Date: 5th March, 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 5th March, 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 5th March, 2020 which commenced at 4:15 p.m. and concluded at 6:30 p.m. *inter - alia* transacted the following business:

1. The Board approved and took on record the following:
   (i) Un-Audited Standalone & Consolidated Financial Results of the Company for quarter ended 30th June, 2019;
   (ii) Un-Audited Standalone & Consolidated Financial Results of the Company for the quarter and half year ended 30th September, 2019 and;
   (iii) Un-Audited Standalone & Consolidated Financial Results of the Company for the quarter ended 31st December, 2019.

   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 Limited Review Report of the Statutory Auditors and the same are placed on the website of the Company at www.gammonindia.com

2. The Board approved and took on record the Related Party Transactions on a consolidated basis for the half year ended 30th September, 2019 in compliance with Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the applicable accounting standards.

3. Pursuant to the SEBI (Prohibition of Insider Trading) (3rd Amendment) Regulations, 2019, the Board approved and took on record, the revised 'Insider Trading Prohibition Code' of the Company. The revised Code shall be effective from 5th March, 2020 and can be accessed on the website of the Company www.gammonindia.com

You are requested to take the above information on record.

Thanking you,

For Gammon India Limited

Niki Shingade
Company Secretary

Encl: As above

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
		Unaudited	Audited	Unaudited	Audited
I	**Income**				
	a) Revenue from Operations :	25.13	123.58	24.26	198.18
	b) Other Income	7.10	9.27	58.91	111.97
	Total Income (a+b)	**32.23**	**132.85**	**83.17**	**310.15**
II	**Expenses**				
	a) Cost of material consumed	2.46	7.96	7.72	22.16
	b) Changes in inventories of finished goods, work-in progress and stock-in-trade	-	4.44	(2.04)	-
	c) Subcontracting Expenses	19.17	29.37	13.87	75.83
	d) Employee benefits expense	2.04	2.04	1.98	8.48
	e) Finance Costs	139.92	137.56	142.19	562.42
	f) Depreciation & amortization	2.47	2.57	2.67	10.56
	g) Other expenses	14.21	53.85	7.69	71.82
	Total Expenses	**180.27**	**237.79**	**174.08**	**751.27**
III	**Profit/(Loss) before exceptional items and tax**	(148.04)	(104.94)	(90.91)	(441.12)
IV	**Exceptional items Income / (Expense)**	-	(349.24)	(925.86)	**(1,313.00)**
V	**Profit / (Loss) before tax**	**(148.04)**	**(454.18)**	**(1,016.77)**	**(1,754.12)**
VI	**Profit/(Loss) from continuing operations**	**(148.04)**	**(454.18)**	**(1,016.77)**	**(1,754.12)**
VII	**Tax expenses**				
	Current Tax	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-
	Deferred Tax Liability / (asset)	0.48	(2.59)	2.99	0.93
	Total tax expenses	**0.48**	**(2.59)**	**2.99**	**0.93**
VIII	**Profit/(Loss) for the period from continuing operations**	**(148.52)**	**(451.59)**	**(1,019.76)**	**(1,755.05)**
IX	**Profit/(Loss) from discontinued Operations**				
X	**Tax expenses**				
	Current Tax	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-
	Deferred Tax Liability / (asset)	-	-	-	-
	Total tax expenses	-	-	-	-
XI	**Profit/(Loss) from Discontinued Operations after Tax**	-	-	-	-
XII	**PROFIT FOR THE YEAR**	**(148.52)**	**(451.59)**	**(1,019.76)**	**(1,755.05)**
XIII	**Other Comprehensive Income:**				
	Items that will not be reclassified to profit or loss (net of Tax)	(0.20)	(0.11)	0.07	(0.12)
	Income tax thereon	-	-	-	-
	Items that will be reclassified to profit or loss				
	- Net gain/ (loss) on fair value of equity instruments through OCI	(0.08)	2.43	-	2.43
	Other Comprehensive Income:	(0.28)	2.32	0.07	2.31
XIV	**Total Comprehensive Income / (Loss) For The Period**	**(148.80)**	**(449.27)**	**(1,019.69)**	**(1,752.74)**
XV	**Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)**	74.11	74.11	74.11	74.11
XVI	**Earnings per equity share**				
	Basic	(4.03)	(12.24)	(27.65)	(47.58)
	Diluted	(4.03)	(12.24)	(27.65)	(47.58)

See accompanying notes to the financial results

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NAYAN PARIKH & CO
MUMBAI

GAMMON INDIA LTD.

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

Notes:

1. The Financial Results for the quarter ended June 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 5th March, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

2. Results for the quarter ended June 30, 2019 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016.

3. The figures for the quarter ended March 2019 are derived from the audited figures of the twelve months period ended March 31, 2019 and the published year to date figures upto December 31, 2018, which were subjected to limited review by the statutory auditors.

4. The auditors have qualified their report in respect of the following matters -

   a) The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to Rs. 894.41 crore as at June 30, 2019 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. 353.39 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 174.19 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 224.77 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 quarter two lenders have levied penal interest and charges of Rs 13.63 Crores. Total amount of penal interest amount to Rs. 132.34 Crores up to June 30,2019. The management is disputing the same and has not accepted the debit of penal interest and charges in its books. They have also requested the lenders to reverse the same.

5. The Company in evaluating its jobs has considered an amount of Rs. 7.56 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges

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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. 235.77 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.

6. The Company has receivable including retention and work in progress aggregating to Rs. 44.51 Crore (inventory - Rs. 21.19 crores and receivables Rs. 23.32 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.

7. Material Uncertainty Relating to Going Concern:
The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. Also the Company's current liabilities exceed the current assets. 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 Intercreditor 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

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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 held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed 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 above mentioned 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 Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor was received earlier. At the said meeting of 13th January 2020 the investor has been asked to provide the revised plan for the consideration of the lenders, which is under preparation.

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

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

8. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.1191.99 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

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management on a prudent basis has provided for the entire exposure, notwithstanding its ongoing endeavor to recover the value of the non core assets.

9. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 438.55 crores (fully provided). The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field. the Company has made full provision against its exposure in the financial statements for the year ended March 31, 2019.

10. 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.

11. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1203.62 crores of which Gammon International BV is Rs. 862.86 Crores and Gammon Holding Mauritius Limited is Rs. 340.76 Crores. Based on the valuation carried out by an independent valuer in March 2019, 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 September 16, 2019 for the purposes of the financial statement of March 31, 2019 the reduction in equity value of Rs. 391.00 crores has been provided till date.

12. 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.

13. The application of IND AS 116 "Leases" effective from April 1 ,2019, has no impact on the profit and loss for the quarter ended June 30, 2019 as the Company does not have any right of use assets.

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, 5th March, 2020

GAMMON INDIA LTD.

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NAYAN PARIKH & CO
MUMBAI

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

Independent Auditor's Limited Review Report on unaudited standalone financial results for the quarter ended June 30, 2019 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 ended June 30, 2019. This statement is being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016. These results are prepared for the purpose of compliance with the Listing Obligations and Disclosure Requirements. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors.

2. 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 4 (a) of the Statement detailing the recognition of claims in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at June 30, 2019 is Rs. 894.41 crores. These claims are recognised in the earlier periods only on the basis of opinion of an expert in the field of claims and arbitration. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results of the quarter ended June 30, 2019.

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b. We invite attention to note no 4 (b) of the Statement Trade receivable, inventories, loans and advances which includes an amount of Rs. 353.39 crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.

c. We invite attention to note no 4 (c) of the Statement relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the previous periods on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 324.77 crores. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required against the exposure.

d. We draw attention to note no 4 (d) of the Statement relating to penal interest and charges of Rs 13.63 crores during the quarter charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 132.34 Crores up to June 30,2019. 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.

5. 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.

6. Material Uncertainty Related to Going Concern

We invite attention to the note no 7 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current

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Liabilities exceeds Current Assets. 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 due to the issues detailed in the note 7 of the Statement the Company has continuously delayed the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 7 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.

7. **Emphasis of Matter**

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

a) We draw attention to Note no 5 of the Statement relating to recoverability of an amount of Rs.235.77 crores as at June 30, 2019 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs.7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

b) We draw attention to Note no 6 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.

