

Date: 28th June, 2021

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 June, 2021 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 June, 2021 which commenced at 6:00 p.m. and concluded at 8:40 p.m. *inter - alia* transacted the following business:

- (i) Approval of the Audited Financial Statements (Standalone and Consolidated) of the Company for the quarter and half year ended 31st March, 2021;


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

- (ii) Voluntary delisting of the trading of shares from BSE Limited.

You are requested to take the above information on record.

Thanking you,

For Gammon India Limited


Niki Shingade
Company Secretary

Encl: As above

GAMMON INDIA LIMITED

Registered Office : Floor 3rd, Plot - 3/8, Hamilton House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 038, Maharashtra, India; **Telephone :** +91-22-2270 5562

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

CIN : L74999MH1922PLC000997

NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

PHONE : (91-22) 2640 0358, 2640 0359

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

To
The Board of Directors
Gammon India Limited,
Mumbai.

Qualified Opinion

We have audited the accompanying statement of Standalone Financial Results of Gammon India Limited ("the Company") for the quarter and year ended March 31, 2021, ("Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the listing regulations").

Except for the possible effects of the matter described in Basis of Qualified Opinion paragraph (a) to (e), the Statement in our opinion and to the best of our information and according to the explanations given to us,

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- (ii) gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian accounting standard ("Ind AS") and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis of Qualified Opinion

- (a) We invite attention to note no. 4 (a) of the statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert except that we are informed the arbitrations are in progress. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its



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realisation and the consequent effect on the financial statements for the year ended March 31, 2021.

- (b) We invite attention to note no. 4(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 350.60 crores in respect of disputes in six 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.
- (c) We invite attention to note no. 4(c) 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. 325.64 crores. The Subsidiary's audited financials are also not available for our review and also the management has not carried out any exercise of determining the realisable value. 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. 225.64 crores.
- (d) We invite attention to note no 4 (d) relating to penal interest and charges of Rs 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 248.58 Crores up to March 31, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.
- (e) We Invite attention to note no 4(e) relating to exposure of the Company in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure of the subsidiary as at March 31, 2021, Total Exposure of the two Subsidiary is Rs. 807.52 Crores (Net of Provision).

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial



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results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty related to Going Concern.

We invite attention to the note no. 7 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets by Rs 7736.65 Crore. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity, the trading in equity shares of the Company is presently suspended, until there is a finality and settlement of penalty to be paid by the Company for all the past delays in its filings to stock exchanges. The Company has made an application for waiver of penalty and the response is awaited on the matter from the stock exchange. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The Company's resolution plan has found favour with two lenders as detailed in the note no. 7 but the final approval of all lenders and the execution of the plan and its success involves material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

Emphasis of Matter

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

- a) We draw attention to Note no 5 of the statement relating to recoverability of an amount of Rs.151.17 crores as at March 31, 2021 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. 6 relating to the projects of real estate sector where the exposure is Rs. 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.



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Management's responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Ind AS prescribed under section 133 of the Act read with relevant rules thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error,

In preparing the standalone financial results, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process,

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

1. Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.



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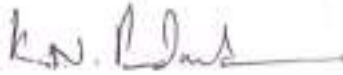
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the quarter ended March 31, 2021 and March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year which were subject to limited review by us.

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



K N Padmanabhan
Partner
M. No. 36410

Mumbai, Dated: - June 28, 2021

UDIN: 21036410AAAA DV 9511



STANDALONE STATEMENT OF ASSETS AND LIABILITIES		
	(₹ in Crores)	
Particulars	As at 31 March 2021	As at 31 March 2020
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	418.07	429.51
(b) Capital work-in-progress	-	1.73
(c) Financial assets		
(i) Investments	121.67	211.97
(ii) Trade receivable	283.37	354.93
(iii) Loans	726.27	739.69
(iv) Others	91.94	82.04
(d) Deferred tax assets (net)	-	-
(e) Other non-current assets	1,387.00	1,347.54
TOTAL NON-CURRENT ASSETS	3,028.32	3,167.42
CURRENT ASSETS		
(a) Inventories	33.13	38.92
(b) Financial assets	-	-
(i) Investments	0.05	0.03
(ii) Trade receivables	26.23	24.75
(iii) Cash and cash equivalents	7.20	3.37
(iv) Bank balances	0.58	0.58
(v) Loans	5.30	7.91
(vi) Others	26.73	26.51
(c) Current tax assets (net)	-	-
(d) Other current assets	104.74	113.04
TOTAL CURRENT ASSETS	203.96	216.11
TOTAL ASSETS	3,232.28	3,383.53
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(4,981.48)	(4,284.75)
TOTAL EQUITY	(4,907.37)	(4,190.64)
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to other than Micro and Small Enterprises	12.74	16.93
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.53	0.58
(c) Deferred tax liabilities (net)	103.14	103.19
(d) Other non-current liabilities	70.63	70.73
TOTAL NON-CURRENT LIABILITIES	199.04	203.41
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	1.21	0.25
- Total outstanding dues to other than Micro and Small Enterprises	104.08	112.73
(iii) Other financial liabilities	7,334.79	6,755.87
(b) Other current liabilities	62.26	71.29
(c) Provisions	438.27	429.62
(d) Current tax liabilities (net)	-	-
TOTAL CURRENT LIABILITIES	7,940.61	7,369.76
TOTAL EQUITY AND LIABILITIES	3,232.28	3,383.53



GAMMON INDIA LIMITED

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E-Mail : gammon@gammonindia.com; Website : www.gammonindia.com

