

Date: 12th November, 2020

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 12th November, 2020 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 12th November, 2020 which commenced at 2:30 p.m. and concluded at 5:35 p.m. *inter-alia* transacted the following business:

1. The Board approved and took on record the Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2020 along with the Statement of Assets & Liabilities thereon;

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

2. Further this is to inform that the Board's Report for the 98th Annual General Meeting of the Company for the financial year 2019-20 is approved and adopted by the Board of Directors.

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

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	a) Revenue from Operations :	9.52	6.75	15.56	16.27	40.69	71.71
	b) Other Income	9.30	5.72	7.50	15.02	14.60	51.49
	Total Income (a+b)	18.82	12.47	23.06	31.29	55.29	123.20
II	Expenses						
	a) Cost of material consumed	1.72	1.00	1.72	2.72	4.18	16.71
	b) Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	-	-	-	-
	c) Subcontracting Expenses	5.82	4.22	10.99	10.04	30.16	50.74
	d) Employee benefits expense	1.80	1.67	1.88	3.47	3.92	7.63
	e) Finance Costs	161.62	156.40	144.69	318.02	284.61	586.55
	f) Depreciation & amortization	2.30	2.29	2.49	4.59	4.96	9.74
	g) Other expenses	4.14	12.63	23.26	16.77	37.47	64.44
	Total Expenses	177.40	178.21	185.03	355.61	365.30	735.81
III	Profit/(Loss) before exceptional items and tax	(158.58)	(165.76)	(161.97)	(324.32)	(310.01)	(612.61)
IV	Exceptional items Income / (Expense)	-	-	-	-	-	(508.94)
V	Profit / (Loss) before tax	(158.58)	(165.76)	(161.97)	(324.32)	(310.01)	(1,121.55)
VI	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	0.08	0.07	0.15	0.15	0.63	1.01
	Total tax expenses	0.08	0.07	0.15	0.15	0.63	1.01
VII	PROFIT FOR THE PERIOD / YEAR	(158.66)	(165.83)	(162.12)	(324.47)	(310.64)	(1,122.56)
VIII	Other Comprehensive Income:						
	Items that will not be reclassified to profit or loss (net of Tax)						
	- Remeasurement gain/ (loss) on defined benefit plans [net of tax]	0.03	0.05	(0.09)	0.08	(0.29)	(0.32)
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	-	(0.08)	(0.08)
	Other Comprehensive Income:	0.03	0.05	(0.09)	0.08	(0.37)	(0.40)
IX	Total Comprehensive Income / (Loss) For The Period / Year	(158.63)	(165.78)	(162.21)	(324.39)	(311.01)	(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	74.11
XI	Earnings per equity share						
	Basic	(4.30)	(4.50)	(4.40)	(8.80)	(8.42)	(30.43)
	Diluted	(4.30)	(4.50)	(4.40)	(8.80)	(8.42)	(30.43)

See accompanying notes to the financial results

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BY *Nayan Parikh*
NAYAN PARIKH & CO
MUMBAI



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STANDALONE STATEMENT OF ASSETS AND LIABILITIES		
Particulars	As at September 30, 2020	
	(Unaudited)	(Audited)
	(₹ in Crore)	
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	423.86	429.51
(b) Capital work-in-progress	1.06	1.73
(c) Intangible Asset	-	-
(d) Financial assets		
(i) Investments	211.97	211.97
(ii) Trade receivable	199.44	270.70
(iii) Loans	729.00	739.69
(iv) Others	86.37	82.04
(e) Deferred tax assets (net)	-	-
(f) Other non-current assets	1,386.24	1,347.54
TOTAL NON-CURRENT ASSETS	3,037.94	3,083.18
CURRENT ASSETS		
(a) Inventories	38.64	38.92
(b) Financial assets	-	-
(i) Investments	0.06	0.03
(ii) Trade receivables	110.15	108.99
(iii) Cash and cash equivalents	18.67	3.37
(iv) Bank balances	0.58	0.58
(v) Loans	7.94	7.91
(vi) Others	26.51	26.51
(c) Current tax assets (net)	-	-
(d) Other current assets	107.46	113.04
TOTAL CURRENT ASSETS	310.01	299.35
TOTAL ASSETS	3,347.95	3,382.53
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(4,589.13)	(4,264.75)
TOTAL EQUITY	(4,515.02)	(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	12.79	16.93
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.53	0.56
(c) Deferred tax liabilities (net)	103.34	103.19
(d) Other non-current liabilities	70.80	70.73
TOTAL NON-CURRENT LIABILITIES	199.46	203.41
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	-
(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	106.56	112.73
(iii) Other financial liabilities	7,059.10	6,755.87
(b) Other current liabilities	67.59	71.29
(c) Provisions	429.37	429.62
(d) Current tax liabilities (net)	-	-
TOTAL CURRENT LIABILITIES	7,663.51	7,369.76
TOTAL EQUITY AND LIABILITIES	3,347.95	3,382.53