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

K.N. [signature]

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: March 5, 2020
UDIN : 20036410AAAABG7947

NAYAN PARIKH & CO. ★ MUMBAI ★ Chartered Accountants

STATEMENTS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

(₹ in Crore)

Sr No		Particulars	Quarter Ended 30-Jun-19 Unaudited	Quarter Ended 31-Mar-19 Unaudited	Quarter Ended 30-Jun-18 Unaudited	Year Ended 2018-19 Audited
1		**Income**				
	(a)	Revenue from Operations	29.02	210.43	75.97	984.38
	(b)	Other Income	22.20	8.25	9.62	78.31
		Total Income	**51.22**	**218.68**	**85.59**	**1062.69**
2		**Expenses**				
	(a)	Cost of Sales	6.13	39.71	85.75	770.67
	(b)	Purchases of stock-in-trade	-	0.09	-	0.09
	(c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	-	-
	(d)	Subcontracting Expenses	20.94	77.92	15.26	127.56
	(e)	Employee benefits expense	2.67	20.61	2.52	28.54
	(f)	Finance Costs	166.98	178.66	168.84	683.71
	(g)	Depreciation & amortization	2.81	4.33	3.05	13.46
	(h)	Other expenses	6.33	124.11	19.34	203.50
		Total Expenses	**205.86**	**445.43**	**294.76**	**1827.53**
3		**Profit/(Loss) before exceptional items and tax (1-2)**	**(154.64)**	**(226.75)**	**(209.17)**	**(764.85)**
4		Exceptional items (Income) / Expense	-	237.06	72.19	443.32
5		**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax (3-4)**	**(154.64)**	**(463.81)**	**(281.36)**	**(1208.17)**
6		Share of profit / (loss) of associates and joint ventures	(5.82)	(65.05)	(2.77)	(79.33)
7		**Profit/(loss) before tax (5-6)**	**(160.46)**	**(528.86)**	**(284.13)**	**(1287.50)**
8		**Profit/(Loss) from continuing operations**	**(160.46)**	**(528.86)**	**(284.13)**	**(1287.50)**
9		**Tax expenses**				
		Current Tax	-	(0.01)	0.00	8.01
		Excess / Short Provision of Earlier years	-	0.03	-	0.03
		Deferred Tax Liability / (asset)	0.40	(2.55)	3.01	0.90
		Total tax expenses	**0.40**	**(2.53)**	**3.01**	**8.94**
10		**Profit/(Loss) for the period from continuing operations (8-9)**	**(160.86)**	**(526.33)**	**(287.14)**	**(1296.44)**
11		**Profit/(Loss) from discontinued Operations**	-	-	-	-
12		**Tax expenses**				
		Current Tax	-	-	-	-
		Excess / Short Provision of Earlier years	-	-	-	-
		Deferred Tax Liability / (asset)	-	-	-	-
		Total tax expenses	-	-	-	-
13		**Profit/(Loss) from Discontinued Operations after Tax (11-12)**	-	-	-	-
14		**PROFIT FOR THE YEAR (10) + (13)**	**(160.86)**	**(526.33)**	**(287.14)**	**(1296.44)**
15		**Other Comprehensive Income:**				
		Items that will not be reclassified to profit or loss:				
		- Remeasurements of the defined benefit plans [net of tax]	(0.28)	(0.13)	0.07	(0.14)
		Items that will be reclassified to profit or loss				
		- Exchange differences through OCI	(14.46)	58.37	(12.56)	46.56
		- Net gain/ (loss) on fair value of equity instruments through OCI	(0.08)	(32.42)	-	(32.42)
		Other Comprehensive Income for the year	**(14.82)**	**25.82**	**(12.49)**	**14.00**
16		**Total Comprehensive Income / (Loss) For The Period**				
		Profit for the year attributable to:				
		- Owners of the Company	(160.09)	(499.89)	(277.78)	(1209.89)
		- Non- Controlling interest	(0.77)	(26.44)	(9.36)	(86.55)
17		**Other Comprehensive Income attributable to:**				
		- Owners of the Company	(14.82)	25.81	(12.49)	13.99
		- Non- Controlling interest	-	0.01	-	0.01
18		**Total Comprehensive Income attributable to:**				
		- Owners of the Company	(174.91)	(474.08)	(290.27)	(1195.90)
		- Non- Controlling interest	(0.77)	(26.43)	(9.36)	(86.54)
19		**Earnings per equity share**				
		Basic	(4.34)	(13.55)	(7.53)	(32.80)
		Diluted	(4.34)	(13.55)	(7.53)	(32.80)

See accompanying notes to the financial results

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GAMMON INDIA LTD.

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

Notes:

1. The Consolidated Financial Results for the quarter ended June 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 05th March, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

   The statutory auditors have carried out "Limited Review" of the results only for the quarter ended June 30, 2019. The financials and other financial information for the quarter ended June 30, 2018 and March 31, 2019 have not been subjected to limited review. However, the management has exercised due diligence to ensure that such financial results provide true and fair views of its affairs.

2. The figures for the quarter ended March 31 ,2019 are the balancing figures between audited figures in respect of full financial year ended March 31, 2019 and unaudited year to date management prepared figures upto the third quarter ended December 31, 2018, which were not subjected to limited review

3. The Consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Regulations, 2015 specified under Section 133 of the Companies Act, 2013, read with relevant Rules thereon and other accounting principles generally accepted in India.

4. The auditors have qualified their report in respect of the following matters -

   a) The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to Rs. 894.41 crore as at June 30, 2019 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 realization.

   b) There are disputes in five projects of the Company. The total exposure against these projects is Rs. 255.30 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 76.10 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 893.10 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. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project.

   d) During the quarter two lenders has levied penal interest and charges of Rs 13.63 Crores. Total amount of penal interest amount to Rs. 132.34 Crores up

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to June 30,2019. The management is disputing the same and has not accepted the debit of penal interest and charges in its books. They have also requested the lenders to reverse the same.

5. The auditors of one subsidiary Ansaldo Caldaie Boilers India Limited 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. 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

6. (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. 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 Intercreditor 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

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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 held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed 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 above mentioned 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 Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor was received earlier. At the said meeting of 13th January 2020 the investor has been asked to provide the revised plan for the consideration of the lenders, which is under preparation.

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

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

(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.

7. The Company in evaluating its jobs has considered an amount of Rs. 7.56 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

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the extent of Rs. 235.77 Crore, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.

8. The Company has receivable including retention and work in progress aggregating to Rs. 44.51 Crore (inventory - Rs. 21.19 crores and receivables Rs. 23.32 crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.

9. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.707.79 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.

10. A fresh valuation of Sofinter for the purposes of determining its fair value has not been carried out because the management is of the view that significant changes in its fair value would not have taken place since the last valuation report dated September 16, 2019 determined for the year ended March 31, 2019.

11. 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.

12. Also one of the Subsidiary i.e. Gactel has been marked as non-performing assets by the lenders.

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

14. The application of IND AS 116 "Leases" effective from April 1 ,2019, has no impact on the profit and loss for the quarter ended June 30, 2019 as the Group does not have any right of use assets.

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

For Gammon India Limited

GAMMON INDIA LTD.

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NAYAN PARIKH & CO
MUMBAI

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, 5th March, 2020

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 Consolidated financial results for the quarter ended June 30, 2019 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 it's subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its joint ventures and associates for the quarter ended June 30, 2019, 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. Attention is drawn to the fact that the consolidated figures for the quarter ended June 2018 and March 2019, as reported in these financial results have been prepared by the management but have not been subjected to our Limited review.

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 4 (a) of the Statement detailing the recognition of claims in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at June 30, 2019 is Rs. 894.41 crores. These claims are recognised in the earlier periods only on the basis of opinion of an expert in the field of claims and arbitration. In view of the above-mentioned circumstances and

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facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results of the quarter ended June 30, 2019.

(b) We invite attention to note no 4 (b) of the Statement Trade receivable, inventories loans and advances which includes an amount of Rs. 255.30 crores in respect of disputes in five projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.

(c) We invite attention to note no 4 (c) of the Statement relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 324.74 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. 793.10 crores (net of provision).