CIN : L74999MH1922PLC000997

SIGNED FOR IDENTIFICATION
BY *K. Parikh*
K. PARIKH & CO
MUMBAI

STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	Unaudited	Audited	Audited	Audited
I	Income					
	a) Revenue from Operations :	18.66	17.91	26.65	52.84	71.71
	b) Other Income	9.54	8.82	32.49	33.38	51.49
	Total Income (a+b)	28.20	26.73	69.14	86.22	123.20
II	Expenses					
	a) Cost of material consumed	8.50	2.78	10.27	13.98	16.71
	b) Subcontracting Expenses	9.26	12.80	19.90	32.10	50.74
	c) Employee benefits expense	1.99	1.98	1.74	7.44	7.63
	d) Finance Costs	128.97	158.97	152.81	605.96	686.55
	e) Depreciation & amortization	2.18	2.24	2.34	9.01	9.74
	f) Other expenses	14.77	9.80	39.70	41.34	64.44
	Total Expenses	165.67	188.55	226.76	709.83	736.81
III	Profit/(Loss) before exceptional items and tax	(137.47)	(161.82)	(167.62)	(623.61)	(612.61)
IV	Exceptional items Income / (Expense)	(95.56)	-	(476.35)	(85.56)	(508.94)
V	Profit / (Loss) before tax	(233.03)	(161.82)	(643.97)	(719.17)	(1,121.55)
VI	Tax expenses					
	Current Tax	-	-	-	-	-
	Excess / Short Provision of Earlier years	(2.27)	-	-	(2.27)	-
	Deferred Tax Liability / (asset)	(0.05)	0.06	0.21	(0.05)	1.01
	Total tax expenses	(2.32)	0.06	0.21	(2.32)	1.01
VII	PROFIT FOR THE PERIOD / YEAR	(230.71)	(161.88)	(644.18)	(716.85)	(1,122.56)
VIII	Other Comprehensive Income:					
	Items that will not be reclassified to profit or loss (not of Tax)					
	- Remeasurement gain/ (loss) on defined benefit plans (net of tax)	0.03	(0.01)	(0.10)	0.10	(0.32)
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	-	(0.08)
	Other Comprehensive Income:	0.03	(0.01)	(0.10)	0.10	(0.40)
IX	Total Comprehensive Income / (Loss) For The Period / Year	(230.68)	(161.89)	(644.28)	(716.75)	(1,122.96)
X	Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)	74.11	74.11	74.11	74.11	74.11
XI	Earnings per equity share					
	Basic	(6.25)	(4.39)	(17.46)	(19.43)	(30.43)
	Diluted	(6.25)	(4.39)	(17.46)	(19.43)	(30.43)

See accompanying notes to the financial results



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Standalone Cash Flow Statement for the year ended March 31, 2021

Particulars	₹ in Crore)	
	2020-21	2019-20
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(719.17)	(1,121.55)
Adjustments for :		
Depreciation	9.01	9.74
(Profit) / Loss on Sale of Assets	(1.68)	(1.82)
(Profit) / Loss on Sale of Investments	4.98	0.50
Income recognised towards corporate guarantee	-	(1.60)
Interest Expenses	605.96	586.55
Provision for Doubtful Debts and Advances	6.04	7.96
Foreign Exchange Loss / (Gain)	1.57	13.06
Interest Income	(11.54)	(12.08)
Exceptional Items	95.56	508.94
Assets W/off	1.37	-
Write off of Contract Assets	7.26	-
Sundry Balances Written off	3.54	23.62
Excess Provision Written Back	-	(2.20)
Sundry Balances Written Back	(7.92)	(23.46)
Operating Profit Before Working Capital Changes	(5.02)	(12.34)
Trade and Other Financial Receivables	26.55	(2.86)
Inventories	5.79	6.55
Trade Payables and Provision	(7.66)	5.42
Other Non Financial Assets	1.03	2.85
Other financial liabilities	(12.47)	(3.05)
Other non-financial liabilities	(9.13)	(0.22)
CASH GENERATED FROM THE OPERATIONS	(0.91)	(3.65)
Direct Taxes Paid / (Refund)	(0.10)	(2.23)
Net Cash from Operating Activities	(0.80)	(5.88)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Property Plant and Equipment and CWIP disposal	4.46	3.80
Sale of Investments	-	-
Subsidiary, Joint Ventures & Associates	0.05	0.24
Others	-	0.49
Loan Given to Subsidiary and others	1.81	2.61
Interest Received	0.41	(0.37)
Net Cash from Investment Activities	6.72	6.77
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2.09)	(0.09)
(Repayment) from Long term Borrowings	-	(0.24)
Net proceeds from Short term Borrowings	-	-
Net Cash from Financing Activities	(2.09)	(0.33)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3.83	0.56
Opening Balance	3.37	2.81
Less: Cash and Cash Equivalent transferred on demerger of Business	-	-
Closing Balance	7.20	3.37
NET INCREASE IN CASH AND CASH EQUIVALENTS	3.83	0.56
Components of Cash and Cash Equivalents		
Cash on Hand		
Balances with Bank		



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Notes:

1. The Financial Results for the quarter and year ended March 31, 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on June 28, 2021 and have been audited by the Statutory Auditors of the Company.
2. Results for the quarter and year ended March 31, 2021 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 2021 and March 2020 are derived from the audited figures of the twelve months period ended March 31, 2021 and March 31, 2020 and the year to date figures up-to December 31, 2020 and December 31, 2019 which were subjected to limited review by the statutory auditors.
4. The auditors have qualified their report in respect of the following matters -
 - a) The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to Rs. 931.69 crore as at March 31, 2021 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the quarter and the same are due to them and they have a very good chance of realisation.
 - b) There are disputes in six projects of the Company. The total exposure against these projects is Rs. 350.60 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 43.50 crore and other receivables Rs. 159.05 crores. The Company is pursuing legal recourse / negotiations for settling the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
 - c) The Company's exposure to one of the subsidiary company developing a real estate project in Bhopal is Rs 225.64 crores (net of provisions). Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The Company has already made a provision of Rs 100 crores against its exposure based on internal estimates of the realisable value. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project.
 - d) During the Year two lenders have levied penal interest and charges of Rs 68.65 Crores. Total amount of penal interest and charges amounts to Rs. 248.58 Crores up to March 31, 2021. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.



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CIN : L74999MH1922PLC000997

e) The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1363.98 crores of which Gammon International BV is Rs. 962.76 Crores and Gammon Holding Mauritius Limited is Rs. 401.22 Crores. Based on the valuation carried out by an independent valuer in March 2020, 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 as per the valuation report dated August 11, 2020 for the purposes of the financial statement of March 31, 2020 the reduction in equity value of Rs. 556.46 crores has been provided. The Company has not carried out valuation as at March 31, 2021 due to Covid-19 Pandemic. In the absence of fair valuation report no impact if any on the carrying value of the exposure has been recognised.

5. 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. 151.17 Crore in the previous years, 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.

6. The Company has receivable including retention and work in progress aggregating to Rs. 44.51 Crore (inventory - Rs. 21.19 crores and receivables Rs. 23.31 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.