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Standalone Cash Flow Statement for the half year ended September 30, 2020		
(₹ in Crore)		
Particulars	Half Year ended September 30, 2020	Half Year ended September 30, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(324.32)	(310.01)
Adjustments for :		
Depreciation	4.59	4.96
(Profit) / Loss on Sale of Assets	(0.88)	(0.84)
(Profit) / Loss on Sale of Investments	(0.03)	0.49
Income recognised towards corporate guarantee	-	(1.60)
Interest Expenses	318.02	284.61
Provision for Doubtful Debts and Advances	-	29.16
Foreign Exchange Loss / (Gain)	3.75	(0.89)
Interest Income	(6.00)	(6.01)
Exceptional Items	-	-
Write off of Contract Assets	7.26	-
Sundry Balances Written off	-	0.14
Excess Provision Written Back	-	-
Sundry Balances Written Back	(0.16)	-
Operating Profit Before Working Capital Changes	2.23	0.01
Trade and Other Financial Receivables	30.11	12.56
Inventories	0.28	0.02
Trade Payables and Provision	(9.71)	(6.25)
Other Non Financial Assets	(1.66)	(9.05)
Other financial liabilities	(4.35)	(2.77)
Other non-financial liabilities	(3.63)	3.44
CASH GENERATED FROM THE OPERATIONS	13.27	(2.04)
Direct Taxes Paid / (Refund)	1.28	(1.04)
Net Cash from Operating Activities	14.55	(3.08)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale proceeds from Fixed assets and CWIP	2.61	1.89
Sale of Investments		
Subsidiary, Joint Ventures & Associates	-	0.23
Loan Given to Subsidiary and others	(0.18)	1.25
Interest Received	0.41	0.04
Net Cash from Investment Activities	2.84	3.41
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(0.34)	-
Net proceeds from Short term Borrowings	(1.75)	(0.14)
Net Cash from Financing Activities	(2.09)	(0.14)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15.30	0.19
Opening Balance	3.37	2.81
Closing Balance	18.67	3.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	15.30	0.19
Components of Cash and Cash Equivalents		
Cash on Hand	0.04	0.08
Balances with Bank	18.63	2.92
Total Balance	18.67	3.00

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Notes:

1. The Financial Results for the quarter and half year ended September 30, 2020 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 12, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.
2. Results for the quarter ended September 30, 2020 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 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. 934.39 crore as at September 30, 2020 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. 361.68 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 44.78 crore and other receivables Rs. 168.85 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 225.62 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 Half year ended September 30, 2020 two lenders have levied penal interest and charges of Rs 34.80 Crores. Total amount of penal interest amount to Rs. 214.73 Crores up to September 30, 2020. The management is disputing the same and has not accepted the debit of interest and charges in its books. They have also requested the lenders to reverse the same.

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.

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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. 173.98 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.

5. 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.

6. 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. 7353.49 Crore as at September 30,2020. 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

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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.

The management is hopeful of being successful in accomplishing its objective and servicing the debt 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.

7. 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.
8. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1317.21 crores of which Gammon International BV is Rs. 957.88 Crores and Gammon Holding Mauritius Limited is Rs. 359.33 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 till date.
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.