(d) We draw attention to note no 4 (d) of the Statement relating to penal interest and charges of Rs 13.63 crores during the quarter charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 132.34 Crores up to June 30,2019. 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 16 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 financial statement of one of the subsidiary of the Company carries a qualification in their Review Report as follows:

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In the case of Ansaldo Caldaie Boilers India Pvt Ltd (ACBI) -

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 ended June 30, 2019 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 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets. 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 due to the issues detailed in the note 6 of the Statement the Company has continuously delayed the preparation of the financial statements and submissions to the stock

NAYAN PARIKH & CO. MUMBAI * Chartered Accountants * exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has 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 one Subsidiary Ansaldo Caldaie Boilers India Pvt Ltd the auditors' have carried a paragraph relating to going concern which is extracted from the Review Report of the respective component detailed below -

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.

8. Emphasis of Matter

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

a) We draw attention to Note no 7 of the Statement relating to recoverability of an amount of Rs.235.77 crores as at June 30, 2019 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs.7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

b) We draw attention to Note no 8 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.

9. Other Matter

a) The statement includes the standalone financial results of 5 subsidiaries, which have been reviewed by their Auditors, whose standalone financial results reflect total assets of Rs.433.06 Crores, total revenues of Rs.3.45 Crores and total net loss after tax of Rs.11.62 Crores for the quarter ended June 30, 2019. The other Auditors' reports have been furnished to us by the Management and our conclusion on the

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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 16 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets of Rs. 2556.76 Crores, total revenues of Rs. 21.39 Crores and total net loss after tax of Rs. 3.59 Crores for the quarter ended June 30, 2019, as considered in the statement. Our conclusion is qualified on this account.

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

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - March 5, 2020
UDIN : 20036410AAAABJ9535

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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.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary
11.	Associated Transrail Structures Limited., Nigeria	Subsidiary
12.	Gammon Realty Limited. ('GRL')	Subsidiary
13.	Gammon & Billimoria Limited. ('GBL')	Subsidiary
14.	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
15.	Gammon Italy S.r.L	Subsidiary
16.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
17.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary
18.	Gammon Transmission Limited ('GTL')	Subsidiary
19.	Gammon Real estate developers private limited (GRDL')	Subsidiary
20.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary
21.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
22.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
23.	Gammon Infrastructure Projects Limited (GIPL)	Associates

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STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Six Months ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	**Income**						
	a) Revenue from Operations :	15.56	25.13	23.01	40.69	47.27	198.18
	b) Other Income	7.50	7.10	22.12	14.60	81.03	111.97
	Total Income (a+b)	**23.06**	**32.23**	**45.13**	**55.29**	**128.30**	**310.15**
II	**Expenses**						
	a) Cost of material consumed	1.72	2.46	1.46	4.18	9.18	22.16
	b) Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	(2.46)	-	(4.50)	-
	c) Subcontracting Expenses	10.99	19.17	12.69	30.16	26.56	75.83
	d) Employee benefits expense	1.88	2.04	2.47	3.92	4.45	8.48
	e) Finance Costs	144.69	139.92	147.27	284.61	289.46	562.42
	f) Depreciation & amortization	2.49	2.47	2.67	4.96	5.34	10.56
	g) Other expenses	23.26	14.21	7.35	37.47	15.04	71.82
	Total Expenses	**185.03**	**180.27**	**171.45**	**365.30**	**345.53**	**751.27**
III	**Profit/(Loss) before exceptional items and tax**	(161.97)	(148.04)	(126.32)	(310.01)	(217.23)	(441.12)
IV	**Exceptional items Income / (Expense)**	-	-	(32.77)	-	(958.63)	(1,313.00)
V	**Profit / (Loss) before tax**	**(161.97)**	**(148.04)**	**(159.09)**	**(310.01)**	**(1,175.86)**	**(1,754.12)**
VI	**Profit/(Loss) from continuing operations**	**(161.97)**	**(148.04)**	**(159.09)**	**(310.01)**	**(1,175.86)**	**(1,754.12)**
VII	**Tax expenses**						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	0.15	0.48	0.27	0.63	3.26	0.93
	Total tax expenses	**0.15**	**0.48**	**0.27**	**0.63**	**3.26**	**0.93**
VIII	**Profit/(Loss) for the period from continuing operations**	**(162.12)**	**(148.52)**	**(159.36)**	**(310.64)**	**(1,179.12)**	**(1,755.05)**
IX	**Profit/(Loss) from discontinued Operations**						
X	**Tax expenses**						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	-	-	-	-	-	-
	Total tax expenses	-	-	-	-	-	-
XI	**Profit/(Loss) from Discontinued Operations after Tax**	-	-	-	-	-	-
XII	**PROFIT FOR THE YEAR**	**(162.12)**	**(148.52)**	**(159.36)**	**(310.64)**	**(1,179.12)**	**(1,755.05)**
XIII	**Other Comprehensive Income:**						
	Items that will not be reclassified to profit or loss (net of Tax)	(0.09)	(0.20)	(0.02)	(0.29)	0.05	(0.12)
	Income tax thereon	-	-	-	-	-	-
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	(0.08)	-	(0.08)	-	2.43
	Other Comprehensive Income:	(0.09)	(0.28)	(0.02)	(0.37)	0.05	2.31
XIV	**Total Comprehensive Income / (Loss) For The Period**	**(162.21)**	**(148.80)**	**(159.38)**	**(311.01)**	**(1,179.07)**	**(1,752.74)**
XV	**Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)**	74.11	74.11	74.11	74.11	74.11	74.11
XVI	**Earnings per equity share**						
	Basic	(4.40)	(4.03)	(4.32)	(8.42)	(31.97)	(47.58)
	Diluted	(4.40)	(4.03)	(4.32)	(8.42)	(31.97)	(47.58)

See accompanying notes to the financial results

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NAYAN PARIKH & CO
MUMBAI

GAMMON INDIA LTD.

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

(₹ in Crore)

Particulars	As at September 30, 2019 Unaudited	As at March 31, 2019 Audited
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	434.58	439.63
(b) Capital work-in-progress	2.37	3.33
(c) Intangible Asset	-	-
(d) Financial assets	-	-
(i) Investments	271.82	272.05
(ii) Trade receivable	260.74	269.60
(iii) Loans	889.41	876.66
(iv) Others	101.40	93.74
(e) Deferred tax assets (net)	-	-
(f) Other non-current assets	1,351.58	1,349.54
TOTAL NON-CURRENT ASSETS	**3,311.90**	**3,304.55**
CURRENT ASSETS		
(a) Inventories	45.45	45.47
(b) Financial assets		
(i) Investments	0.46	0.95
(ii) Trade receivables	114.97	120.90
(iii) Cash and cash equivalents	3.00	2.81
(iv) Bank balances	0.58	0.58
(v) Loans	8.00	7.96
(vi) Others	28.62	26.51
(c) Current tax assets (net)	-	-
(d) Other current assets	132.37	124.32
TOTAL CURRENT ASSETS	**333.45**	**329.50**
TOTAL ASSETS	**3,645.35**	**3,634.05**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(3,452.85)	(3,141.86)
TOTAL EQUITY	**(3,378.74)**	**(3,067.75)**
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	12.91	12.82
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.70	0.40
(c) Deferred tax liabilities (net)	102.82	102.18
(d) Other non-current liabilities	70.74	70.74
TOTAL NON-CURRENT LIABILITIES	**199.17**	**198.14**
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	0.84	0.84
- Total outstanding dues to other than Micro and Small Enterprises	136.48	134.99
(iii) Other financial liabilities	6,231.85	5,935.32
(b) Other current liabilities	84.46	82.62
(c) Provisions	368.33	346.93
(d) Current tax liabilities (net)	2.96	2.96
TOTAL CURRENT LIABILITIES	**6,824.92**	**6,503.66**
TOTAL EQUITY AND LIABILITIES	**3,645.35**	**3,634.05**

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GAMMON INDIA LTD.