7. 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. Also the Company's current liabilities exceed the current assets by Rs. 7736.65 Crore as at March 31, 2021. 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 liquidity crunch is affecting the Company's operation with increasing severity. 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



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

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

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

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

To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting and the ICA was executed in July 2019 by all the lenders.

Pursuant to the execution of the ICA the lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequent to the abovementioned appointment the representatives of Deloitte attended one of the Joint Lenders Meeting held on 13th January, 2020, wherein the plans regarding the way forward on the resolution process were presented. Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. Based on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) on such terms and conditions as directed by IDBI Bank.

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, two lenders including the lead monitoring institution provided their in-principle sanction to the company. The salient features of the sanction letters are:

- Monetization of core assets of the Company;
- A new investor will infuse funds followed by a change in management;
- The new investor will assist in realization of claims and repayment to the lenders

The Company is awaiting the sanction of the other consortium of lenders. The resolution process is in the advanced stage and the management is hopeful that the other sanctions will be received soon.

The management is hopeful of obtaining approval of all the lenders to the above plan and execute documents accordingly and maintain its going concern status and to that effect is continuously engaged with the lenders for a solution.



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

8. 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.
9. On account of the company being marked as non performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.
10. The Exceptional items include the following

Particulars	Rs. In Crore	
	Year ended March 31, 2021	Year ended March 31, 2020
Net provision for impairment of Investments net of DTL reversal	85.30	59.85
Impairment provisions of Loans and interest	3.90	367.75
Provision for risk and contingency	8.88	82.34
Write back of provision of Loans	(2.52)	(1.00)
Total	95.56	508.94

11. The Covid-19 Pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the Governments. The operations of the Company were impacted, due to shutdown of Projects and offices following nationwide lockdown. Various proposals for restructuring and arbitration & settlement matters have been delayed on account of the non-availability of the officials and the offices being shut. The COVID -19 Pandemic has compounded the problems due to all the restrictions on the movement of people, opening of offices, and the project work at sites, which was already at its slowest. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions. The Management does not expect any further material adjustment beyond the assessments and impairments already made in the financial statements to the assets and liabilities. The Covid-19 Pandemic does not have further implications on the going concern assumptions previously assessed.



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12. 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. 35.83 Cr. not paid since April'16)	31st March,2021	No	30 th April, 2021	0.56
NCD 11.05% monthly interest payments (Rs. 44.33 Cr. not paid since April'16)	31st March,2021	No	30 th April, 2021	0.81
NCD 9.50% monthly interest payments (Rs.47.60 Cr. not paid since April'16)	31st March,2021	No	30 th April, 2021	0.70
NCD 9.95% half yearly interest payments (Rs. 22.53 Cr. not paid since September'16)	31st March,2021	No	30 th Sept, 2021	2.28

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. 35.08 Cr. not paid since April'16)	15th Jan,2021	No	15th April,2021	2.96
NCD 11.05% quarterly Principal payments (Rs. 48.08 Cr. not paid since April'16)	15th Jan,2021	No	15th April,2021	4.00
NCD 9.50% quarterly Principal payments (Rs. 48.34 Cr. not paid since April'16)	15th Jan,2021	No	15th April,2021	4.00
NCD 9.95% yearly Principal payments (Rs. 24.04 Cr. not paid since April'16)	15th Jan,2021	No	15th April,2021	2.00



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13. 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, 2021
A	Debt Equity Ratio	(1.00)
B	Debt Service Coverage Ratio	(0.13)
C	Interest Service Coverage Ratio	(0.23)
D	Debenture Redemption Reserve	81.00
E	Net Worth	(4907.37)
F	Net Profit after Tax	(716.85)
G	Basic Earnings per share	(19.43)

- i) Debt Equity Ratio = Term Loans and Debentures / Network
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
Net Worth = Equity + Other Equity

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

For Gammon India Limited



Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, June 28, 2021



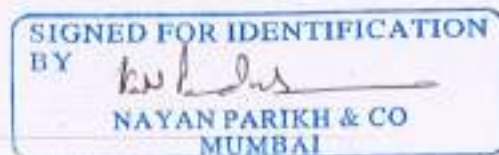
ANNEXURE I

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, 2021 [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	86.22	86.22
	2	Total Expenditure	803.07	803.07
	3	Net Profit/(loss) before OCI	(716.85)	(716.85)
	4	Earnings Per Share- Basic	(19.43)	(19.43)
	5	Total Assets	3,232.28	3,232.28
	6	Total Liabilities	8,139.65	8,139.65
	7	Net Worth	(4,907.37)	(4,907.37)
	8	Any Other Financial Item	-	-
II. Audit Qualification (each audit qualification separately):				
1.	a. Details of Audit Qualification: We invite attention to note no. 4 (a) of the statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert except that we are informed the arbitrations are in progress. 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, 2021.			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: 6th Time in Audited Accounts			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: The 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			



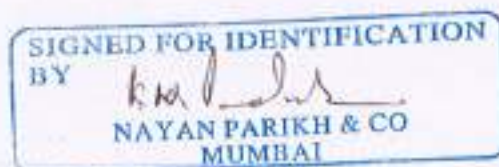
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	the amounts recognised, its realisation and the consequent effect on the financial Statement for the year ended 31st March 2021.
2.	<p>a. Details of Audit Qualification: We invite attention to note no. 4(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 350.60 crores in respect of disputes in six 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</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: 6th Time in Audited Accounts</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: There are disputes in six projects of the Company. The total exposure against these projects is Rs. 350.60 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.</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(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.</p>
3	<p>a. Details of Audit Qualification: We invite attention to note no. 4(c) 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. 325.64 crores. The Subsidiary's audited financials are also not available for our review and also the management has not carried out any exercise of determining the realisable value. 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. 225.64 crores</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: 5th Time in Audited Accounts</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>



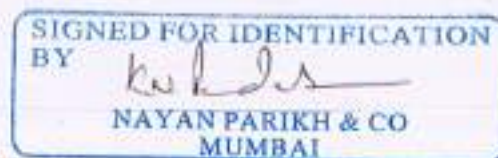
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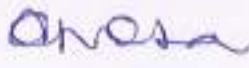
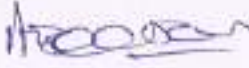
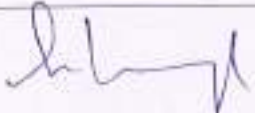

