

Date: 14th November, 2022

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 14th November, 2022 pursuant to Regulation 30 and 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 14th November, 2022 which commenced at 3:30 p.m. and concluded at 19.15 p.m. *inter - alia* approved the Un-Audited Standalone and Consolidated Financial Statements of the Company for the quarter and half year ended 30th September, 2022;

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>.

You are requested to take the above information on record.

Thanking you,

For Gammon India Limited

NIKI AVINASH Digitally signed by NIKI
AVINASH SHINGADE
SHINGADE Date: 2022.11.14 19:21:04
+05'30'

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

Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

Independent Auditor's Limited Review Report on unaudited standalone financial results for the quarter and half year ended September 30, 2022 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, 2022. 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 amended (The Listing Regulations).
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind-AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
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 of interim financial information consists of making inquiries, primarily of persons responsible for accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in 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, 2022 is Rs. 231.69 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, on the recovery of the claims, In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results for the quarter and half year ended September 30, 2022.



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- b. We invite attention to note no. 3(b) of the statement relating to the claim of CMRL project wherein the Company has accounted the award at an amount of Rs 532 Crores. This amount includes an amount of Rs 123.08 Crores which is subject matter of appeal arising from the award. The Company has accounted for the entire award to its account although the award is in the name of joint venture as detailed in the note. In view of the final fructification of the award amount and the settlement of the JV proceeds as detailed in the aforesaid note we are unable to opine whether the entire amount will be to the account of the Company.
- c. We invite attention to note no. 3(c) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 185.65 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.
- d. We invite attention to note no. 3(d) of the statement 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. 361.91 crores. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The auditor of the subsidiary has also made an Emphasis of Matter on the realisability of its inventory amounting to Rs 822 crore as at September 30, 2022 and also highlighted material uncertainty regarding going concern issue in their review report for the quarter and half year ended September 30, 2022. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the balance exposure of Rs. 261.91 crores.
- e. We invite attention to note no 3 (e) of the statement relating to penal interest and charges of Rs 43.23 crores during the half year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 367.89 Crores up to September 30, 2022. 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.



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a) **Qualified Conclusion**

Except for the possible effects arising out of the matters mentioned in para 4(a) to 4(e) of our Basis for Qualified Conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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 the loans and facilities and also the Company's Current Liabilities exceeds Current Assets by Rs 8932.11 Crore as at September 30, 2022. The Company is finding it difficult to meet its financial obligations and the resolution plan is under consideration by lenders. The liquidity crunch is affecting the Company's operation with increasing severity. The trading in equity shares of the Company is presently suspended. 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 is under consideration by the lenders as detailed in the note no. 6 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.

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.146.64 crores as at September 30, 2022 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 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.

Other Matters

5. The standalone financial results for the quarter ended June 30, 2022, comparative quarter and half year ended September 30, 2021 and year ended on March 31, 2022, included in the enclosed statement, are based on published financial results for the respective period as reviewed/audited by predecessor auditor M/s. Nayan Parikh & Co., Chartered Accountants, vide their modified limited review reports dated August 10, 2022 and November 12, 2021 and modified audit report dated June 21, 2022 respectively.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W



N Jayendran
Partner

M. No. 40441

Mumbai Dated: November 14, 2022

UDIN: 22040441BDBNKR2027



Statement of Unaudited Standalone Results for the Quarter and Half Year Ended September 30, 2022