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

Standalone Cash Flow Statement for the half year ended September 30, 2019

(₹ in Crore)

Particulars	Half Year ended September 30, 2019 Unaudited		Half Year ended September 30, 2018 Unaudited	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax and Extraordinary Items		**(310.01)**		**(1,175.86)**
Adjustments for :				
Depreciation	4.96		5.34	
(Profit) / Loss on Sale of Assets	(0.84)		(3.08)	
(Profit) / Loss on Sale of Investments	0.49		(7.80)	
Income recognised towards corporate guarantee	(1.60)		(3.15)	
Gain on Remeasurement of Loans to Subsidiary	-		(0.02)	
Interest Expenses	284.61		289.46	
Provision for Doubtful Debts and Advances	29.16		-	
Foreign Exchange Loss / (Gain)	(0.89)		(47.77)	
Bad Debts Written off	-		1.37	
Interest Income	(6.01)		(12.26)	
Exceptional Items	-		958.63	
Sundry Balances Written off	0.14		0.28	
Excess Provision Written Back	-		(0.28)	
Sundry Balances Written Back	-	**310.02**	(0.31)	**1,180.41**
Operating Profit Before Working Capital Changes		**0.01**		**4.55**
Trade and Other Financial Receivables	12.56		(9.04)	
Inventories	0.02		(1.23)	
Trade Payables and Provision	(6.25)		(4.71)	
Other Non Financial Assets	(9.05)		(8.97)	
Other financial liabilities	(2.77)		(49.31)	
Other non-financial liabilities	3.44	**(2.05)**	(12.96)	**(86.22)**
CASH GENERATED FROM THE OPERATIONS		**(2.04)**		**(81.67)**
Direct Taxes Paid		(1.04)		(1.34)
Net Cash from Operating Activities		**(3.08)**		**(83.01)**
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	-		(0.03)	
Fixed Assets and CWIP disposal	1.89		6.99	
Sale of Investments	-		-	
Subsidiary, Joint Ventures & Associates	0.23		54.59	
Other bank balance	-		(1.65)	
Loan repaid by Subsidiary & Others	1.25		202.16	
Interest Received	0.04		3.88	
Net Cash from Investment Activities		**3.41**		**265.94**
C CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	-		(60.53)	
(Repayment) Net proceeds from Short term Borrowings	(0.14)		(130.77)	(191.30)
Net Cash from Financing Activities		**(0.14)**		**(191.30)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**0.19**		**(8.37)**
Opening Balance		**2.81**		**10.11**
Closing Balance		**3.00**		**1.74**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**0.19**		**(8.37)**
Components of Cash and Cash Equivalents				
Cash on Hand		0.08		0.04
Balances with Bank		2.92		1.70
Total Balance		**3.00**		**1.74**

Note: Figure in brackets denote outflows

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Notes:

1. The Financial Results for the quarter and half year ended September 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 5th March, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

   The statement of standalone cash flow for the corresponding half year ended September 30, 2018 as reported in the above results have been approved by the Audit Committee and the Company's Board of Directors in the meeting on 5th March, 2020 but has not been subjected to review by the statutory auditor.

2. Results for the quarter and half year ended September 30, 2019 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. 894.41 crore as at September 30, 2019 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. 352.40 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 173.20 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 224.78 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 two lenders has levied penal interest and charges of Rs 28.44 Crores. Total amount of penal interest amount to Rs. 147.14 Crores up to September 30,2019. The management is disputing the same and has not accepted the debit of penal interest and charges in its books. They have also requested the lenders to reverse the same.

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

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GAMMON INDIA LTD.

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. 235.77 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.

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. 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 Intercreditor 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

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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 held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed 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 above mentioned 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 Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor was received earlier. At the said meeting of 13th January 2020 the investor has been asked to provide the revised plan for the consideration of the lenders, which is under preparation.

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

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

7. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.1212.12 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

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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.

8. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 438.55 crores (fully provided). The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field. the Company has made full provision against its exposure in the financial statements for the year ended March 31, 2019

9. 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.

10. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1224.96 crores of which Gammon International BV is Rs. 871.98 Crores and Gammon Holding Mauritius Limited is Rs. 352.98 Crores. Based on the valuation carried out by an independent valuer in March 2019, 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 September 16, 2019 for the purposes of the financial statement of March 31, 2019 the reduction in equity value of Rs. 391.00 crores has been provided till date.

11. 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.

12. The application of IND AS 116 “Leases” effective from April 1 ,2019, has no impact on the profit and loss for the quarter and half year ended September 30, 2019 as the Company does not have any right of use assets.

13. 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. 24.74 Cr. not paid since April’16)	30th September, 2019	No	31st October, 2019	0.58 Cr
NCD 11.05% monthly interest payments (Rs. 35.15 Cr. not paid since	30th September, 2019	No	31st October, 2019	0.84 Cr

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April'16)				
NCD 9.50% monthly interest payments (Rs. 29.97 Cr. not paid since April'16)	30th September, 2019	No	31st October, 2019	0.72 Cr
NCD 9.95% half yearly interest payments (Rs. 15.87 Cr. not paid since September'16)	30th September, 2018	No	31st October, 2019	2.22Cr

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

Particulars	Previous Due Date	Paid (Y / N)	Next Due Date	Amount (Rs in Crores)
NCD 10.5% quarterly Principal payments (Rs. 33.25 Cr. not paid since April'16)	15th July,2019	No	15th October, 2019	2.59 Cr.
NCD 11.05% quarterly Principal payments (Rs. 27.00 Cr. not paid since April'16)	15th July,2019	No	15th October, 2019	3.50 Cr.
NCD 9.50% quarterly Principal payments (Rs. 27.60 Cr. not paid since April'16)	15th July,2019	No	15th October, 2019	3.49 Cr.
NCD 9.95% yearly Principal payments (Rs. 16.90 Cr.cr not paid since April'16)	15th July,2018	No	15th October, 2018	1.75 Cr.

14. 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, 2019**
A	Debt Equity Ratio	(1.37)
B	Debt Service Coverage Ratio	(0.05)
C	Interest Service Coverage Ratio	(0.12)
D	Debenture Redemption Reserve	81.00
E	Net Worth	(3378.74)
F	Net Profit after Tax (six months ended September 30, 2019)	(310.64)
G	Basic Earnings per share (For six months ended September 30, 2019)	(8.42)

i) Debt Equity Ratio = Term Loans and Debentures / Networth

ii) Debt Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / (Interest + Principal repayment of long term loans)

iii) Interest Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / interest

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Net Worth = Equity + Other Equity

15. 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, 5th March, 2020

GAMMON INDIA LTD.

SIGNED FOR IDENTIFICATION
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, 2019 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, 2019. This statement is being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016. These results are prepared for the purpose of compliance with the Listing Obligations and Disclosure Requirements. Attention is drawn to note no. 1 relating to the fact that the cash flow figures for the corresponding six months period ended 30th September 2018 have been prepared by the management but have not been subjected to our limited review.

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 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 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at September 30, 2019 is Rs.

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894.41 crores. These claims are recognised in the earlier periods only on the basis of opinion of an expert in the field of claims and arbitration. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results of the quarter and half year ended September 30, 2019.

b. We invite attention to note no 3 (b) of the Statement Trade receivable, inventories loans and advances which includes an amount of Rs. 352.40 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) of the Statement relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the previous periods on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 324.78 crores. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required against the exposure.

d. We draw attention to note no 3 (d) of the Statement relating to penal interest and charges of Rs 28.44 crores during the Half year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 147.14 Crores up to September 30,2019. 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.

5. 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.

NAYAN PARIKH & CO. MUMBAI ★ Chartered Accountants ★

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(REGISTERED)
CHARTERED ACCOUNTANTS
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6. **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 year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets. 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 due to the issues detailed in the note 6 of the Statement the Company has continuously delayed the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has 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.

7. **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.235.77 crores as at September 30, 2019 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.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: March 5, 2020
UDIN : 20036410AAAABH1531

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

STATEMENTS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ In Crore)