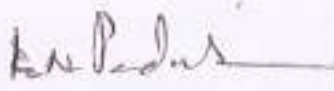


	<p>(i) Management's estimation on the impact of audit qualification: Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The management is confident that there will be no further provision required towards impairment.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p>
	<p>(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. 225.64 crores.</p>
4	<p>a. Details of Audit Qualification: We invite attention to note no 4 (d) relating to penal interest and charges of Rs 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 248.58 Crores up to March 31, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.</p>
	<p>b. Type of Audit Qualification: Qualified Opinion</p>
	<p>c. Frequency of qualification: 3rd Time in Audited Accounts</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	<p>(i) Management's estimation on the impact of audit qualification: The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: In the absence of any confirmation for reversal of charges by the lenders, we are unable to state whether any provision is required to be made against such penal interest and charges.</p>
5	<p>a. Details of Audit Qualification: We Invite attention to note no 4(e) relating to exposure of the Company in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure of the subsidiary as at March 31, 2021, Total Exposure of the two Subsidiary is Rs. 807.52 Crores (Net of Provision).</p>
	<p>b. Type of Audit Qualification: Qualified Opinion</p>



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	c. Frequency of qualification: 1st Time in Audited Accounts	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification: Not Applicable	
	(ii) If management is unable to estimate the impact, reasons for the same: Unable to do Valuation due to Covid 19 Pandemic	
	(iii) Auditors' Comments on (i) or (ii) above: In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure.	
III.	Signatories:	Signatures
	Executive Director & CFO Mr. Anurag Choudhry	
	Chief Executive Officer Mr Ajit Desai	
	Audit Committee Chairman. Mr. Soumendra Nath Sanyal	
	Auditors For Nayan Parikh & Co. Chartered Accountants Firm Registration No. 107023W  K.N.Padmanabhan Partner M. No. 036410 Place: Mumbai	
	Date: June 28, 2021	



NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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Independent Auditor's Report on Annual Consolidated Financial Results of Gammon India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Gammon India Limited,
Mumbai.

Qualified Opinion

We have audited the accompanying statement of Consolidated Financial Results of Gammon India Limited ("Holding Company") and its Subsidiaries (holding company and its subsidiaries together referred as "The Group"), its joint venture and associates for the quarter and year ended March 31, 2021, ("Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the listing regulations").

Except for the possible effects of the matter described in Basis of Qualified Opinion paragraph (a) to (f) in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on financial statements of subsidiaries, associates and joint venture the Statement :

- (i) Includes the results of the companies listed in Annexure A to this report
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- (iii) gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian accounting standard ("Ind AS") and other accounting principles generally accepted in India of the consolidated net loss, total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.



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Basis of Qualified Opinion

- (a) We invite attention to note no. 4 (a) of the statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert except that we are informed the arbitrations are in progress. 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, 2021.
- (b) We invite attention to note no. 4(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 266.18 crores in respect of disputes in four 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.
- (c) We invite attention to note no 4 (c) relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 325.64 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of Rs. 833.77 crores (net of provision).
- (d) We invite attention to note no 4 (d) relating to penal interest and charges of Rs 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 248.58 Crores up to March 31, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.
- (e) We Invite attention to note no 4 (e) relating to exposure of the Group in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence, we are



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unable to comment whether any adjustments are required towards the fair value of the investment in Sofinter S.p.A. measured at Fair Value through Other Comprehensive Income as at March 31, 2021, Total Exposure of the two Subsidiary is Rs. 856.71 Crores.

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

- i) M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financials statement for the year 31st December 2020 has been not received. There are no audited financial statements after 31st December 2012.
- ii) M/s Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements have not been received since December 31, 2017.
- iii) M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,111.78 crores and total revenues of Rs. Nil.
- iv) M/s Ansaldo Caldaie Boilers India Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 44.55 crores and total revenues of Rs. 1.87 crores.
- v) M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group, whose financials statement for the year 31st March 2021 has been not received.

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and



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the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty related to Going Concern.

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

a. In respect of Holding Company

We invite attention to the note no. 5 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets by Rs 7944.10 Crore. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity, the trading in equity shares of the Company is presently suspended, until there is a finality and settlement of penalty to be paid by the Company for all the past delays in its filings to stock exchanges. The Company has made an application for waiver of penalty and the response is awaited on the matter from the stock exchange. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The Company's resolution plan has found favour with two lenders as detailed in the note no. 5 but the final approval of all lenders and the execution of the plan and its success involves material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

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

- ATSL Holding BV

As at March 31, 2021 Current liabilities exceed current assets by Euro 1.85 Crores (Rs. 160.11 Crores), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

- Gammon Holding BV

As on 31st March, 2021, current liabilities exceed current assets by Euro 6.50 Crores (Rs. 559.72 Crores). The Company is taking various steps to meet its commitments,



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both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A. which in turn depends upon the value of non-core assets of the said Franco Tosi Meccanica. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

- **Gammon International BV**

As on 31st March, 2021, current liabilities exceed current assets by Euro 7.20 Crores (Rs. 620.07 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

- **Gammon International FZE**

As on 31st March, 2021, current liabilities exceed current assets by AED 1.27 Crores (Rs. 25.27 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

- **Pvan Eerd Beheersmaatschappij B.V**

As on 31st March, 2021, current liabilities exceed current assets by Euro 1.58 Crores (Rs. 136.41 Crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SpA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.



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- **Gammon Holdings Mauritius Limited**

As on 31st March, 2021, current liabilities exceed current assets by USD 4.10 Crores (Rs. 301.51 Crores). This Condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial Statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the Shareholder.

Emphasis of Matter

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

- a) We draw attention to Note no 7 of the statement relating to recoverability of an amount of Rs.151.17 crores as at March 31, 2021 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. 8 relating to the projects of real estate sector where the exposure is Rs. 44.51 crores. The management is confident of ultimate recovery of the amounts and we have relied on the management assertions of recoverability.