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	a) Revenue from Operations :	11.43	9.98	11.59	21.40	18.85	27.66
	b) Other Income	10.98	5.39	4.16	16.37	9.95	25.27
	Total Income (a+b)	22.41	15.37	15.75	37.77	28.80	52.93
II	Expenses						
	a) Cost of material consumed	5.12	4.41	2.41	9.53	5.00	12.11
	b) Subcontracting Expenses	2.83	2.74	6.63	5.57	9.04	14.29
	c) Employee benefits expense	1.81	2.15	2.11	3.96	4.15	8.09
	d) Finance Costs	200.81	193.99	177.60	394.80	350.49	721.90
	e) Depreciation & amortization	0.61	0.64	0.95	1.25	1.95	3.61
	f) Other expenses	8.48	13.72	(2.84)	22.20	7.17	246.72
	Total Expenses	219.66	217.65	186.86	437.31	377.80	1,006.72
III	Profit/(Loss) before exceptional items and tax	(197.25)	(202.28)	(171.11)	(399.54)	(349.00)	(953.79)
IV	Exceptional items Income / (Expense)	-	-	-	-	-	130.76
V	Profit / (Loss) before tax	(197.25)	(202.28)	(171.11)	(399.54)	(349.00)	(1,084.55)
VI	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	1.41	0.64	0.33	2.05	0.65	1.20
	Total tax expenses	1.41	0.64	0.33	2.05	0.65	1.20
VII	PROFIT FOR THE PERIOD / YEAR	(198.66)	(202.92)	(171.44)	(401.59)	(349.65)	(1,085.75)
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]	0.00	0.00	0.02	0.01	(0.03)	0.02
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	-	-	-
	Other Comprehensive Income:	0.00	0.00	0.02	0.01	(0.03)	0.02
IX	Total Comprehensive Income / (Loss) For The Period / Year	(198.66)	(202.92)	(171.42)	(401.58)	(349.68)	(1,085.73)
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	Other Equity	-	-	-	-	-	(6,067.21)
XII	Earnings per equity share						
	Basic	(5.39)	(5.50)	(4.65)	(10.89)	(9.48)	(29.44)
	Diluted	(5.39)	(5.50)	(4.65)	(10.89)	(9.48)	(29.44)

See accompanying notes to the financial results



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CIN : L74999MH1922PLC000997

Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2022		
Particulars	(₹ in Crore)	
	30-Sep-22 (Unaudited)	31-Mar-22 (Audited)
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	406.07	412.11
(b) Capital work-in-progress	-	-
(c) Financial assets	-	-
(i) Investments	121.67	121.67
(ii) Trade receivable	202.79	204.93
(iii) Loans	687.69	657.51
(iv) Others	119.23	107.02
(d) Deferred tax assets (net)	-	-
(e) Other non-current assets	1,199.67	1,199.34
TOTAL NON-CURRENT ASSETS	2,737.12	2,702.58
CURRENT ASSETS		
(a) Inventories	33.36	32.71
(b) Financial assets	-	-
(i) Investments	0.03	0.03
(ii) Trade receivables	25.11	31.16
(iii) Cash and cash equivalents	0.01	0.01
(iv) Bank balances	8.52	10.26
(v) Loans	0.26	0.27
(vi) Others	29.59	29.85
(c) Current tax assets (net)	-	-
(d) Other current assets	101.60	95.50
TOTAL CURRENT ASSETS	198.48	199.79
TOTAL ASSETS	2,935.60	2,902.37
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(6,468.78)	(6,067.21)
TOTAL EQUITY	(6,394.67)	(5,993.10)
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	11.96	11.96
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.65	0.60
(c) Deferred tax liabilities (net)	106.39	104.34
(d) Other non-current liabilities	68.67	68.66
TOTAL NON-CURRENT LIABILITIES	199.67	197.56
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	0.34	0.34
- Total outstanding dues to other than Micro and Small Enterprises	92.86	97.15
(iii) Other financial liabilities	8,548.50	8,114.47
(b) Other current liabilities	39.06	36.14
(c) Provisions	449.83	449.81
(d) Current tax liabilities (net)	-	-
TOTAL CURRENT LIABILITIES	9,130.59	8,697.91
TOTAL EQUITY AND LIABILITIES	2,935.60	2,902.37



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CIN : L74999MH1922PLC000997

Unaudited Standalone Cash Flow Statement for the year ended 30 September, 2022		
(₹ in Crore)		
Particulars	April- September 2022	April- September 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(399.53)	(349.00)
Adjustments for :		
Depreciation	1.25	1.95
(Profit) / Loss on Sale of Assets	(5.61)	(0.01)
Net (Profit)/loss on financial asset through FVTPL	-	0.01
Interest Expenses	394.80	350.49
Provision for Doubtful Debts and Advances	-	(0.50)
Foreign Exchange Loss / (Gain)	12.87	2.09
Interest Income	(6.18)	(5.62)
Sundry Balances Written off	-	0.01
Sundry Balances Written Back	(2.34)	(0.06)
Operating Profit Before Working Capital Changes	(4.72)	(0.64)
Trade and Other Financial Receivables	8.19	8.10
Inventories	(0.65)	(0.78)
Trade Payables and Provision	(1.87)	(2.59)
Other Financials and Non Financial Assets	(6.20)	0.68
Other financial liabilities	(6.89)	2.78
Other non-financial liabilities	2.98	0.93
CASH GENERATED FROM THE OPERATIONS	(9.17)	8.48
Direct Taxes Paid / (Refund)	-	0.35
Net Cash from Operating Activities	(9.17)	8.13
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Proceeds from Sales PPE	10.40	0.19
Other Bank Balance	1.74	(0.50)
Interest Received	(0.00)	0.01
Net Cash from Investment Activities	12.15	(0.30)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(0.38)	(0.24)
Net proceeds from Short term Borrowings	(2.60)	-
Net Cash from Financing Activities	(2.98)	(0.24)
NET INCREASE IN CASH AND CASH EQUIVALENTS	0.00	7.59
Opening Balance	0.01	7.20
Closing Balance	0.01	14.79
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	7.59
Components of Cash and Cash Equivalents		
Cash on Hand	0.01	0.03
Balances with Bank	-	14.76
Total Balance	0.01	14.79