Sr No		Particulars	Quarter Ended			Six Months Ended		Year Ended
			30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
			Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1		**Income**						
	(a)	Revenue from Operations	21.18	29.02	438.23	50.20	514.20	984.38
	(b)	Other Income	(14.94)	22.20	107.33	7.26	116.95	78.31
		Total Income	**6.24**	**51.22**	**545.56**	**57.46**	**631.15**	**1062.69**
2		**Expenses**						
	(a)	Cost of Sales	2.44	6.13	262.35	8.57	348.09	770.67
	(b)	Purchases of stock-in-trade	-	-	-	-	-	0.09
	(c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	-	-	-	-
	(d)	Subcontracting Expenses	13.34	20.94	13.11	34.28	28.37	127.56
	(e)	Employee benefits expense	2.18	2.67	2.95	4.85	5.47	28.54
	(f)	Finance Costs	172.50	166.98	174.71	339.48	343.55	683.71
	(g)	Depreciation & amortization	2.82	2.81	3.05	5.63	6.10	13.46
	(h)	Other expenses	28.20	6.33	49.48	34.53	68.81	203.50
		Total Expenses	**221.48**	**205.86**	**505.65**	**427.34**	**800.39**	**1827.53**
3		**Profit/(Loss) before exceptional items and tax (1-2)**	**(215.24)**	**(154.64)**	**39.91**	**(369.88)**	**(169.24)**	**(764.85)**
4		Exceptional items (Income) / Expense	-	-	172.03	-	244.22	443.32
5		**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax (3-4)**	**(215.24)**	**(154.64)**	**(132.12)**	**(369.88)**	**(413.46)**	**(1208.17)**
6		Share of profit / (loss) of associates and joint ventures	-	(5.82)	(2.77)	(5.82)	(5.53)	(79.33)
7		**Profit/(loss) before tax (5-6)**	**(215.24)**	**(160.46)**	**(134.89)**	**(375.70)**	**(418.99)**	**(1287.50)**
8		**Profit/(Loss) from continuing operations**	**(215.24)**	**(160.46)**	**(134.89)**	**(375.70)**	**(418.99)**	**(1287.50)**
9		**Tax expenses**						
		Current Tax	-	-	-	-	-	8.01
		Excess / Short Provision of Earlier years	-	-	-	-	-	0.03
		Deferred Tax Liability / (asset)	0.12	0.40	0.22	0.52	3.23	0.90
		Total tax expenses	**0.12**	**0.40**	**0.22**	**0.52**	**3.23**	**8.94**
10		**Profit/(Loss) for the period from continuing operations (8-9)**	**(215.36)**	**(160.86)**	**(135.11)**	**(376.22)**	**(422.22)**	**(1296.44)**
11		**Profit/(Loss) from discontinued Operations**						
12		**Tax expenses**						
		Current Tax	-	-	-	-	-	-
		Excess / Short Provision of Earlier years	-	-	-	-	-	-
		Deferred Tax Liability / (asset)	-	-	-	-	-	-
		Total tax expenses	-	-	-	-	-	-
13		**Profit/(Loss) from Discontinued Operations after Tax (11-12)**	-	-	-	-	-	-
14		**PROFIT FOR THE YEAR (10) + (13)**	**(215.36)**	**(160.86)**	**(135.11)**	**(376.22)**	**(422.22)**	**(1296.44)**
15		**Other Comprehensive Income:**						
		Items that will not be reclassified to profit or loss:						
		- Remeasurements of the defined benefit plans [net of tax]	(0.01)	(0.28)	(0.03)	(0.29)	0.05	(0.14)
		Items that will be reclassified to profit or loss	-	-	-	-	-	
		- Exchange differences through OCI	26.81	(14.46)	(59.93)	12.35	(72.49)	46.56
		- Net gain/ (loss) on fair value of equity instruments through OCI	-	(0.08)	-	(0.08)	-	(32.42)
		Other Comprehensive Income for the year	**26.80**	**(14.82)**	**(59.96)**	**11.98**	**(72.44)**	**14.00**
16		**Total Comprehensive Income / (Loss) For The Period**						
		Profit for the year attributable to:						
		- Owners of the Company	(215.58)	(160.09)	(101.75)	(375.67)	(379.50)	(1,209.89)
		- Non- Controlling interest	0.22	(0.77)	(33.36)	(0.55)	(42.72)	(86.55)
17		**Other Comprehensive Income attributable to:**						
		- Owners of the Company	26.80	(14.82)	(59.96)	11.98	(72.44)	13.99
		- Non- Controlling interest	-	-	-	-	-	0.01
18		**Total Comprehensive Income attributable to:**						
		- Owners of the Company	(188.78)	(174.91)	(161.71)	(363.69)	(451.94)	(1,195.90)
		- Non- Controlling interest	0.22	(0.77)	(33.36)	(0.55)	(42.72)	(86.54)
19		**Earnings per equity share**						
		Basic	(5.84)	(4.34)	(2.76)	(10.18)	(10.29)	(32.80)
		Diluted	(5.84)	(4.34)	(2.76)	(10.18)	(10.29)	(32.80)

See accompanying notes to the financial results

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at September 30, 2019	As at March 31, 2019
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	438.29	444.01
(b) Capital work-in-progress	2.37	3.33
(c) Intangible Asset	-	-
(d) Goodwill on Consolidation	-	-
(e) Financial assets	-	-
(i) Investments	855.46	853.86
(ii) Trade receivable	266.46	269.85
(iii) Loans	192.74	193.11
(iv) Others financial assets	29.52	28.90
(f) Deferred tax assets (net)	0.26	0.25
(g) Other non-current assets	1,395.62	1,399.82
TOTAL NON-CURRENT ASSETS	**3,180.72**	**3,193.13**
CURRENT ASSETS		
(a) Inventories	933.27	911.72
(b) Financial assets	-	-
(i) Investments	0.47	0.96
(ii) Trade receivables	144.95	156.74
(iii) Cash and cash equivalents	4.49	6.64
(iv) Bank balances	6.81	6.58
(v) Loans	68.78	68.72
(vi) Others	30.99	28.88
(c) Other current assets	200.02	191.04
TOTAL CURRENT ASSETS	**1,389.78**	**1,371.28**
TOTAL ASSETS	**4,570.50**	**4,564.41**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	74.11	74.11
(b) Other equity	(3,812.69)	(3,449.28)
Equity attributable to owners of the parent	**(3,738.58)**	**(3,375.17)**
(c) Non-controlling interests	(117.33)	(116.78)
TOTAL EQUITY	**(3,855.91)**	**(3,491.95)**
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	21.08	20.99
(b) Provisions	0.76	0.46
(c) Deferred tax liabilities (net)	102.86	102.33
(d) Other non-current liabilities	205.67	207.07
TOTAL NON-CURRENT LIABILITIES	**378.93**	**379.41**
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	666.84	622.78
(ii) Trade payables		
- Total outstanding dues to Micro and Small Enterprises	0.84	0.84
- Total outstanding dues to other than Micro and Small Enterprises	209.73	233.68
(iii) Other financial liabilities	6,749.76	6,415.77
(b) Other current liabilities	145.87	129.53
(c) Provisions	264.48	264.41
(d) Current tax liabilities (net)	9.96	9.94
TOTAL CURRENT LIABILITIES	**8,047.48**	**7,676.95**
TOTAL EQUITY AND LIABILITIES	**4,570.50**	**4,564.41**

See accompanying notes to the financial results

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Consolidated Cash Flow Statement For The half Year Ended September 30, 2019

Particulars		Half Year ended September 30, 2019		Half Year ended September 30, 2018
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax		(369.87)		(413.47)
Adjustments for :				
Depreciation	5.63		6.10	
Interest Expenses and Other Finance Cost	339.48		343.55	
(Profit) / Loss on Sale of Assets	(0.79)		(3.08)	
(Profit) / Loss on Sale of Investments	0.42		(7.83)	
Income recognised towards corporate guarantee	(0.24)		(0.24)	
Provision for Doubtful Debts and Advances	1.07		-	
Foreign Exchange Loss / (Gain)	44.01		(120.56)	
Bad Debts	-		1.38	
Interest Income	(0.89)		(4.55)	
Exceptional Items	-		244.22	
Loss on account of divestment of stake	-		52.05	
Sundry Balances Written off	0.14		0.28	
Asset written off	-		0.18	
Sundry Balances Written Back	-		(1.00)	
		388.83		510.50
Operating Profit Before Working Capital Changes		**18.96**		**97.03**
Trade Receivables	12.11		19.46	
Inventories	(21.54)		233.11	
Other financial and non financial Asset	(5.55)		(64.56)	
Trade Payables and Provision	(23.78)		(21.32)	
Other financial and non financial liabilities	13.89		(19.93)	
		(24.88)		146.76
CASH GENERATED FROM THE OPERATIONS		**(5.91)**		**243.79**
Direct Taxes Paid		1.91		0.49
Net Cash from Operating Activities		**(4.00)**		**244.28**
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	-		(0.03)	
Sale of Fixed Assets	1.84		4.46	
Sale of Non - Current Investments	0.23		55.63	
Other bank balance	(0.23)		2.07	
Interest Received	0.27		1.90	
Net Cash from Investment Activities		2.11		64.03
C CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(0.12)		(60.82)	
(Repayment)/ Proceeds from Short term Borrowings	(0.14)		(254.59)	
Net Cash from Financing Activities		(0.26)		(315.42)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(2.15)**		**(7.10)**
Opening Balance		6.64		33.55
Less: Cash and Cash Equivalent transferred on demerger of Business/divestment of Subsidiary		-		9.69
Closing Balance		4.49		16.75
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(2.15)**		**(7.10)**
Components of Cash and Cash Equivalents				
Cash on Hand		0.09		0.05
Balances with Bank		4.40		16.70
Total Balance		**4.49**		**16.75**

Note: Figure in brackets denote outflows

See accompanying notes to the financial results

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GAMMON INDIA LIMITED

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

CIN : L74999MH1922PLC000997

GAMMON INDIA LTD.