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10. The Exceptional items include the following

Rs. In Crore

Particulars	Quarter ended September 30, 2020	Year ended March 31, 2020
Net provision for impairment of Investments net of DTL reversal	-	59.85
Impairment provisions of Loans and interest	-	367.75
Provision for risk and contingency	-	82.34
Write back of provision of Loans	-	(1.00)
Total	-	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.
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. 31.62 Cr. not paid since April'16)	30th September, 2020	No	31st October, 2020	0.58 Cr
NCD 11.05% monthly interest payments (Rs. 45.03 Cr. not paid since April'16)	30th September, 2020	No	31st October, 2020	0.84 Cr
NCD 9.50% monthly interest payments (Rs. 38.48 Cr. not paid since April'16)	30th September, 2020	No	31st October, 2020	0.72 Cr
NCD 9.95% half yearly interest payments (Rs. 20.32 Cr. not paid since September'16)	30th September, 2020	No	31st March, 2021	2.22 Cr

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

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BY *K. N. Parikh*
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Onor
GAMMON INDIA LTD.
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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 July,2020	No	15th October, 2020	2.96 Cr.
NCD 11.05% quarterly Principal payments (Rs. 48.08 Cr. not paid since April'16)	15th July,2020	No	15th October, 2020	4.00 Cr.
NCD 9.50% quarterly Principal payments (Rs. 48.34 Cr. not paid since April'16)	15th July,2020	No	15th October, 2020	4.00 Cr.
NCD 9.95% yearly Principal payments (Rs. 24.04 Cr. not paid since April'16)	15th April,2020	No	15th January, 2021	4.00 Cr.

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 September 30, 2020
A	Debt Equity Ratio	(1.08)
B	Debt Service Coverage Ratio	(0.03)
C	Interest Service Coverage Ratio	(0.05)
D	Debenture Redemption Reserve	81.00
E	Net Worth	(4515.02)
F	Net Profit after Tax (six months ended September 30, 2020)	(324.47)
G	Basic Earnings per share (For six months ended September 30, 2020)	(8.80)

- 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

Over

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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, November 12, 2020



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BY

NAYAN PARIKH & CO
MUMBAI

NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

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

Independent Auditor's Limited Review Report on unaudited standalone financial results for the quarter and half year ended September 30, 2020 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.

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Gammon India Limited ("the Company") for the quarter and half year ended September 30, 2020. This statement is being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016.
2. This Statement is the responsibility of the Company's Management. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind-AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**
 - a. We invite attention to note no. 3 (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 September 30, 2020 is Rs. 934.39 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 quarter and half year ended September 30, 2020.



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- b. We invite attention to note no. 3 (b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 361.68 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. 3 (c) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis in the earlier years based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 325.62 crores. The Subsidiary's audited financials are also not available for our review and also the management has not carried out any fresh 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. 225.62 crores.
- d. We invite attention to note no 3 (d) relating to penal interest and charges of Rs 34.80 crores during the half year charged by the lenders on its facilities. Total amount of penal interest aggregates to Rs. 214.73 Crores up to September 30, 2020. 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.

a) Qualified Conclusion

Except for the possible effects arising out of the matters mentioned in para 4(a) to 4(d) of our Basis for Qualified Conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular bearing nos. Circular No. CIR / CFD / CMD / 15 / 2015 dated November 30, 2015 and CIR / CFD / FAC / 62 / 2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

b) Material Uncertainty Related to Going Concern

We invite attention to the note no. 6 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 years recalled all



NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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the loans and facilities and also the Company Current Liabilities exceeded Current Assets by Rs 7353.49 Crore as at September 30, 2020. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. Further, 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 issues as stated above and in note no 6 of the Statement including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

c) Emphasis of Matter

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

- a) We draw attention to Note no 4 of the Statement relating to recoverability of an amount of Rs.173.98 crores as at September 30, 2020 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 5 of the Statement 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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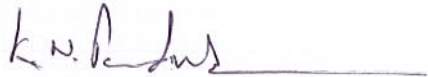
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- c) We draw attention to Note 11 to the standalone financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our conclusion is not modified in respect of this matter.

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



K N Padmanabhan

Partner

M. No. 36410

Mumbai, Dated: - November 12, 2020

UDIN: 20036410 AAAAEL5557



STATEMENTS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in Crore)