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Notes:

1. The Financial Results for the quarter and half year ended September 30, 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 14, 2022 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, 2022 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. 231.69 crore as at September 30, 2022 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) During the year ended March 31, 2022 the Company accounted for the award received in respect of its joint venture relating the Chennai Metro Rail project (CMRL) at a value of Rs. 532 crores. This includes an amount of Rs 123.08 Cr which is subject matter of appeal being the claim of the Company, which is not accepted, for which the Company is of the opinion that it has a strong case. Company has also filed appeal against certain items of the award. The aforesaid award is received in the name of the JV but the company has accounted for the entire share to its accounts.
 - c) There are disputes in six projects of the Company. The total exposure against these projects is Rs. 185.65 crore consisting of receivable of Rs. 60.70 crores, inventory Rs. 43.96 crore and other receivables Rs. 80.79 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
 - d) The Company's exposure to one of the subsidiary company Deepmala Infrastructure Private Limited developing a real estate project in Bhopal is Rs 261.91 crores (net of provisions of Rs. 100 crores against its exposure based on internal estimates of the realisable value). Due to slow down in the real estate market and various other factors the subsidiary company is facing problems in the development of its projects and its sale. The subsidiary's



RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The statutory auditor has made comments on Material uncertainty relating to going concern in its financial statements for the quarter.

- e) During the half year ended September 30, 2022 two lenders have levied penal interest and charges of Rs 43.24 crores. Total amount of penal interest and charges amounts to Rs. 367.89 crores up to September 30, 2022. 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 seven lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.

4. 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.146.64 Crore in the earlier 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.

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. 8932.11 Crore as at September 30, 2022. Which has only increased further in the quarter. The facilities of the Company with the Secured 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 Secured 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 Lenders dues.

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. On the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company and 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, seven lenders including the lead monitoring institution provided their in-principle sanction to the company and the company is pursuing for the approval with other lenders as well.

Due to delay in approval of resolution plan by other Bankers the fund through which Everstone (Investor) was intended to invest was closed. However, Everstone has shown a keen desire to invest with next available fund.

Due to time constraint, Gammon has proposed an alternate investor with the same terms and conditions for the revival of the Company which is accepted by the Bankers. The lenders discussed the above matter at the Joint Lenders meeting dated 5th March 2022 and while accepting the offer were willing to take up with their higher management for resolution plan of the Company. The Company is awaiting the sanction of the lenders. The resolution process is in the advanced stage and the management is hopeful that the sanctions will be received soon.

Meanwhile the company has received a notice from Union Bank of India and Punjab National Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, taking over the possession of the Gammon House property including the land appurtenant to it. The company has been restrained



from parting with the rights over the said property. The total demand raised by this notice is Rs. 1136.71 Cr. Pursuant to SARFAESI Union Bank of India has also issued e-auction notice on July 11, 2022.

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.

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. 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.
9. The Exceptional items include the following

Particulars	Half year ended September 30, 2022	Year ended March 31, 2022
Impairment provisions of Loans and interest	-	119.25
Provision for risk and contingency	-	11.51
Total	-	130.76

10. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1373.04 crores of which Gammon International BV is Rs. 954.27 Crores and Gammon Holding Mauritius Limited is Rs. 418.77 Crores. Based on the valuation carried out by an independent valuer, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary



in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML as per the valuation report for the purpose of the financial statement of March 31, 2022, the reduction in equity value of Rs. of Rs 675.71 Crores has been provided till date.

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

For Gammon India Limited



Sandeep Sheth
Executive Director
DIN No. 08781589
Mumbai, November 14, 2022



Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

Independent Auditor's Limited Review Report on unaudited Consolidated financial results for the quarter and half year ended September 30, 2022 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, 2022, 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 amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, 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 and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.