Notes:

1. The Consolidated Financial Results for the quarter and half year ended September 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 05th March, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

   The Statutory auditors have carried out "Limited Review" of the results only for the quarter and half year ended September 30, 2019. The Financials and Other financial information for the quarter and half year ended September 30, 2018 have not been subjected to limited review. However, management has exercised due diligence to ensure that such financial results provide true and fair views of its affairs.

2. The Consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Regulations, 2015 specified under Section 133 of the Companies Act, 2013, read with relevant Rules thereon and other accounting principles generally accepted in India.

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. 894.41 crore as at September 30, 2019 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 realization.

   b) There are disputes in four projects of the Company. The total exposure against these projects is Rs. 254.31 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 75.11 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 903.83 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. 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 two lenders has levied penal interest and charges of Rs 28.44 Crores. Total amount of penal interest amount to Rs. 147.14 Crores up to September 30,2019. The management is disputing the same and has not accepted the debit of penal interest and charges in its books. They have also requested the lenders to reverse the same.

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4. The auditors of one subsidiary Ansaldo Caldaie Boilers India Limited 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. 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. 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 Intercreditor 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

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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 held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed 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 above mentioned 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 Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor was received earlier. At the said meeting of 13th January 2020 the investor has been asked to provide the revised plan for the consideration of the lenders, which is under preparation.

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

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

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

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

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

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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 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.701.17 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.

9. A fresh valuation of Sofinter for the purposes of determining its fair value has not been carried out because the management is of the view that significant changes in its fair value would not have taken place since the last valuation report dated September 16, 2019 determined for the year ended March 31, 2019

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. Also one of the Subsidiary i.e. Gactel has been marked as non-performing assets by the lenders.

12. 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

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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. Therefore comparative previous period have also not been provided

13. The application of IND AS 116 "Leases" effective from April 1 ,2019, has no impact on the profit and loss for the quarter and half year ended September 30, 2019 as the Group does not have any right of use assets.

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

For Gammon India Limited

GAMMON INDIA LTD.

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, 5th March, 2020

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

Independent Auditor's Limited Review Report on unaudited Consolidated financial results for the quarter and half year ended September 30, 2019 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 it's 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, 2019, 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. Attention is drawn to the fact that the consolidated figures for the quarter and half year ended September 2018, as reported in these financial results have been prepared by the management but have not been subjected to our Limited review.

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 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at September 30, 2019 is Rs. 894.41 crores. These claims are recognised in the earlier periods only on the basis of opinion of an expert in the field of claims and arbitration. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation

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and the consequent effect on the financial results of the quarter and half year ended September 30, 2019.

(b) We invite attention to note no 3 (b) of the Statement Trade receivable, inventories loans and advances which includes an amount of Rs. 254.31 crores in respect of disputes in five 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) of the Statement relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 324.78 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. 803.83 crores (net of provision).

(d) We draw attention to note no 3 (d) of the Statement relating to penal interest and charges of Rs 28.44 crores during the half year charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 147.14 Crores up to September 30, 2019. 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 16 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 financial statement of one of the subsidiary of the Company carries a qualification in their Review Report as follows:

In the case of Ansaldo Caldaie Boilers India Pvt Ltd -

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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, 2019 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 (a) to (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 5 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets. 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 due to the issues detailed in the note 5 of the Statement the Company has continuously delayed the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower

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issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 5 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 one Subsidiary Ansaldo Caldaie Boilers India Pvt Ltd the auditors' have carried a paragraph relating to going concern which is extracted from the Review Report of the respective component detailed below

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

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.235.77 crores as at September 30, 2019 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 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.

9. Other Matter

a) The statement includes the standalone financial results of 5 subsidiaries, which have been reviewed by their Auditor's whose standalone financial results reflect total assets of Rs.431.04 Crores, total revenues of Rs.9.36 Crores and total net loss after tax of Rs.18.80 Crores for the half year ended September 30, 2019. 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

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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 16 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets of Rs. 2574.48 Crores, total revenues of Rs. Nil and total net loss after tax of Rs. 98.12 Crores for the half year ended September 30, 2019, as considered in the statement. Our conclusion is qualified on this account.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - March 5, 2020
UDIN : 20036410AAAABK5717

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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.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary
11.	Associated Transrail Structures Limited., Nigeria	Subsidiary
12.	Gammon Realty Limited. ('GRL')	Subsidiary
13.	Gammon & Billimoria Limited. ('GBL')	Subsidiary
14.	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
15.	Gammon Italy S.r.L	Subsidiary
16.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
17.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary
18.	Gammon Transmission Limited ('GTL')	Subsidiary
19.	Gammon Real estate developers private limited (GRDL')	Subsidiary
20.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary
21.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
22.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
23.	Gammon Infrastructure Projects Limited (GIPL)	Associates

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STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	**Income**						
	a) Revenue from Operations :	4.37	15.56	27.33	45.06	74.60	198.18
	b) Other Income	4.40	7.50	21.67	19.00	102.70	111.97
	Total Income (a+b)	**8.77**	**23.06**	**49.00**	**64.06**	**177.30**	**310.15**
II	**Expenses**						
	a) Cost of material consumed	2.26	1.72	5.02	6.44	14.20	22.16
	b) Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	0.06	-	(4.44)	-
	c) Subcontracting Expenses	0.68	10.99	19.90	30.84	46.46	75.83
	d) Employee benefits expense	1.97	1.88	1.99	5.89	6.44	8.48
	e) Finance Costs	149.13	144.69	135.40	433.74	424.86	562.42
	f) Depreciation & amortization	2.44	2.49	2.65	7.40	7.99	10.56
	g) Other expenses	19.86	23.26	2.93	57.33	17.97	71.82
	Total Expenses	**176.34**	**185.03**	**167.95**	**541.64**	**513.48**	**751.27**
III	**Profit/(Loss) before exceptional items and tax**	(167.57)	(161.97)	(118.95)	(477.58)	(336.18)	(441.12)
IV	**Exceptional items Income / (Expense)**	-	-	(5.13)	-	(963.76)	(1,313.00)
V	**Profit / (Loss) before tax**	**(167.57)**	**(161.97)**	**(124.08)**	**(477.58)**	**(1,299.94)**	**(1,754.12)**
VI	**Profit/(Loss) from continuing operations**	**(167.57)**	**(161.97)**	**(124.08)**	**(477.58)**	**(1,299.94)**	**(1,754.12)**
VII	**Tax expenses**						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	0.17	0.15	0.26	0.80	3.52	0.93
	Total tax expenses	**0.17**	**0.15**	**0.26**	**0.80**	**3.52**	**0.93**
VIII	**Profit/(Loss) for the period from continuing operations**	**(167.70)**	**(162.12)**	**(124.34)**	**(478.38)**	**(1,303.46)**	**(1,755.05)**
IX	**Profit/(Loss) from discontinued Operations**						
X	**Tax expenses**						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	-
	Deferred Tax Liability / (asset)	-	-	-	-	-	-
	Total tax expenses	-	-	-	-	-	-
XI	**Profit/(Loss) from Discontinued Operations after Tax**	-	-	-	-	-	-
XII	**PROFIT FOR THE YEAR**	**(167.70)**	**(162.12)**	**(124.34)**	**(478.38)**	**(1,303.46)**	**(1,755.05)**
XIII	**Other Comprehensive Income:**						
	Items that will not be reclassified to profit or loss (net of Tax)	0.07	(0.09)	(0.06)	(0.22)	(0.01)	(0.12)
	Income tax thereon	-	-	-	-	-	-
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	- Net gain/ (loss) on fair value of equity instruments	-	-	-	(0.08)	-	2.43
	Other Comprehensive Income:	0.07	(0.09)	(0.06)	(0.30)	(0.01)	2.31
XIV	**Total Comprehensive Income / (Loss) For The Period**	**(167.63)**	**(162.21)**	**(124.40)**	**(478.68)**	**(1,303.47)**	**(1,752.74)**
XV	**Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)**	74.11	74.11	74.11	74.11	74.11	74.11
XVI	**Earnings per equity share**						
	Basic	(4.55)	(4.40)	(3.37)	(12.97)	(35.34)	(47.58)
	Diluted	(4.55)	(4.40)	(3.37)	(12.97)	(35.34)	(47.58)

See accompanying notes to the financial results

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GAMMON INDIA LTD.