Sr No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-20 Unaudited	30-Jun-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-Mar-20 Audited
1	Income						
	(a) Revenue from Operations	10.11	7.00	21.18	17.11	50.20	86.38
	(b) Other Income	70.99	43.76	(14.94)	114.76	7.26	136.40
	Total Income	81.10	50.76	6.24	131.87	57.46	222.78
2	Expenses						
	(a) Cost of Sales	1.73	0.99	2.44	2.72	8.57	17.74
	(b) Purchases of stock-in-trade	-	-	-	-	-	3.72
	(c) Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	-	-	-	-
	(d) Subcontracting Expenses	5.82	4.25	13.34	10.07	34.28	58.27
	(e) Employee benefits expense	1.95	1.81	2.18	3.75	4.85	8.73
	(f) Finance Costs	186.97	184.02	172.50	370.99	339.48	693.87
	(g) Depreciation & amortization	2.33	2.31	2.82	4.64	5.63	11.03
	(h) Other expenses	4.85	8.67	28.20	13.52	34.53	57.20
	Total Expenses	203.65	202.05	221.48	405.69	427.34	850.56
3	Profit/(Loss) before exceptional items and tax (1-2)	(122.55)	(151.31)	(215.24)	(273.82)	(369.88)	(627.78)
4	Exceptional items (Income) / Expense	-	-	-	-	-	-
	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax (3-4)	(122.55)	(151.31)	(215.24)	(273.82)	(369.88)	(627.78)
5	Share of profit / (loss) of associates and joint ventures	-	0.06	-	0.06	(5.82)	(2.78)
6	Profit/(loss) before tax (5-6)	(122.55)	(151.37)	(215.24)	(273.76)	(375.70)	(630.56)
9	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	0.85	-	-	0.85	-	-
	Deferred Tax Liability / (asset)	0.09	0.11	0.12	0.19	0.52	0.23
	Total tax expenses	0.94	0.11	0.12	1.04	0.52	0.23
10	PROFIT FOR THE PERIOD /YEAR (10) + (13)	(123.49)	(151.48)	(215.36)	(274.80)	(376.22)	(630.79)
15	Other Comprehensive Income:						
	Items that will not be reclassified to profit or loss:						
	- Remeasurements of the defined benefit plans [net of tax]	0.02	0.05	(0.01)	0.07	(0.29)	(0.32)
	Items that will be reclassified to profit or loss						
	- Exchange differences through OCI	(45.22)	(38.29)	26.81	(83.51)	12.35	(170.41)
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	-	(0.08)	(135.73)
	Other Comprehensive Income for the Period / Year	(45.20)	(38.24)	26.80	(83.44)	11.98	(306.46)
16	Total Comprehensive Income / (Loss) For Period / Year	(168.68)	(189.72)	(188.56)	(358.24)	(364.24)	(937.24)
	Profit for the Period / Year attributable to:						
	- Owners of the Company	(123.32)	(151.24)	(215.58)	(274.54)	(375.67)	(629.82)
	- Non- Controlling interest	(0.16)	(0.09)	0.22	(0.26)	(0.55)	(0.97)
17	Other Comprehensive Income attributable to:						
	- Owners of the Company	(45.20)	(38.24)	26.80	(83.44)	11.98	(306.46)
	- Non- Controlling interest	-	-	-	-	-	-
18	Total Comprehensive Income attributable to:						
	- Owners of the Company	(168.51)	(189.48)	(188.78)	(357.98)	(363.69)	(936.28)
	- Non- Controlling interest	(0.17)	(0.09)	0.22	(0.26)	(0.55)	(0.97)
19	Earnings per equity share						
	Basic	(3.34)	(4.10)	(5.84)	(7.44)	(10.18)	(17.08)
	Diluted	(3.34)	(4.10)	(5.84)	(7.44)	(10.18)	(17.08)

See accompanying notes to the financial results

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BY
K.V. Parikh
NAYAN PARIKH & CO
MUMBAI