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5. 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, 2022 is Rs. 231.69 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, on the recovery of the claims, In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results for the quarter ended September 30, 2022.
- (b) We invite attention to note no. 3 (b) of the statement relating to the claim of CMRL project wherein the Company has accounted the award at an amount of Rs 532 Crores. This amount includes an amount of Rs 123.08 Crores which is subject matter of appeal arising from the award. The Company has accounted for the entire award to its account although the award is in the name of joint venture as detailed in the note. In view of the final fructification of the award amount and the settlement of the JV proceeds as detailed in the aforesaid note we are unable to opine whether the entire amount will be to the account of the Company.
- (c) We invite attention to note no. 3 (c) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 101.22 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.
- (d) We invite attention to note no 3 (d) relating to the exposure of the group to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company in its Standalone Financial results had on prudent basis in the earlier years, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 361.91 crores which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan.. The company is also exploring possibilities of restructuring for which it is in discussion with the lender. The statutory auditor of the subsidiary has carried a paragraph on material uncertainty relating to going concern. In view of the aforesaid facts we are unable to opine about carrying value of inventory and other exposure of Rs. 834.19 crore
- (e) We invite attention to note no 3 (e) relating to penal interest and charges of Rs 43.24 crores



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during the quarter charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 367.89 Crores up to September 30, 2022. 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.

- (f) The auditors of the subsidiaries of the Company have made qualification in their Review Report as follows:

In case of Ansaldo Caldaie Boilers India Pvt Ltd

The Company has received 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 decided by the Board. However, the Company has neither made the allotment of shares nor refunded the money as per the regulations and provisions of The Companies Act, 2013 and Reserve Bank of India. 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.

In case of Gammon International BV

We draw attention, where the Company has not carried out fair valuation of its investment as at September 30, 2022. The last valuation is as at March 31, 2022. In absence of sufficient and appropriate evidence, we are unable to comment whether any adjustments are required to the fair value of investment in Sofinter S.p.A measured at fair value through other comprehensive income as at September 30, 2022, presently carried at Euro 3,81,87,500/- and the consequent impact thereof on Other Comprehensive Income

- (g) 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 has been not received. There are no audited financial statements after 31st December 2012.



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ii) M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. whose financials statement for the year 31st March 2021 and 31st March 2022 has not been audited.

6. The consolidated financial results of the Group includes the results for the quarter and half year ended September 30, 2022 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.

7. Qualified Conclusion

Except for the possible effects arising out of the matters mentioned in para 5(a) to 5(g) 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 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

8. Material Uncertainty relating to Going Concern.

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

In respect of Holding Company

We invite attention to the note no. 5 (a) 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 the loans and facilities and also the Company's Current Liabilities exceeds Current Assets by Rs 9420.08 Crore as at September 30, 2022. The Company is finding it difficult to meet its financial obligations and the resolution plan is under consideration by lenders. The liquidity crunch is affecting the Company's operation with increasing severity. The trading in equity shares of the Company is presently suspended. 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 is under consideration by the lenders as detailed in the note no. 5 (a) 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.



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

Deepmala Infrastructure Private Limited

Financial statement of the Company are prepared on Going Concern basis, but considering the fact that the company has accumulated losses, negative net worth, cancellation of registration of RERA, pending litigation at NCLT and statutory non-compliance and being unable to settle the One Time Settlement direction from Axis Bank for settlement of Term Loan, This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

However, according to the management, the company has a concrete plan to settle the Term Loan of Axis Bank. Company will also have a plan to bring investor to infuse working capital to re-start operation of the company and complete the project within a period of four to five years. The above action plan of the company will result into settlement of company's obligations. Therefore, in view of the management, the Going Concern assumption of the company is intact and this financials are prepared on Going Concern basis.

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.

ATSL Holding BV

As at September 30, 2022 Current liabilities exceed current assets by Euro 2.41 Crores (Rs. 193.86 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 September 30, 2022 current liabilities exceed current assets by Euro 8.23 Crores (Rs. 659.96 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



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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 International BV

As on September 30 2022, current liabilities exceed current assets by Euro 8.57 Crores (Rs. 686.56 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 September 30, 2022, current liabilities exceed current assets by AED 1.22 Crores (Rs. 27.24 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 September 30, 2022, current liabilities exceed current assets by Euro 2.06 Crores (Rs. 156.81 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.

Gammon Holdings Mauritius Limited



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As on September 30, 2022, current liabilities exceed current assets by USD 4.57 Crores (Rs. 372.98 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.