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

Notes:

1. The Financial Results for the quarter and nine months ended December 31, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 5th March 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

2. Results for the quarter and nine months ended December 31, 2019 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. 894.41 crore as at December 31, 2019 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. 351.47 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 172.27 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 224.82 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 nine months ended two lenders has levied penal interest and charges of Rs 45.38 Crores. Total amount of penal interest amount to Rs. 164.09 Crores up to December 31,2019. 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.

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

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the extent of Rs. 235.77 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.

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. 23.32 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.

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. 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 Intercreditor 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 held on 4th July, 2019.

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Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed 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 above mentioned 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 Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor was received earlier. At the said meeting of 13th January 2020 the investor has been asked to provide the revised plan for the consideration of the lenders, which is under preparation.

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

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

7. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.1223.44 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.

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8. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. Furthermore, IDBI Bank Dubai, invoked the Stand by letter of credit provided by IDBI Mumbai in the month of October 2016. The exposure of the Company in the said subsidiary is Rs. 438.55 crores.(fully provided) The company had received a valuation report for $ 60 Million approximately from an independent merchant banker for its share more than 3 years ago, which the management believes is still valid. Considering the elapse of time and the resolution with partner not concluding and the increasing losses being incurred in the oil field. the Company has made full provision against its exposure in the financial statements for the year ended March 31, 2019.

9. 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.

10. The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1234.43 crores of which Gammon International BV is Rs. 875.00 Crores and Gammon Holding Mauritius Limited is Rs. 359.43 Crores. Based on the valuation carried out by an independent valuer in March 2019, 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 September 16, 2019 for the purposes of the financial statement of March 31, 2019 the reduction in equity value of Rs. 391.00 crores has been provided till date.

11. 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.

12. The application of IND AS 116 "Leases" effective from April 1 ,2019, has no impact on the profit and loss for the quarter and nine months ended December 31, 2019 as the Company does not have any right of use assets.

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

For Gammon India Limited

GAMMON INDIA LTD.

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, 5th March, 2020

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Independent Auditor's Limited Review Report on unaudited standalone financial results for the quarter and nine months ended December 31, 2019 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 nine months ended December 31, 2019. This statement is being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016. These results are prepared for the purpose of compliance with the Listing Obligations and Disclosure Requirements.

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 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 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at December 31, 2019 is Rs. 894.41 crores. These claims are recognised in the earlier periods only on the basis of opinion of an expert in the field of claims and arbitration. 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

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financial results of the quarter and nine months period ended December 31, 2019.

b. We invite attention to note no 3 (b) of the Statement Trade receivable, inventories loans and advances which includes an amount of Rs. 351.47 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) of the Statement relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. During the previous periods on prudent basis the company has made a provision of Rs. 100 crores against the exposure of Rs. 324.82 crores. The Subsidiary's financials are also not available for our review. Hence in the absence of any indicators of value arising out of the project and its financial stability we are unable to state whether any further provision is required against the exposure.

d. We draw attention to note no 3 (d) of the Statement relating to penal interest and charges of Rs 45.38 crores during the nine months charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 164.09 Crores up to December 31, 2019. 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.

5. 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.

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

6. **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 year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets. 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 due to the issues detailed in the note 6 of the Statement the Company has continuously delayed the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has 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.

7. **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.235.77 crores as at December 31, 2019 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.

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

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: March 5, 2020
UDIN : 20036410AAAABI1051

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

STATEMENTS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(₹ in Crore)

Sr No		Particulars	Quarter Ended			Nine Months Ended		Year Ended
			31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
			Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1		**Income**						
	(a)	Revenue from Operations	8.67	21.18	259.76	58.87	773.96	984.38
	(b)	Other Income	41.15	(14.94)	(46.90)	48.41	70.06	78.31
		Total Income	**49.82**	**6.24**	**212.86**	**107.28**	**844.01**	**1062.69**
2		**Expenses**						
	(a)	Cost of Sales	2.44	2.44	382.87	11.01	730.96	770.67
	(b)	Purchases of stock-in-trade	-	-	-	-	-	0.09
	(c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	-	-	-	-	-	-
	(d)	Subcontracting Expenses	3.59	13.34	21.27	37.87	49.65	127.56
	(e)	Employee benefits expense	2.36	2.18	2.46	7.21	7.93	28.54
	(f)	Finance Costs	176.85	172.50	161.50	516.32	505.05	683.71
	(g)	Depreciation & amortization	2.76	2.82	3.03	8.39	9.13	13.46
	(h)	Other expenses	(18.70)	28.20	10.58	15.83	79.39	203.50
		Total Expenses	**169.30**	**221.48**	**581.70**	**596.63**	**1382.09**	**1827.53**
3		**Profit/(Loss) before exceptional items and tax (1-2)**	**(119.48)**	**(215.24)**	**(368.84)**	**(489.35)**	**(538.10)**	**(764.85)**
4		Exceptional items (Income) / Expense	-	-	(37.96)	-	206.26	443.32
5		**Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax (3-4)**	**(119.48)**	**(215.24)**	**(330.88)**	**(489.35)**	**(744.36)**	**(1208.17)**
6		Share of profit / (loss) of associates and joint ventures	-	-	(8.75)	(5.82)	(14.28)	(79.33)
7		**Profit/(loss) before tax (5-6)**	**(119.48)**	**(215.24)**	**(339.63)**	**(495.17)**	**(758.64)**	**(1287.50)**
8		**Profit/(Loss) from continuing operations**	**(119.48)**	**(215.24)**	**(339.63)**	**(495.17)**	**(758.64)**	**(1287.50)**
9		**Tax expenses**						
		Current Tax	-	-	8.02	-	8.02	8.01
		Excess / Short Provision of Earlier years	-	-	-	-	-	0.03
		Deferred Tax Liability / (asset)	0.12	0.12	0.23	0.64	3.45	0.90
		Total tax expenses	**0.12**	**0.12**	**8.25**	**0.64**	**11.47**	**8.94**
10		**Profit/(Loss) for the period from continuing operations (8-9)**	**(119.60)**	**(215.36)**	**(347.88)**	**(495.83)**	**(770.11)**	**(1296.44)**
11		**Profit/(Loss) from discontinued Operations**						
12		**Tax expenses**						
		Current Tax	-	-	-	-	-	-
		Excess / Short Provision of Earlier years	-	-	-	-	-	-
		Deferred Tax Liability / (asset)	-	-	-	-	-	-
		Total tax expenses	-	-	-	-	-	-
13		**Profit/(Loss) from Discontinued Operations after Tax (11-12)**	-	-	-	-	-	-
14		**PROFIT FOR THE YEAR (10) + (13)**	**(119.60)**	**(215.36)**	**(347.88)**	**(495.83)**	**(770.11)**	**(1296.44)**
15		**Other Comprehensive Income:**						
		Items that will not be reclassified to profit or loss:						
		- Remeasurements of the defined benefit plans [net of tax]	(0.01)	(0.01)	(0.06)	(0.30)	(0.01)	(0.14)
		Items that will be reclassified to profit or loss	-	-	-	-	-	
		- Exchange differences through OCI	(56.77)	26.81	60.68	(44.42)	(11.81)	46.56
		- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	(0.08)	-	(32.42)
		Other Comprehensive Income for the year	**(56.78)**	**26.80**	**60.62**	**(44.80)**	**(11.82)**	**14.00**
16		**Total Comprehensive Income / (Loss) For The Period**						
		Profit for the year attributable to:						
		- Owners of the Company	(119.68)	(215.58)	(330.49)	(495.36)	(710.00)	(1209.89)
		- Non- Controlling interest	0.08	0.22	(17.39)	(0.47)	(60.11)	(86.55)
17		**Other Comprehensive Income attributable to:**						
		- Owners of the Company	(56.78)	26.80	60.62	(44.80)	(11.82)	13.99
		- Non- Controlling interest	-	-	-	-	-	0.01
18		**Total Comprehensive Income attributable to:**						
		- Owners of the Company	(176.46)	(188.78)	(269.87)	(540.16)	(721.82)	(1195.90)
		- Non- Controlling interest	0.08	0.22	(17.39)	(0.47)	(60.11)	(86.54)
19		**Earnings per equity share**						
		Basic	(3.24)	(5.84)	(8.96)	(13.43)	(19.25)	(32.80)
		Diluted	(3.24)	(5.84)	(8.96)	(13.43)	(19.25)	(32.80)

See accompanying notes to the financial results

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BY
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MUMBAI

GAMMON INDIA LTD.