GAMMON INDIA LIMITED

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

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

CIN : L74999MH1922PLC000997

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

Particulars	As at September 30, 2020	As at March 31, 2020
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	424.44	430.14
(b) Capital work-in-progress	1.06	1.73
(c) Intangible Asset	-	-
(d) Goodwill on Consolidation	-	-
(e) Financial assets	-	-
(i) Investments	761.62	752.34
(ii) Trade receivable	199.44	270.57
(iii) Loans	184.85	184.86
(iv) Others financial assets	1.56	1.56
(f) Deferred tax assets (net)	0.80	0.90
(g) Other non-current assets	1,432.54	1,392.61
TOTAL NON-CURRENT ASSETS	3,006.31	3,034.71
CURRENT ASSETS		
(a) Inventories	969.61	948.12
(b) Financial assets	-	-
(i) Investments	0.06	0.03
(ii) Trade receivables	146.45	147.43
(iii) Cash and cash equivalents	20.51	4.83
(iv) Bank balances	7.18	6.98
(v) Loans	68.69	68.66
(vi) Others	28.74	28.74
(c) Other current assets	171.97	180.16
TOTAL CURRENT ASSETS	1,413.21	1,384.95
TOTAL ASSETS	4,419.52	4,419.66
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(4,743.54)	(4,385.56)
Equity attributable to owners of the parent	(4,669.43)	(4,311.45)
(c) Non-controlling interests	(118.00)	(117.74)
TOTAL EQUITY	(4,787.43)	(4,429.19)
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	48.56	48.56
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to other than Micro and Small Enterprises	20.95	25.13
(b) Provisions	0.59	0.62
(c) Deferred tax liabilities (net)	103.33	103.20
(d) Other non-current liabilities	205.76	205.67
TOTAL NON-CURRENT LIABILITIES	379.19	383.18
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	608.74	609.67
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprise	0.89	0.25
- Total outstanding dues to other than Micro and Small	182.94	188.71
(iii) Other financial liabilities	7,637.95	7,264.46
(b) Other current liabilities	125.79	130.89
(c) Provisions	264.46	264.70
(d) Current tax liabilities (net)	6.99	6.99
TOTAL CURRENT LIABILITIES	8,827.76	8,465.67
TOTAL EQUITY AND LIABILITIES	4,419.52	4,419.66

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 BY *[Signature]*
NAYAN PARIKH & CO
MUMBAI

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

See accompanying notes to the financial results

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CIN : L74999MH1922PLC000997



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Consolidated Cash Flow Statement For The half year ended September 30, 2020		
	(₹ in Crore)	
Particulars	2019-20	2018-19
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(273.82)	(369.87)
Adjustments for :		
Depreciation	4.64	5.63
Interest Expenses and Other Finance Cost	370.99	339.48
(Profit) / Loss on Sale of Assets	(0.88)	(0.79)
(Profit) / Loss on Sale of Investments	(0.03)	0.42
Income recognised towards corporate guarantee	-	(0.24)
Provision for Doubtful Debts and Advances	-	1.07
Foreign Exchange Loss / (Gain)	(105.10)	44.01
Interest Income	(0.62)	(0.89)
Sundry Balances Written off	7.26	-
Asset written off	-	0.14
Sundry Balances Written Back	(0.17)	-
Operating Profit Before Working Capital Changes	2.27	18.96
Trade Receivables	32.13	12.11
Inventories	(0.05)	(21.54)
Other financial and non financial Asset	(1.81)	(5.55)
Trade Payables and Provision	(9.36)	(23.78)
Other financial and non financial liabilities	(9.47)	13.89
CASH GENERATED FROM THE OPERATIONS	13.71	(5.91)
Direct Taxes Paid	(1.58)	1.91
Net Cash from Operating Activities	15.29	(4.00)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Fixed Assets	2.61	1.84
Sale of Non - Current Investments	0.00	0.23
Other Bank Balance	(0.20)	(0.23)
Interest Received	0.62	0.27
	3.03	2.11
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(0.44)	(0.12)
(Repayment)/ Proceeds from Short term Borrowings	(2.20)	(0.14)
Net Cash from Financing Activities	(2.64)	(0.26)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15.68	(2.15)
Opening Balance	4.83	6.64
Closing Balance	20.51	4.49
NET INCREASE IN CASH AND CASH EQUIVALENTS	15.68	(2.15)
Components of Cash and Cash Equivalents		
Cash on Hand	0.05	0.09
Balances with Bank	20.46	4.40
Total Balance	20.51	4.49

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Notes:

1. The Consolidated Financial Results for the quarter and half year ended September 30, 2020 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 12, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.
2. Results for the quarter and half year ended September 30, 2020 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 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. 934.39 crore as at September 30, 2020 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. 268.16 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 44.78 crore and other receivables Rs. 75.33 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 955.47 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 Half year ended September 30, 2020 two lenders have levied penal interest and charges of Rs 34.80 Crores. Total amount of penal interest amount to Rs. 214.73 Crores up to September 30, 2020. The management is disputing the same and has not accepted the debit of interest and charges in its books. They have also requested the lenders to reverse the same.