9. 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.146.64 crores as at September 30, 2022 under trade receivables in respect of contract revenue where the group 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 group 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 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) The auditors of subsidiaries of the Company carries a Emphasis of Matter in their review Report as follows –

Deepmala infrastructure Private Limited -

The recoverability of Work in Progress of Rs 822 Crores could not be estimated considering the liquidity issues.

10. Other Matter

- a) The statement includes the standalone financial results of 7 subsidiaries, which have been reviewed by their Auditors, whose standalone financial results reflect total assets of Rs.1908.54 Crores, total revenues of Rs. 1.40 Crores and total net loss after tax of Rs. 46.82 Crores for the quarter and half year ended September 30, 2022. 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.



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b) The statement also includes the standalone financial results of 7 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets of Rs. 36.51 Crores, total revenues of Rs. Nil and total net loss after tax of Rs. 0.01 Cores for the quarter and half year ended September 30, 2022, as considered in the statement. These financial statements are as prepared by the management of the holding company. Our conclusion is not qualified on this account..

11. The consolidated financial results for the quarter ended June 30, 2022, comparative quarter and half year ended September 30, 2021 and year ended on March 31, 2022, included in the enclosed statement, are based on published financial results for the respective period as reviewed/audited by predecessor auditor M/s. Nayan Parikh & Co., Chartered Accountants, vide their modified limited review reports dated August 10, 2022 and November 12, 2021 and modified audit report dated June 21, 2022 respectively.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W



N Jayendran

Partner

M. No. 40441

Mumbai Dated: November 14, 2022

UDIN: 22040441BDBNRQ1412



Natvarlal Vepari & Co.

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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 Holdings B.V., Netherlands ('GHBV')	Subsidiary
12.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
13.	Metropolitan Infrahousing Private Limited ('MIPL')	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 (ATSL Nigeria)	Subsidiary
20.	Gammon Italy S.r.L	Subsidiary



Statement of Unaudited Consolidated Results for the Quarter and Half Year Ended September 30, 2022

(₹ in Crore)

Sr No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Income						
	(a) Revenue from Operations	11.69	10.71	11.61	22.40	18.98	27.85
	(b) Other Income	7.91	2.52	(52.61)	10.43	4.46	13.61
	Total Income	19.60	13.23	(41.00)	32.83	23.44	41.46
II	Expenses						
	(a) Cost of Sales	5.09	5.01	2.40	10.10	4.30	11.42
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Subcontracting Expenses	2.83	2.74	6.63	5.57	9.04	14.29
	(d) Employee benefits expense	1.98	2.30	2.26	4.28	2.58	8.68
	(e) Finance Costs	246.02	234.99	214.23	481.02	426.31	870.56
	(f) Depreciation & amortization	0.63	0.66	0.97	1.29	2.00	3.70
	(g) Other expenses	104.13	94.88	9.61	199.02	11.08	312.52
	Total Expenses	360.68	340.58	236.10	701.28	455.31	1,221.17
III	Profit/(Loss) before exceptional items and tax	(341.08)	(327.35)	(277.10)	(668.45)	(431.87)	(1,179.71)
IV	Exceptional items (Income) / Expense	-	-	-	-	-	-
V	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(341.08)	(327.35)	(277.10)	(668.45)	(431.87)	(1,179.71)
VI	Share of profit / (loss) of associates and joint ventures	-	-	-	-	-	0.43
VII	Profit / (Loss) before tax	(341.08)	(327.35)	(277.10)	(668.45)	(431.87)	(1,179.28)
VIII	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	1.41	0.64	0.34	2.06	0.67	1.23
	Total tax expenses	1.41	0.64	0.34	2.06	0.67	1.23
IX	Profit after tax for the period	(342.49)	(327.99)	(277.44)	(670.51)	(432.54)	(1,180.51)
X	Other Comprehensive Income:						
	Items that will not be reclassified to profit or loss:						
	- Remeasurements of the defined benefit plans [net of tax]	-	0.04	0.02	0.04	(0.03)	0.04
	Items that will be reclassified to profit or loss						
	- Exchange differences through OCI	68.10	51.99	57.33	120.09	0.05	47.91
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	-	-	(202.52)
	Other Comprehensive Income for the year	68.10	52.03	57.35	120.13	0.02	(154.57)
XI	Total Comprehensive Income / (Loss) For The Period	(274.39)	(275.96)	(220.09)	(550.38)	(432.52)	(1,335.08)
XII	Profit for the year attributable to:						
	- Owners of the Company	(339.31)	(324.76)	(274.30)	(664.09)	(426.24)	(1,167.88)
	- Non- Controlling interest	(3.18)	(3.23)	(3.14)	(6.42)	(6.30)	(12.63)
XIII	Other Comprehensive Income attributable to:						
	- Owners of the Company	68.10	52.03	57.35	120.13	0.02	(154.57)
	- Non- Controlling interest	-	-	-	-	-	-
XIV	Total Comprehensive Income attributable to:						
	- Owners of the Company	(271.21)	(272.73)	(216.95)	(543.96)	(426.22)	(1,322.45)
	- Non- Controlling interest	(3.18)	(3.23)	(3.14)	(6.42)	(6.30)	(12.63)
XV	Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)						74.11
XVI	Other Equity						(6,570.62)
XVII	Earnings per equity share						
	Basic	(9.20)	(8.80)	(7.44)	(18.00)	(11.56)	(31.66)
	Diluted	(9.20)	(8.80)	(7.44)	(18.00)	(11.56)	(31.66)

