltd. There exists material uncertainty relating to the future of the Project where the exposure of the Company in the SPV/project is Rs. 13,243.29 lacs (funded and non-funded). The draft settlement agreement between the SPV, Ministry of Shipping (MoS), Mumbai Port Trust (MbPT) has been rejected by MbPT. The Company and the SPV are in discussion with MbPT and MoS to reconsider the Project. The credit facility is marked as NPA by the Lenders. During the quarter the Lenders have initiated proceedings under Insolvency and Bankruptcy code, 2016 before the NCLT and the NCLT admitted the said petition and authorized the appointment of Interim Resolution Professional (“IRP”) vide its orders dated May 09,2024. The Company moved NCLAT and obtained interim stay on the operation of the order of the NCLT vide order dated May 16,2024. The order does not mention anything about the merits of admitting the said petition. The stay is granted for a period of 40 days, and we are unable to opine which way the matter would proceed after the completion of the period of stay. The exposure of the Company towards the said project is Rs. 13,243.29 lacs which is threatened by the possible loss of control if the Company’s petition is not upheld on merits. Without prejudice to the above, The SPV and MbPT have initiated arbitration proceedings which were in progress which may abate if the lenders petition is upheld, and the IRP is reinstated. The MBPT has requested conciliation proceedings which are also under active discussions. One of the grounds on which the stay is granted is the proposal</p>			



	fulfilled before the next date for the lenders to withdraw their petition. There are uncertainties to the adherence to terms and conditions which inter alia requires an infusion of a substantial sum of money by an Investor identified by the Company. In view of the above reasons we reiterate that we are unable to opine whether the Company would retain control, honour the terms of the OTS and its petition will be upheld by the Courts.
	Type of Audit Qualification: Qualified Opinion
	Frequency of qualification: appeared in annual financial statements for the year ended 31st March 2019, 31st March 2020 ,31st March 2021, 31 st March 2022 and 31 st March 2023 and March 31,2024.
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.
	For Audit Qualification(s) where the impact is not quantified by the auditor:.
	Management's estimation on the impact of audit qualification: Company is in active discussions with Lenders for OTS and withdrawal of the NCLT Petition. The Management is also hopeful of favourable settlement with MBPT under the conciliation process / Arbitration. The Management has a legal opinion estimating possible award which is in excess of the exposure
	If management is unable to estimate the impact, reasons for the same: Not Applicable
	Auditors' Comments on above: Pending conclusion of matters of material uncertainty related to the Project and decision of the OTS and withdrawal of the NCLT petition by the lenders not being concluded, we are unable to comment whether any provision is required towards possible impairment towards the said exposure.

Signatories:	
Sunilbhai Arjundas Chhabaria Independent Director	
Mr. Vinay Sharma Chief Financial Officer	
Homai Darwalla Member of Audit Committee	
For Natvarlal Vepari & Company Chartered Accountants Firm Regn no.: 106971W Nuzhat Khan Partner M. No. 124960	 
Place: Mumbai	
Date: May 30, 2024	



	<p>merits of admitting the said petition. The stay is granted for a period of 40 days, and we are unable to opine which way the matter would proceed after the completion of the period of stay. The exposure of the Company towards the said project is Rs.46,946.47 lacs which is threatened by the possible loss of control if the Company's petition is not upheld on merits. Without prejudice to the above, The SPV and MbPT have initiated arbitration proceedings which were in progress which may abate if the lenders petition is upheld, and the IRP is reinstated. The MBPT has requested conciliation proceedings which are also under active discussions. One of the grounds on which the stay is granted is the proposal of OTS which has been submitted by the Company whose terms and conditions has to be fulfilled before the next date for the lenders to withdraw their petition. There are uncertainties to the adherence to terms and conditions which inter alia requires an infusion of a substantial sum of money by an Investor identified by the Company. In view of the above reasons, we reiterate that we are unable to opine whether the Company would retain control, honour the terms of the OTS and its petition will be upheld by the Courts.</p>
	<p>Type of Audit Qualification: Qualified Opinion</p>
	<p>Frequency of qualification: appeared in annual financial statements for the year ended 31st March 2019, 31st March 2020 ,31st March 2021, 31st March 2022 and 31st March 2023 and March 31,2024.</p>
	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.</p>
	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:.</p>
	<p>Management's estimation on the impact of audit qualification: Company is in active discussions with Lenders for OTS and withdrawal of the NCLT Petition. The Management is also hopeful of favourable settlement with MBPT under the conciliation process / Arbitration. The Management has a legal opinion estimating possible award which is in excess of the exposure</p>
	<p>If management is unable to estimate the impact, reasons for the same: Not Applicable</p>
	<p>Auditors' Comments on above: Pending conclusion of matters of material uncertainty related to the Project and decision of the OTS and withdrawal of the NCLT petition by the lenders not being concluded, we are unable to comment whether any provision is required towards possible impairment towards the said exposure.</p>
2.	<p>Details of Audit Qualification: In case of Sony Mony Developers Private Limited The auditors of the Subsidiary have qualified the following matter ; a. We invite attention to note below Statement of Changes in Equity about the opening transition adjustments. We are unable to opine on the correctness or otherwise of the treatment given by the management as opening transition adjustments are only on the basis of third-party confirmations and subsequent movement in the account, which are different from previously audited financial statement under</p>