The auditors of one subsidiary Ansaldo Caldaie Boilers India Limited (ACBI) of the Company have qualified their limited review report which is being replicated by the Group auditor as follows:

ACBI had received amounts as share application money of Rs 16.64 Crores from M/s Ansaldo caldaie S.p.A. for further allotment of shares which were to be issued on terms and conditions to be decided by the Board.

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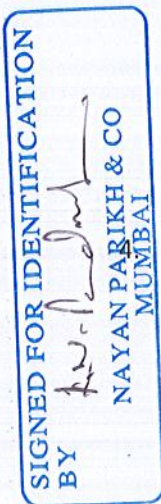
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However, the Company has neither made the allotment of shares nor refunded the money as per the regulations and provision of the Companies Act, 2013 and Reserve Bank of India (RBI).

The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive due to various operational issues.. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.

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. 7414.55 Crore as at September 30, 2020. 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

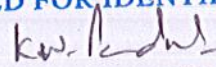
The Company has been making every effort in settling the outstanding CDR dues.

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.

The management is hopeful of being successful in accomplishing its objective and servicing the debt 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

Ansaldo Caldaie Boilers India Limited

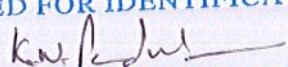
The Company is facing difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the company's ability to continue as a going concern.

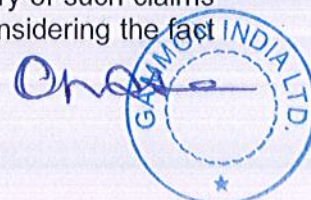
GHBV, GIBV, PVAN, ATSLBV, GIFZE

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 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. 173.98 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

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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.

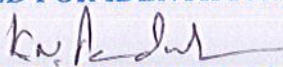
7. The Company has receivable including retention and work in progress aggregating to Rs. 44.51 Crore (inventory - Rs. 21.19 crores and receivables Rs. 23.32 crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.
8. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.742.63 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 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.

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 Company is engaged mainly in "Construction and Engineering" segment. The


SIGNED FOR IDENTIFICATION
BY 
NAYAN PARIKH & CO
MUMBAI

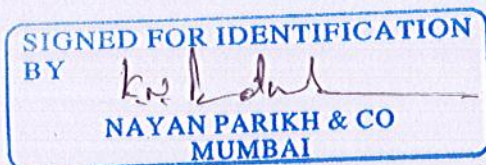


Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS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

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.
12. 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, November 12, 2020



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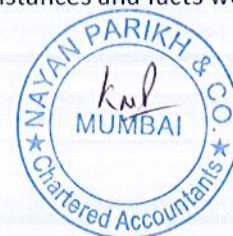
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Independent Auditor's Limited Review Report on unaudited Consolidated financial results for the quarter and half year ended September 30, 2020 of Gammon India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors
Gammon India Limited,
Mumbai.

1. We have reviewed the accompanying statement of unaudited Consolidated Financial Results ("Statement") of Gammon India Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its joint ventures and associates for the quarter and half year ended September 30, 2020, attached herewith, being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016.
2. This Statement is the responsibility of the Company's Management. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**
 - (a) We invite attention to note no. 3(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 September 30, 2020 is Rs. 934.39 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



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are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the quarter and half year ended September 30, 2020.

- (b) We invite attention to note no. 3(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 268.16 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 3(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 in the earlier years, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 325.62 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. 855.47 crores (net of provision).
- (d) We invite attention to note no 3 (d) relating to penal interest and charges of Rs 34.80 crores during the half year charged by the lenders on its facilities. Total amount of penal interest aggregates to Rs. 214.73 Crores up to September 30, 2020. 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 paragraph 9(b) on other matters of our report where the consolidated financial statement includes results of 9 subsidiaries which have not been reviewed by their auditors or by us. On account of the same, the reviewed financial results considered for consolidation does not satisfy the requirement of 80% results being reviewed as required by paragraph 33(3)(h) of the SEBI (Listing Obligation and Disclosure) Regulation 2015. These results of the subsidiaries have been incorporated on the basis of management prepared financial statements.
- (f) The auditors of one subsidiary Ansaldo Caldaie Boilers India Pvt Ltd of the Company carries a qualification in their Review Report as follows:



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ACBI had received amounts as share application money of Rs 16.64 Crores from M/s Ansaldo Caldaie S.p.A. for further allotment of shares which were to be issued on terms and conditions to be decided by the Board. However, the Company has neither made the allotment of shares nor refunded the money as per the regulations and provision of the Companies act, 2013 and Reserve Bank of India (RBI). The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive due to various operational issues. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities

5. The consolidated financial results of the Group includes the results for the quarter and half year ended September 30, 2020 of the companies listed in Annexure A to this report which are consolidated in accordance with the requirements of the Companies (Indian Accounting Standards) Rules 2015 specified under Section 133 of the Companies Act 2013 and the relevant rules thereon.