See accompanying notes to the financial results



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



Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2022		
Particulars	(₹ in Crore)	
	30-Sep-22 (Unaudited)	31-Mar-22 (Audited)
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	406.47	412.56
(b) Capital work-in-progress	-	-
(c) Intangible Asset	-	-
(d) Goodwill on Consolidation	-	-
(e) Financial assets	-	-
(i) Investments	587.04	578.19
(ii) Trade receivable	217.72	220.09
(iii) Loans	89.49	89.66
(iv) Others financial assets	4.57	4.57
(f) Deferred tax assets (net)	-	0.18
(g) Other non-current assets	1,240.55	1,240.16
TOTAL NON-CURRENT ASSETS	2,545.84	2,545.41
CURRENT ASSETS		
(a) Inventories	875.43	874.12
(b) Financial assets	-	-
(i) Investments	0.04	0.04
(ii) Trade receivables	49.42	55.36
(iii) Cash and cash equivalents	0.04	1.56
(iv) Bank balances	14.05	14.23
(v) Loans	62.62	62.62
(vi) Others	33.95	34.20
(c) Other current assets	156.07	149.67
TOTAL CURRENT ASSETS	1,191.62	1,191.80
TOTAL ASSETS	3,737.46	3,737.21
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(7,114.62)	(6,570.62)
Equity attributable to owners of the parent	(7,040.51)	(6,496.51)
(c) Non-controlling interests	(152.88)	(146.46)
TOTAL EQUITY	(7,193.39)	(6,642.97)
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	23.21	23.21
(b) Provisions	0.74	0.70
(c) Deferred tax liabilities (net)	106.22	104.35
(d) Other non-current liabilities	188.96	188.95
TOTAL NON-CURRENT LIABILITIES	319.13	317.21
CURRENT LIABILITIES		
(a) Financial liabilities	-	-
(i) Borrowings	572.85	572.13
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	0.34	0.34
- Total outstanding dues to other than Micro and Small Enterprises	171.92	176.17
(iii) Other financial liabilities	9,478.49	8,929.10
(b) Other current liabilities	98.16	95.32
(c) Provisions	284.09	284.06
(d) Current tax liabilities (net)	5.85	5.85
TOTAL CURRENT LIABILITIES	10,611.71	10,062.97
TOTAL EQUITY AND LIABILITIES	3,737.46	3,737.21

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



Consolidated Cash Flow Statement for the Half Year Ended 30 September 2022

(₹ in Crore)