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	<p>previous GAAP.</p> <p>b. We draw attention is invited to Note 8.2 (a) of the respective SPV Financial Statement, relating to the credit facility availed by the erstwhile promoters of the company and the treatment thereof in the financial statements. In terms of the MOU the Company has treated the entire amount over and above the amount shown by the erstwhile promotor as contingent liability. The Company continues to show the loan as its obligation in the absence of assignment/novation by the lenders. We are unable to opine on the correctness or otherwise of this treatment in the absence of confirmation of the erstwhile promotor accepting the entire balance.</p>
	<p>Type of Audit Qualification: Qualified Opinion</p>
	<p>Frequency of qualification: appeared in annual financial statements for the year ended March 31, 2024 and March 31,2023.</p>
	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable</p>
	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>Management's estimation on the impact of audit qualification:</p> <p>a) There was a change in management control of the Company during the year in June 2022. The Change in management also necessitated the transition to IND AS as the Company become a subsidiary of the company which is an Ind AS entity. The new management, despite best efforts was not provided with complete documentation with respect to balances of various parties. The opening balances as on transition date have been adjusted to reflect the correct balances in the opinion of the new management. The net difference is Rs Nil.</p> <p>b) The Company under the erstwhile promoters had taken a credit facilities from Indiabulls Housing Finance Ltd and Standard Chartered Bank . The Company had defaulted in payment of EMIs and repayment of the above loan and the facility was marked as NPA by the lenders and demand notices has been issued and lenders approached Debt Recovery Tribunal (DRT) for the recovery of its dues. These loans were secured against the property of the erstwhile promoters.</p> <p>During the previous year there is a Memorandum of Understanding (MOU) signed between erstwhile promoters and new promoters of the company as per which erstwhile shareholders/Promoters of the Company shall be responsible to repay the borrowings. The personal assets of the erstwhile promoters are charged against these loans as security as mentioned in the DRT orders. Pending final outcome of the of the DRT proceedings against the erstwhile promoters, and any tripartite agreement between lender, erstwhile management and the new management for assigning the liability the new management of the Company continues to show these liabilities in its Financial Statement. Since the credit facility was marked as NPA by the lenders, the Company had not accrued interest on these loans in the past</p>



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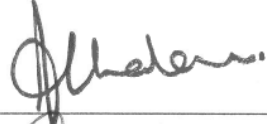
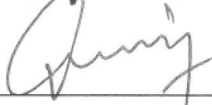
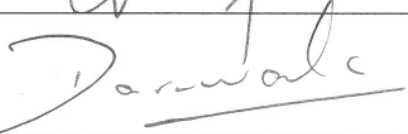




	<p>and there are no loan statements and balance confirmations available with the company. The new management has computed the interest liability as per the last sanction term available in DRT orders and has disclosed the same as contingent liability together with the difference between the recall amount and the balance in books aggregating to Rs 5,777.62 lacs.</p> <p>The management contends that the liability is of the erstwhile promotor as per the MOU. The management further believes that the property charged of the erstwhile promotor is adequate to cover the obligation towards the lenders.</p>
	If management is unable to estimate the impact, reasons for the same: Not Applicable
	<p>Auditors' Comments on above:</p> <p>a) We are unable to opine on the correctness or otherwise of the treatment given by the management as opening transition adjustments are only on the basis of third-party confirmations and subsequent movement in the account, which are different from previously audited financial statement under previous Gaap.</p> <p>b) We are unable to opine on the correctness or otherwise of this treatment in the absence of confirmation of the erstwhile promotor accepting the entire balance and the lenders submitting the documents of novation in favour of the erstwhile promoter.</p>
3.	<p>Details of Audit Qualification:</p> <p>The Financial Results of the Company for the quarter and year ended March 31,2024 include share of profit from Vizag Seaport Private Limited a material Associate Company based on un-audited management prepared Financial Statements and have been accounted as such and on which no further audit procedures have been carried out by us. Since the said Associate mentioned above is material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any</p>
	Type of Audit Qualification: Qualified Opinion
	Frequency of qualification: Appears in annual financial statements for the year ended March 31, 2024.
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable
	For Audit Qualification(s) where the impact is not quantified by the auditor:
	Management's estimation on the impact of audit qualification: Audit could not be completed due to various reasons based on the discussion with the respective management we do not foresee any material impact arising out of audit in the aforesaid Financial Statements.
	If management is unable to estimate the impact, reasons for the same: Not Applicable
	<p>Auditors' Comments on above:</p> <p>a) In the absence of Audit Report we are unable to further comment on the management response.</p>



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Signatories:	
Sunilbhai Arjundas Chhabaria Independent Director	
Mr. Vinay Sharma Chief Financial Officer	
Homai Darwalla Member of Audit Committee	
For Natvarlal Vepari & Company Chartered Accountants Firm Regn no.: 106971W Nuzhat Khan Partner M. No. 124960	 
Place: Mumbai	
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