Management's responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group its joint venture and associated in accordance with the recognition and measurement principles laid down in Ind AS prescribed under section 133 of the Act read with relevant rules thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective board of directors of the companies included in the group and of its joint



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venture and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and associated and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error,

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its joint venture and associates are responsible for assessing the ability of the group and of its joint venture and associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Respective Board of Directors of the companies included in the Group and of its joint venture and associates are responsible for overseeing financial reporting process of the Group and of its joint venture and associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal



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control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group, its joint venture and associates ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its joint venture and associates to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. Obtain sufficient appropriate audit evidence regarding the financial results and other financial information of the Group and its joint venture and associates to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of such entities included in the statement of which we are the independent auditor. For the entities included in the statement which have been audited by other auditor, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them, We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial results that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work



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and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results

We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial results of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- a) We did not audit the financial statements and other financial information, in respect of 15 subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 1,464.58 crores as at March 31, 2021, total revenues of Rs. 126.13 crores and net cash inflow amounting to Rs. 0.84 crores for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated financial statements. The consolidated financial statements also includes the Group's share of net loss of Rs 0.34 crores in respect of 1 joint ventures for the year ended March 31, 2021, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates in India, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of Rs. 1,143.04 crores as at March 31, 2021, total revenues of Rs. Nil and net cash outflow amounting to Rs. 0.01 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management including the application of the INDAS accounting standards. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary



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and joint ventures, is based solely on such unaudited financial statements. As these Subsidiaries, Joint Ventures and Associates are material to the Consolidated Financial Statements our report has been qualified as detailed in Basis of Qualified Opinion paragraph.

- c) The Statement includes the results for the quarter ended March 31, 2021 and March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective current financial year which were subject to limited review by us.

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



K N Padmanabhan
Partner
M. No. 36410

Mumbai, Dated: - June 28, 2021

UDIN: 21036410AAAA DT 39 39



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Annexure A

Sr no.	Name of Entity	Nature of Relationship
1.	Gammon India Limited	Parent
2.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary
3.	ATSL Infrastructure Projects Limited	Subsidiary
4.	Gactel Turnkey Projects Limited. ('GACTEL')	Subsidiary
5.	Gammon International FZE ('GIFZE')	Subsidiary
6.	P.Van Eerd Beheersmaatschappaji B.V. Netherlands ('PVAN')	Subsidiary
7.	Deepmala Infrastructure Private Limited ('DIPL')	Subsidiary
8.	Gammon Retail Infrastructure Private Limited ('GRIPL')	Subsidiary
9.	Gammon Power Limited. ('GPL')	Subsidiary
10.	ATSL Holding B.V. Netherlands	Subsidiary
11.	Gammon Realty Limited. ('GRL')	Subsidiary
12.	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
13.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
14.	Gammon Transmission Limited ('GTL')	Subsidiary
15.	Gammon Real estate developers private limited (GRDL)	Subsidiary
16.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary
17.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
18.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
19.	Associated Transrail Structures Limited., Nigeria	Subsidiary
20.	Gammon Italy S.r.l	Subsidiary
21.	Gammon SEW('GSEW')	Joint Venture



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	418.60	430.14
(b) Capital work-in-progress	-	1.73
(c) Intangible Asset	-	-
(d) Goodwill on Consolidation	-	-
(e) Financial assets		
(i) Investments	763.58	752.34
(ii) Trade receivable	294.89	362.68
(iii) Loans	79.12	184.86
(iv) Others financial assets	1.56	1.56
(f) Deferred tax assets (net)	0.18	0.90
(g) Other non-current assets	1,425.29	1,392.61
TOTAL NON-CURRENT ASSETS	2,983.22	3,126.82
CURRENT ASSETS		
(a) Inventories	908.64	948.12
(b) Financial assets		
(i) Investments	0.05	0.03
(ii) Trade receivables	55.27	55.32
(iii) Cash and cash equivalents	9.29	4.83
(iv) Bank balances	4.69	6.98
(v) Loans	66.04	69.66
(vi) Others	28.95	28.74
(c) Other current assets	169.56	180.16
TOTAL CURRENT ASSETS	1,240.49	1,292.84
TOTAL ASSETS	4,223.72	4,419.66
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(5,237.32)	(4,385.56)
Equity attributable to owners of the parent	(5,163.21)	(4,311.45)
(c) Non-controlling interests	(129.30)	(117.74)
TOTAL EQUITY	(5,292.61)	(4,429.19)
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	48.56
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to other than Micro and Small Enterprises	20.94	25.13
(b) Provisions	0.60	0.62
(c) Deferred tax liabilities (net)	103.14	103.20
(d) Other non-current liabilities	206.95	205.67
TOTAL NON-CURRENT LIABILITIES	331.63	383.18
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	606.58	609.67
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	0.89	0.25
- Total outstanding dues to other than Micro and Small Enterprises	182.07	188.71
(iii) Other financial liabilities	7,978.76	7,264.46
(b) Other current liabilities	132.11	130.89
(c) Provisions	277.27	264.70
(d) Current tax liabilities (net)	6.92	6.99
TOTAL CURRENT LIABILITIES	9,184.60	8,465.67
TOTAL EQUITY AND LIABILITIES	4,223.72	4,419.66

See accompanying notes to the financial results



GAMMON INDIA LIMITED

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E-Mail : gammon@gammonindia.com; Website : www.gammonindia.com

CIN : L74999MH1922PLC000997

SIGNED FOR IDENTIFICATION

NAYAN PARIKH & CO
MUMBAI

STATEMENTS OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(₹ in Crores)