Particulars	April 2022 to September 2022	April 2021 to September 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(668.45)	(431.88)
Adjustments for :		
Depreciation	1.29	2.00
Interest Expenses and Other Finance Cost	481.02	426.31
(Profit) / Loss on Sale of Assets	(5.61)	(0.01)
Net gain on financial asset through FVTPL	-	0.01
Provision for Doubtful Debts and Advances	-	(0.50)
Foreign Exchange Loss / (Gain)	189.01	6.49
Interest Income	(0.12)	(0.10)
Sundry Balances Written off	0.01	0.01
Asset written off	0.00	0.05
Sundry Balances Written Back	(2.34)	(0.06)
Operating Profit Before Working Capital Changes	(5.19)	2.32
Trade Receivables	8.31	11.95
Inventories	(1.32)	(4.77)
Other financial and non financial Asset	(5.80)	1.18
Trade Payables and Provision	(1.83)	0.15
Other financial and non financial liabilities	(3.98)	(3.58)
CASH GENERATED FROM THE OPERATIONS	(9.81)	7.26
Direct Taxes Paid	0.23	0.36
Net Cash from Operating Activities	(10.04)	6.90
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Fixed Assets	10.41	0.14
Other Bank Balance	(0.08)	(0.08)
proceeds from sales of investment	0.00	0.00
Loans (Given)/Repaid to/by Others	0.00	0.00
Interest Received	0.12	0.18
	10.45	0.24
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2.84)	0.27
(Repayment)/ Proceeds from Short term Borrowings	0.63	0.00
Net Cash from Financing Activities	(2.21)	0.27
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1.80)	6.86
Opening Balance	2.13	9.29
Closing Balance	0.34	16.15
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1.80)	6.86
Components of Cash and Cash Equivalents		
Cash on Hand	0.04	0.03
Balances with Bank	0.30	16.12
Total Balance	0.34	16.15

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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Notes:

1. The Consolidated Financial Results for the quarter and half year ended September 30, 2022, were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 14, 2022 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, 2022, 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. 231.69 crore as at September 30, 2022 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) During the year ended March 31, 2022 the Holding Company accounted for the award received in respect of its joint venture relating the Chennai Metro Rail project (CMRL) at a value of Rs. 532 crores. This includes an amount of Rs 123.08 Cr which is subject matter of appeal being the claim of the Company, which is not accepted, for which the Company is of the opinion that it has a strong case. Company has also filed appeal against certain items of the award. The aforesaid award is received in the name of the JV but the company has accounted for the entire share to its accounts.
 - c) There are disputes in four projects of the Group. The total exposure against these projects is Rs. 101.22 Crore consisting of receivable of Rs. 60.70 crores, inventory Rs. 43.96 crore and advance Rs. 3.44 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.
 - d) The Group's exposure to a real estate project being carried out in one of the subsidiary Company in Bhopal is Rs 934.19 crore. Due to slow down in the real estate market and various other factors the subsidiary company is facing problems in the development of its projects and its sale. The Company has already made a provision of Rs 100 crores against its project development inventory based on internal estimates of the realisable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment. The subsidiary's RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. The company is



also exploring possibilities of restructuring for which it is in discussion with the lender. The statutory auditor has] made a comment about the material uncertainty relating to going concern..

e) During the half year ended September 30, 2022 two lenders have levied penal interest and charges of Rs 43.24 Crores. Total amount of penal interest and charges amounts to Rs. 367.89 Crores up to September 30 ,2022. 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 seven lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.

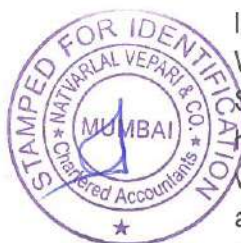
4. The auditors of one subsidiary Ansaldo Caldaie Boilers India Limited (ACBI) of the Company have qualified their audit report which is being replicated by the Group auditor as follows:

a) The Company has received 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 decided by the Board. However, the Company has neither made the allotment of shares nor refunded the money as per the regulations and provisions of The Companies Act, 2013 and Reserve Bank of India. 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. 9420.08 Crore as at September 30, 2022. Which has only increased further in the quarter. The facilities of the Company with the Secured 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 Secured 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 Lenders dues.



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. On the recommendation by Deloitte the Company signed an engagement letter with Duff and Phelps (D&P) to carry out the valuation of the Company and estimation on the recoverability of arbitration claims of the Company and 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, seven lenders including the lead monitoring institution provided their in-principal sanction to the company and the company is pursuing for the approval with other lenders as well.

Due to delay in approval of resolution plan by other Bankers the fund through which Everstone (Investor) was intended to invest was closed. However, Everstone has shown a keen desire to invest with next available fund.

Due to time constraint, Gammon has proposed an alternate investor with the same terms and conditions for the revival of the Company which is accepted by the Bankers. The lenders discussed the above matter at the Joint Lenders meeting dated 5th March 2022 and while accepting the offer were willing to take up with their higher management for resolution plan of the Company. The Company is awaiting the sanction of the lenders. The resolution process is in the advanced stage and the management is hopeful that the sanctions will be received soon.

Meanwhile the company has received a notice from Union Bank of India and Punjab National Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, taking over the possession of the Gammon House property including the land appurtenant to it. The company has been restrained from parting with the rights over the said property. The total demand raised by this notice is Rs. 1136.71 Cr. Pursuant to SARFAESI Union Bank of India has also issued e-auction notice on July 11, 2022.