6. Qualified Conclusion

Except for the possible effects arising out of the matters mentioned in para 4(a) to 4(f) our basis for qualified conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular bearing nos. Circular No. CIR / CFD / CMD / 15 / 2015 dated November 30, 2015 and CIR / CFD / FAC / 62 / 2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Material Uncertainty relating to Going Concern.

- a) We invite attention to the note no.6 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 years recalled all the loans and facilities and also the Company Current Liabilities exceeded Current Assets by Rs. 7414.55 Crore as at September 30, 2020. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. Further, 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



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severe manpower issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 6 of the Statement including but not limited to the Material uncertainties involved in the restructuring and resolution plans forming the basis of the Going Concern assumption indicates material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

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

Ansaldo Caldaie Boilers India Pvt Ltd -

The Company is facing difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the company's ability to continue as a going concern. Our report is not qualified on this matter.

ATSL Holding BV -

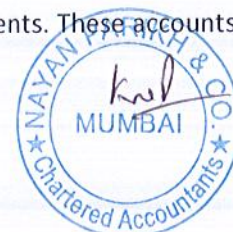
As on September 30, 2020 Current liabilities exceed current assets by Euro 1.81 Crores (Rs. 156.45 Crores) the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates 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. Our conclusion is not qualified on this account

Gammon Holding BV -

As on September 30, 2020, current liabilities exceed current assets by Euro 6.36 Crores (Rs. 550.62 Crores). The Company is taking various steps to meet its commitments, both, short-term and long-term in nature. However, the ability of the Company to meet its commitment depends upon the disposal of the Investment made in M/s Franco Tosi Meccanica S.p.A. which in turn depends upon the value of non-core assets of the said Franco Tosi Meccanica. 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 condensed Ind AS financial statements. Our conclusion is not qualified on this account.

Gammon International BV -

As on September 30, 2020, current liabilities exceed current assets by Euro 7.02 Crores (Rs.607.31 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However, the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.P.A. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. These accounts are



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prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our conclusion is not qualified on this account.

Gammon International FZE -

As on September 30, 2020, current liabilities exceed current assets by AED 1.27 Crores (Rs. 25.35 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our conclusion is not qualified on this account.

Pvan Eerd Beheersmaatschappij B.V –

As on September 30, 2020, current liabilities exceed current assets by Euro 1.54 Crores (Rs. 133.14 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. These accounts are prepared on the going concern basis considering the continued support of the parent Gammon India Limited. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our conclusion is not qualified on this account.

8. Emphasis of Matter

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

- a) We draw attention to Note no 6 of the Statement relating to recoverability of an amount of Rs.173.98 crores as at September 30, 2020 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.



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- b) We draw attention to Note no 7 of the Statement 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.
- c) We draw attention to Note 11 to the standalone financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our conclusion is not modified in respect of this matter

9. Other Matter

- a) The statement includes the standalone financial results of 12 subsidiaries, which have been reviewed by their Auditors, whose standalone financial results reflect total assets of Rs.1561.32 Crores, total revenues of Rs. 125.00 Crores and total net profit after tax of Rs.71.76 Crores for the half year ended September 30, 2020. The other Auditors' reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is solely based on the reports of the other auditor and the procedures performed by us as stated in para 3 above.
- b) The statement also includes the standalone financial results of 9 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets of Rs. 1379.85 Crores, total revenues of Rs. Nil and total net profit loss tax of Rs. 0.88 Crores for the half year ended September 30, 2020, as considered in the statement. Our conclusion is not qualified on these account.

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



K N Padmanabhan
Partner

M. No. 36410

Mumbai, Dated: - November 12, 2020

UDIN : 20036410AAAEM5847



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Annexure A

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