Sr No	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from Operations	18.88	18.53	27.51	54.52	86.38
	(b) Other Income (Refer Note 15)	(85.80)	91.76	87.99	120.72	138.40
	Total Income	(66.92)	110.29	115.50	175.24	222.78
2	Expenses					
	(a) Cost of Sales	8.85	2.79	6.72	14.36	17.74
	(b) Purchases of stock-in-trade	(0.32)	0.32	3.72	-	3.72
	(c) Subcontracting Expenses	9.26	12.85	20.40	32.18	58.27
	(d) Employee benefits expense	2.15	2.15	1.52	8.09	8.73
	(e) Finance Costs	196.39	164.57	177.54	751.95	603.67
	(f) Depreciation & amortization	2.21	2.25	2.04	9.11	11.03
	(g) Other expenses	101.20	4.30	41.38	119.02	57.20
	Total Expenses	319.75	209.24	253.94	934.68	850.56
3	Profit/(Loss) before exceptional items and tax (1-2)	(386.87)	(98.95)	(138.42)	(759.44)	(627.78)
4	Exceptional items (Income) / Expense	35.70	-	-	35.70	-
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax (3-4)	(422.37)	(98.95)	(138.42)	(795.14)	(627.78)
5	Share of profit / (loss) of associates and joint ventures	(0.40)	-	3.04	(0.34)	(2.78)
6	Profit/(loss) before tax (5-6)	(422.77)	(98.95)	(135.38)	(795.48)	(630.56)
7	Tax expenses					
	Current Tax	-	-	0.00	-	-
	Excess / Short Provision of Earlier years	(2.27)	-	-	(1.42)	-
	Deferred Tax Liability / (asset)	0.37	0.10	(0.42)	0.66	0.23
	Total tax expenses	(1.90)	0.10	(0.42)	(0.76)	0.23
10	PROFIT FOR THE PERIOD / YEAR (10) + (13)	(420.87)	(99.06)	(134.96)	(794.72)	(630.79)
11	Other Comprehensive Income:					
	Items that will not be reclassified to profit or loss:					
	- Remeasurements of the defined benefit plans (net of tax)	0.03	-	(0.02)	0.10	(0.32)
	Items that will be reclassified to profit or loss:					
	- Exchange differences through OCI	87.06	(73.73)	(126.09)	(70.18)	(170.41)
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	(135.65)	-	(135.73)
	Other Comprehensive Income for the Period / Year	87.09	(73.73)	(261.66)	(70.08)	(306.46)
12	Total Comprehensive Income / (Loss) For Period / Year	(333.77)	(172.79)	(396.62)	(864.80)	(937.24)
	Profit for the Period / Year attributable to:					
	- Owners of the Company	(408.21)	(98.93)	(134.46)	(781.68)	(629.82)
	- Non- Controlling interest	(12.66)	(0.12)	(0.50)	(13.04)	(0.97)
13	Other Comprehensive Income attributable to:					
	- Owners of the Company	87.10	(73.73)	(261.66)	(70.08)	(306.46)
	- Non- Controlling interest	-	-	-	-	-
14	Total Comprehensive Income attributable to:					
	- Owners of the Company	(321.11)	(172.66)	(396.12)	(851.76)	(936.28)
	- Non- Controlling interest	(12.66)	(0.12)	(0.50)	(13.04)	(0.97)
15	Earnings per equity share					
	Basic	(11.07)	(2.68)	(3.65)	(21.19)	(17.08)
	Diluted	(11.07)	(2.68)	(3.65)	(21.19)	(17.08)

See accompanying notes to the financial results.



Chobha

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BY *Kashidhar*
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CIN : L74999MH1922PLC000997

Consolidated Cash Flow Statement For The Year Ended 31 March 2021		
Particulars	₹ In Crore)	
	2020-21	2019-20
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(795.14)	(827.78)
Adjustments for :		
Depreciation	9.11	11.03
Interest Expenses and Other Finance Cost	751.95	893.87
(Profit) / Loss on Sale of Assets	(1.88)	(1.82)
(Profit) / Loss on Sale of Investments	44.85	0.49
Income recognised towards corporate guarantee	-	(0.24)
Provision for Doubtful Debts and Advances	16.40	27.34
Exceptional Item	35.70	-
Foreign Exchange Loss / (Gain)	(97.31)	(86.72)
Interest Income	(1.06)	(1.09)
Provision for Risk & Contingencies	15.37	-
Write off of Contract Assets	7.28	-
Sundry Balances Written off	3.54	2.24
Asset written off	1.45	2.46
Sundry Balances Written Back	(7.92)	(36.19)
Operating Profit Before Working Capital Changes	(17.48)	(16.38)
Trade Receivables	18.62	8.40
Inventories	5.78	6.71
Other financial and non financial Asset	11.09	4.32
Trade Payables and Provision	(10.39)	(4.55)
Other financial and non financial liabilities	(4.67)	(3.38)
CASH GENERATED FROM THE OPERATIONS	2.95	(6.88)
Direct Taxes Paid / (Refund)	(2.60)	2.35
Net Cash from Operating Activities	5.55	(9.23)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	4.39	3.80
Sale of Non - Current Investments	-	0.24
Other Bank Balance	2.27	-
Sale of Current Investments	-	0.40
Loss on Disposal/Deconsolidation of Subsidiary	0.05	-
Loans (Given)/Repaid to/by Others	1.67	1.28
Interest Received	0.41	0.49
Net Cash from Investment Activities	8.79	6.21
C CASH FLOW FROM FINANCING ACTIVITIES		
Other bank balance	-	(0.40)
Interest paid	(5.79)	(0.58)
(Repayment)/ Proceeds from Short term Borrowings	(3.09)	2.19
Net Cash from Financing Activities	(9.88)	1.21
NET INCREASE IN CASH AND CASH EQUIVALENTS	4.46	(1.81)
Opening Balance	4.83	6.64
Closing Balance	9.29	4.83
NET INCREASE IN CASH AND CASH EQUIVALENTS	4.46	(1.81)
Components of Cash and Cash Equivalents		
Cash on Hand	0.03	0.06
Balances with Bank	9.26	4.77
Total Balance	9.29	4.83



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Registered Office : Floor 3rd, Plot - 3/8, Hamilton House, J. N. Heredia Marg, Ballard Estate,

Mumbai - 400 038, Maharashtra, India; Telephone : +91-22-2270 5562

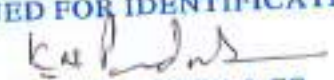
E-Mail : gammon@gammonindia.com; Website : www.gammonindia.com

CIN : L74999MH1922PLC000997

Notes:

1. The Consolidated Financial Results for the year ended 31st March 2021 were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on June 28, 2021.
2. Results for the year ended March 31, 2021 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 2021 and March 2020 are derived from the audited figures of the twelve months period ended March 31, 2021 and March 31, 2020 and the year to date figures upto December 31, 2020 and December 31, 2019 which were subjected to limited review by the statutory auditors.
4. The auditors have qualified their report in respect of the following matters -
 - a) The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to Rs. 931.69 crore as at March 31, 2021 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the quarter and the same are due to them and they have a very good chance of realisation.
 - b) There are disputes in four projects of the Company. The total exposure against these projects is Rs. 266.18 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 43.49 crore and other receivables Rs. 74.63 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.
 - c) The Group's exposure to a real estate project being carried out in one of the subsidiary Company in Bhopal is Rs 933.77 crore. Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. The Company has already made a provision of Rs 100 crores against its project development inventory based on internal estimates of the realisable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment.
 - d) During the Period two lenders have levied penal interest and charges of Rs 68.65 Crores. Total amount of penal interest and charges amounts to Rs. 248.58 Crores up to March 31, 2021. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.