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

Deepmala infrastructure Private Limited



Financial statement of the Company are prepared on Going Concern basis, but considering the fact that the company has accumulated losses, negative net worth, cancellation of registration of RERA, pending litigation at NCLT and statutory non-compliance and being unable to settle the One Time Settlement direction from Axis Bank for settlement of Term Loan, This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

However, according to the management, the company has a concrete plan to settle the Term Loan of Axis Bank. Company will also have a plan to bring investor to infuse working capital to re-start operation of the company and complete the project within a period of four to five years. The above action plan of the company will result into settlement of company's obligations. Therefore, in view of the management, the Going Concern assumption of the company is intact and this financials are prepared on Going Concern basis.

Ansaldo Caldaie Boilers India Limited

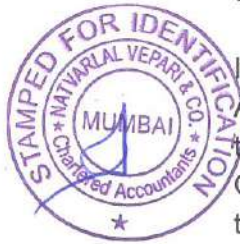
The Company is facing financial difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the Company's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

GHBV, GIBV, PVAN, ATSLBV, GIFZE, 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 company 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 Holding 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. 146.64 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.



7. The Holding 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. Deepmala Infrastructure Private Limits ("Subsidiary Company), which is in the business of developing a mixed use real estate project in Bhopal, has been under stress due to various reasons and the sole lender of the Subsidiary Company is seeking resolution of their outstanding dues for the asset. The Subsidiary Company has been seeking and inviting proposals from various parties to take over the project on a Change in Management process framework of Reserve Bank of India.

The company has received a Binding Expression of Interest from one of the prospective investors for acquisition of a majority stake in the Company. The lenders of the Company have accepted the same subject to the Axis bank undertaking a bidding process seeking a resolution plan or bid proposals from eligible bidders following the broad contours of the "Swiss Challenge" process and the proposal of the Investor has been considered as an Anchor/Base Plan. The Lenders of Gammon have also in principle indicated their ability to release pledge to enable transfer the interest of 51% stake in the Company pursuant to completion of conditions precedent which interalia includes release of Corporate Guarantee issued by Gammon India Limited in favour of another Subsidiary.

It is expected that transaction would be completed in the financial year 2022-23 once all approvals are in place. Hence no financial impact in this results has been taken.

9. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.778.77 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.

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 Group is engaged in “Construction and Engineering” and “Real Estate Development” segment. Disclosure of segments is given in Annexure 1
12. Corresponding figures of the previous period have been regrouped / rearranged/ restated, wherever necessary

For Gammon India Limited



Sandeep Sheth
Executive Director
DIN No. 08781589
Mumbai,
November 14, 2022



Annexure -1

Segment Reporting as per Ind AS 108 "Operating Segments"

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	2021-22
Segment Revenue	-	-	-	-	-	-
External Turnover	-	-	-	-	-	-
Real Estate Business	-	-	-	-	-	-
Others	11.69	10.71	11.61	22.40	18.98	27.85
Interest Expenses	-	-	-	-	-	-
Real Estate Business	10.78	10.78	10.78	21.56	24.30	43.11
Others	235.24	224.22	203.46	459.46	402.00	827.44
Interest Income	-	-	-	-	-	-
Real Estate Business	0.00	0.01	-	0.01	-	-
Others	0.06	0.06	0.04	0.11	0.10	(1.34)
Segment Results - Profit Before Tax	-	-	-	-	-	-
Real Estate Business	(10.89)	(10.85)	(10.81)	(21.74)	(21.71)	(43.30)
Others	(330.19)	(316.50)	(266.29)	(646.71)	(410.16)	(1,135.98)
Profit Before Tax	(341.08)	(327.35)	(277.10)	(668.45)	(431.87)	(1,179.28)
Taxes	(1.41)	(0.64)	(0.34)	(2.06)	(0.67)	(1.23)
Profit after Tax	(342.49)	(327.99)	(277.44)	(670.51)	(432.54)	(1,180.51)
Segment Assets	-	-	-	-	-	-
Real Estate Business	981.23	981.23	1,004.04	981.23	1,004.04	981.11
Others	2,756.23	2,758.37	3,221.13	2,756.23	3,221.13	2,756.10
Segment Liabilities	-	-	-	-	-	-
Real Estate Business	995.35	984.48	995.76	995.35	995.76	973.51
Others	9,935.49	9,674.11	8,954.47	9,935.49	8,954.47	9,406.67