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GAMMON INDIA LIMITED

Registered Office : Floor 3rd, Plot - 3/8, Hamilton House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 038, Maharashtra, India; **Telephone :** +91-22-2270 5562
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- e) The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 856.71 crores of which Gammon International BV is Rs. 425.61 Crores and Gammon Holding Mauritius Limited is Rs. 431.10 Crores. These investments are carried at Fair Value through Other Comprehensive Income (FVTOCI) which were based on the valuation carried out by an independent valuer in March 2020. The Company has not carried out fair valuation of investment as required by Ind AS 109 "Financial Instrument" as at March 31, 2021 due to Covid-19 Pandemic and In the absence of fair valuation report no impact, if any, on the carrying value of investment has been recognised.

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

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. Also the Company's current liabilities exceed the current assets by Rs. 7944.10 Crore as at March 31, 2021. 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 liquidity crunch is affecting the Company's operation with increasing severity. 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

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

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

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

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

To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting and the ICA was executed in July 2019 by all the lenders.



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Pursuant to the execution of the ICA the lenders appointed M/s Deloitte Touche Tohmatsu India LLP as Process Advisory (PA) in the resolution process of the Company. Subsequent to the abovementioned appointment the representatives of Deloitte attended one of the Joint Lenders Meeting held on 13th January, 2020, wherein the plans regarding the way forward on the resolution process were presented. Pursuant to the quotes sought by Deloitte from various valuers and legal consultants to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company, the quote received from Duff and Phelps (D&P) was found to be lower as compared to others. Based on the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) on such terms and conditions as directed by IDBI Bank.

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, two lenders including the lead monitoring institution provided their in-principle sanction letter to the company. The salient features of the sanction letters are:

- Monetization of core assets of the Company;
- A new investor will infuse funds followed by a change in management;
- The new investor will assist in realization of claims and repayment to the lenders

The Company is awaiting the sanction of the other consortium of lenders. The resolution process is in the advanced stage and the management is hopeful that the other sanctions will be received soon..

The management is hopeful of obtaining approval of all the lenders to the above plan and execute documents accordingly and maintain its going concern status and to that effect is continuously engaged with the lenders for a solution..

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

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

GHBV, GIBV, PVAN, ATSLBV, GIFZE, GHM

The Company has underlying investment in Sofinter group and also land available in Francotossi Meccanica S.p.A.. As per the valuation reports for each companies the investment value is sufficient to cover the exposure in the respective SPV companies. The Company is also reviewing the resolution plan to cover the shortfall in Current Assets over Current Liabilities of these subsidiaries.

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

- a) M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financials statement for the year 31st December 2020 has been not



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received. There are no audited financial statements after 31st December 2012.

- b) Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements have not been received since December 31, 2017.
 - c) M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,110.78 crores and total revenues of Rs. Nil.
 - d) M/s Ansaldo Caldaie Boilers India Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 44.55 crores and total revenues of Rs. 1.87 crores.
 - e) M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. whose financials statement for the year 31st March 2021 has been not received.
7. 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. 151.17 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.

8. The Company has receivable including retention and work in progress aggregating to Rs. 44.51 Crore (inventory - Rs. 21.19 crores and receivables Rs. 23.32 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.
9. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.754.78 crores (fully provided) including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released



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summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

The management was expecting that the value of the non core assets would be sufficient to cover the exposure of the company. However there has been no progress in the matter either for the disposal of the non core assets or ascertainment of the value of the non core assets by the commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. Considering the elapse of time and uncertainties relating to the value of the non core assets and its disposal, the management on a prudent basis has provided for the entire exposure, notwithstanding its ongoing endeavor to recover the value of the non core assets.

On account of the above facts and the absence of financial statements of the said FTM, FTM functions under severe long term restrictions which impair its ability to transfer funds to its parent. Further the parent does not have any control whatsoever as the entire control lies with the commissioner and the parent does not have access to information also. The Management of the Company and the Board of FTM have no say in the matter and has no access to records which are with the Commissioner. Therefore, in accordance with INDAS 110 – Consolidated Financial Statements, in the absence of control, the said FTM is excluded from Consolidation.

The said Subsidiary has therefore been accounted as Financial Instrument accounted on Fair Value through Other Comprehensive Income. Since no information is available from the commissioner, the fair value changes cannot be identified and the investment is carried without further fair value changes. However the entire exposure has been provided.

10. On account of the company being marked as non-performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore, the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.
11. 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.
12. The Exceptional items include the following

Particulars	Rs. In Crore	
	Year ended March 31, 2021	Year ended March 31, 2020
Impairment provisions of Investments , Goodwill and Loans and Receivables	35.70	-
Total	35.70	-

The Covid-19 Pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the Governments. The operations of the




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Company were impacted, due to shutdown of Projects and offices following nationwide lockdown. Various proposals for restructuring and arbitration & settlement matters have been delayed on account of the non-availability of the officials and the offices being shut. The COVID -19 Pandemic has compounded the problems due to all the restrictions on the movement of people, opening of offices, and the project work at sites, which was already at its slowest. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions. The Management does not expect any further material adjustment beyond the assessments and impairments already made in the financial statements to the assets and liabilities. The Covid-19 Pandemic does not have further implications on the going concern assumptions previously assessed.

14. One of the step down Subsidiary SAE Powerlines S.r.L. (Held through ATSL Holdings BV) has declared the bankruptcy in 2017 and filed for liquidation as per the laws of the land. Due to the aforementioned reasons the financials of the company are not available since December 2017. GIL has stopped consolidating the step down subsidiary in the current year. GIL has provided for entire exposure in the net assets of the said step down subsidiary during the previous periods.
15. The negative figure is mainly due to foreign currency exchange rate fluctuation.
16. Corresponding figures of the previous period have been regrouped / rearranged wherever necessary.

For Gammon India Limited


Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, June 28, 2021

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ANNEXURE I

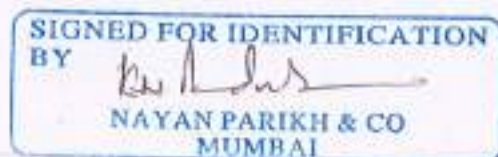
Statement on Impact of Audit Qualifications
(for audit report with modified opinion) submitted along-with
Annual Audited Financial Results (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year Ended March 31, 2021 [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	175.24	175.24
	2	Total Expenditure	969.96	969.96
	3	Net Profit/(loss)	(794.72)	(794.72)
	4	Earnings Per Share	(21.19)	(21.19)
	5	Total Assets	4,223.72	4,223.72
	6	Total Liabilities	9,386.93	9,386.93
	7	Net Worth	(5,163.21)	(5,163.21)
	8	Any Other Financial Item	-	-
II. Audit Qualification (each audit qualification separately):				
1	a.	Details of Audit Qualification: We invite attention to note no. 4 (a) of the statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at March 31, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert except that we are informed the arbitrations are in progress. 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, 2021.		
	b.	Type of Audit Qualification: Qualified Opinion		
	c.	Frequency of qualification: 6th Time in Audited Accounts		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification: The 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 Statement for the year ended 31st March 2021.		
2	a.	Details of Audit Qualification: We invite attention to note no. 4(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs.		



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	266.18 crores in respect of disputes in four 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: 6th Time in Audited Accounts
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: There are disputes in seven projects of the Company. The total exposure against these projects is Rs. 266.18 crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.
	(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
	(iii) Auditors' Comments on (i) or (ii) above: Pending the conclusion of the disputes we are unable to state whether any provisions would be required against the Company's exposure.
3.	a. Details of Audit Qualification: We invite attention to note no 4 (c) relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 325.64 crores in the standalone financials which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The Subsidiary's financials are not audited and the realisable value of the project work in progress and other receivables are not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required towards the exposure of Rs. 833.77 crores (net of provision).
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: 5th Time in Audited Accounts
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Due to slow down in the real estate market the subsidiary company is facing problems in its development and sale. However on prudent basis management has made a provision of Rs. 100 crores and management is confident that there will be no further provision required towards



	impairment.
	(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
	(iii) Auditors' Comments on (i) or (ii) above: In the absence of any indicators of value arising out of the project we are unable to state whether any provision is required towards the exposure of Rs. 833.77 crores.
4	<p>a. Details of Audit Qualification: We invite attention to note no 4 (d) relating to penal interest and charges of Rs 68.65 crores during the year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 248.58 Crores up to March 31, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: 3rd Time in Audited Accounts</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(iv) Management's estimation on the impact of audit qualification: The management is disputing the same and has not accepted the debit of interest in its books. They have also requested the lenders to reverse the charges.</p> <p>(v) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(vi) Auditors' Comments on (i) or (ii) above: In the absence of any confirmation for reversal of charges by the lenders, we are unable to state whether any provision is required to be made against such penal interest and charges.</p>
5.	<p>a. Details of Audit Qualification: We invite attention to note no 5(e) relating to exposure of the Group in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021. In absence of sufficient and appropriate evidence, we are unable to comment whether any adjustments are required towards the fair value of the investment in Sofinter S.p.A. measured at Fair Value through Other Comprehensive Income as at March 31, 2021, Total Exposure of the two Subsidiary is Rs. 856.71 Crores.</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: 1st Time in Audited Accounts</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p>



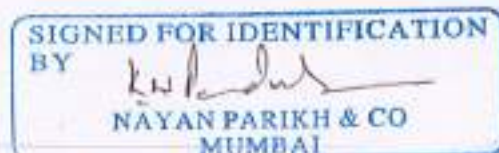
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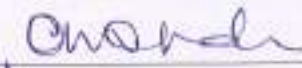
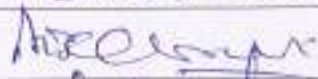
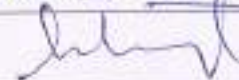

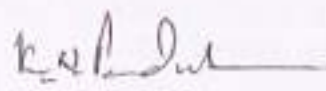


	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not Applicable
	(ii) If management is unable to estimate the impact, reasons for the same: Unable to do Valuation due to Covid 19 Pandemic
	(a) Auditors' Comments on (i) or (ii) above In absence of sufficient and appropriate evidence, we are unable to comment whether any adjustments are required towards the fair value of the investment in Sofinter S.p.A. measured at Fair Value through Other Comprehensive Income as at March 31, 2021
6.	<p>Details of Audit Qualification: The financial statements of the following material Associate, Subsidiaries and Joint Ventures are based on un-audited management prepared financial statements and have been accounted as such and on which no further audit procedures have been carried out by us, including to determine whether the INDAS effects have been appropriately considered, as follows:</p> <ol style="list-style-type: none"> i. M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financial statement for the year 31st December 2020 has been not received. There are no audited financial statements after 31st December 2012. ii. M/s Associated Transrail Structures Limited (Nigeria) and Gammon Italy S.r.L, wholly owned subsidiary of the Companies whose financial statements have not been received since December 31, 2017 iii. M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,111.78 crores and total revenues of Rs. Nil iv. M/s Ansaldo Caldaie Boilers India Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 44.55 crores and total revenues of Rs. 1.87 crores v. M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group, whose financial statement for the year 31st March 2021 has been not received. <p>Since the Subsidiaries, Joint Ventures and Associates mentioned above are material, the Assets, Revenue and Cash Flow represented in those financial statements are subject to audit and consequent effect, if any</p>
	a. Type of Audit Qualification: Qualified Opinion
	b. Frequency of qualification: 8th Time in Audited Accounts
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
	d. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:



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	The audit could not be completed due to various reasons for the above entities. Based on the discussions with the respective managements, we do not foresee any material impacts arising out of audit in the aforesaid financials statements.	
	(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable	
	(iii) Auditors' Comments on (i) or (ii) above: In the absence of audit reports we are unable to further comments on the management response	
III.	Signatories:	Signatures
	Executive Director & CFO Mr. Anurag Choudhry	
	Chief Executive Officer Mr Ajit Desai	
	Audit Committee Chairman. Mr. Soumendra Nath Sanyal	
	Auditors For Nayan Parikh & Co. Chartered Accountants Firm Registration No. 107923W 	
	K N Padmanabhan Partner M. No. 36410	
	Place: Mumbai	
	Date: June 28, 2021.	