GAMMON INDIA LIMITED

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

CIN : L74999MH1922PLC000997

Notes:

1. The Consolidated Financial Results for the quarter and nine months ended December 31, 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 05th March, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

   The Statutory auditors have carried out "Limited Review" of the results only for the quarter and nine months ended December 31, 2019. The Financials and Other financial information for the quarter ended December 31, 2018 have not been subjected to limited review. However, management has exercised due diligence to ensure that such financial results provide true and fair views of its affairs.

2. The Consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Regulations, 2015 specified under Section 133 of the Companies Act, 2013, read with relevant Rules thereon and other accounting principles generally accepted in India.

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. 894.41 crore as at December 31, 2019 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 realization.

   b) There are disputes in four projects of the Company. The total exposure against these projects is Rs. 253.38 Crore consisting of receivable of Rs. 140.48 crores, inventory Rs. 38.72 crore and other receivables Rs. 74.18 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 914.60 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. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project.

   d) During the nine months ended December 31, 2019 two lenders have levied penal interest and charges of Rs 45.38 Crores. Total amount of penal interest amount to Rs. 164.09 Crores up to December 31,2019. The management is disputing the same and has not accepted the debit of penal interest and charges in its books. They have also requested the lenders to reverse the same.

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4. The auditors of one subsidiary Ansaldo Caldaie Boilers India Limited 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. 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. 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 Intercreditor 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

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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 held on 4th July, 2019. Based on the discussions at the aforementioned consortium meeting the execution of the ICA was scheduled on 5th July, 2019.The ICA was executed 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 above mentioned 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 Company had received a proposal from an Investor who had evinced interest in acquiring major stake in the Company and the draft proposal from the Investor was received earlier. At the said meeting of 13th January 2020 the investor has been asked to provide the revised plan for the consideration of the lenders, which is under preparation.

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

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

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

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.

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. 235.77 Crore, which is part of Long Term Trade Receivable. The

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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 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.717.59 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.

9. A fresh valuation of Sofinter for the purposes of determining its fair value has not been carried out because the management is of the view that significant changes in its fair value would not have taken place since the last valuation report dated September 16, 2019 determined for the year ended March 31, 2019. The management proposes to carry out the valuation for the purposes of the full year financial statement ending March 31, 2020.

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. Also one of the Subsidiary i.e. Gactel has been marked as non-performing assets by the lenders.

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12. 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. Therefore comparative previous period have also not been provided.

13. The application of IND AS 116 “Leases” effective from April 1 ,2019, has no impact on the profit and loss for the quarter and nine months ended December 31, 2019 as the Group does not have any right of use assets.

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

For Gammon India Limited

GAMMON INDIA LTD.

Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, 5th March, 2020

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BY
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MUMBAI

NAYAN PARIKH & CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
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Independent Auditor's Limited Review Report on unaudited Consolidated financial results for the quarter and nine months ended December 31, 2019 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 it's subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its joint ventures and associates for the quarter and nine months ended December 31, 2019, 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. Attention is drawn to the fact that the consolidated figures for the quarter and nine months ended December 2018, as reported in these financial results have been prepared by the management but have not been subjected to our Limited review.

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 in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at December 31, 2019 is Rs. 894.41 crores. These claims are recognised in the earlier periods only on the basis of opinion of an expert in the field of claims and arbitration. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation

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and the consequent effect on the financial results of the quarter and nine months ended December 31, 2019.

(b) We invite attention to note no 3 (b) of the Statement Trade receivable, inventories loans and advances which includes an amount of Rs. 253.38 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) of the Statement relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company had on prudent basis, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 324.82 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. 814.60 crores (net of provision).

(d) We draw attention to note no 3 (d) of the Statement relating to penal interest and charges of Rs 45.38 crores during the nine months charged by the lenders on its facilities. Total amount of penal interest amount to Rs. 164.09 Crores up to December 31, 2019. 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 16 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 financial statement of one of the subsidiary of the Company carries a qualification in their Review Report as follows:

In the case of Ansaldo Caldaie Boilers India Pvt Ltd -

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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 nine months ended December 31, 2019 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 5 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous year recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets. 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 due to the issues detailed in the note 5 of the Statement the Company has continuously delayed the preparation of the financial statements and submissions to the stock exchanges as per the timelines of the listing agreement. The trading in the equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower

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issues and is defaulting on its statutory and regulatory obligations. The issues as stated above and in note 5 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 one Subsidiary Ansaldo Caldaie Boilers India Pvt Ltd the auditors' have carried a paragraph relating to going concern which is extracted from the Review Report of the respective component detailed below

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

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.235.77 crores as at December 31, 2019 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 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.

9. Other Matter

a) The statement includes the standalone financial results of 5 subsidiaries, which have been reviewed by their Auditor's whose standalone financial results reflect total assets of Rs.432.78 Crores, total revenues of Rs.12.49 Crores and total net loss after tax of Rs.21.64 Crores for the nine months ended December 31, 2019. 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 16 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets of Rs. 2607.49 Crores, total revenues of Rs. 0.09 Crores and total net loss after tax of Rs. 79.85 Crores for the nine months ended December 31, 2019, as considered in the statement. Our conclusion is qualified on this account.

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

NAYAN PARIKH & CO. MUMBAI Chartered Accountants

K N Padmanabhan
Partner
M. No. 36410
Mumbai, Dated: - March 5, 2020
UDIN : 20036410AAAABL9172

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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.	SAE Powerlines S.r.L (Subsidiary of ATSL Holdings B.V.)	Subsidiary
11.	Associated Transrail Structures Limited., Nigeria	Subsidiary
12.	Gammon Realty Limited. ('GRL')	Subsidiary
13.	Gammon & Billimoria Limited. ('GBL')	Subsidiary
14.	Gammon Holdings B.V., Netherlands ('GHBV')	Subsidiary
15.	Gammon Italy S.r.L	Subsidiary
16.	Gammon International B.V., Netherlands ('GIBV')	Subsidiary
17.	Metropolitan Infrahousing Private Limited ('MIPL')	Subsidiary
18.	Gammon Transmission Limited ('GTL')	Subsidiary
19.	Gammon Real estate developers private limited (GRDL')	Subsidiary
20.	Ansaldocaldaie Boilers India Private Limited ('ACB')	Subsidiary
21.	Gammon Holdings (Mauritius) Limited ('GHM')	Subsidiary
22.	Patna Water Supply Distribution Network Private Limited ('PWS')	Subsidiary
23.	Gammon Infrastructure Projects Limited (GIPL)	Associates

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Pursuant to Regulation 23(9) of the SEBI (LODR) Regulations, 2015

Apr 19 - September 19

A	**Related Party Disclosure**		
	SUBSIDIARIES		**ASSOCIATES**
1	Ansaldocaldai Boilers India Private Limited	1	Finest S.p.A Italy
2	ATSL B.V., Netherland	2	Transrail Lighting Limited (TLL) (*)
3	ATSL Infrastructure Projects Limited	3	Gammon Engineers and Contractors Private Limited (*)
4	Associated Transrail Structures Limited, Nigeria	4	Gammon Infrastructure Projects Limited
5	Campo Puma Oriente S.A.		
6	Deepmala Infrastructure Private Limited		**Key Managerial Personnel**
7	Gammon Real Estate Developers Private Limited	1	Mr Abhijit Rajan (Managing Director till 07/06/2018 and Non Executive Chairman w.e.f 07/06/2018)
8	Franco Tosi Turbines Private Limited	2	Mr Ajit B. Desai
9	Gactel Turnkey Projects Limited	3	Mr. Anurag Choudhry (Executive Director from 20/08/2018 to 18/02/2019)
10	Gammon & Billimoria Limited	4	Sugato Prosanno Ghosh (Nominee Director - Axis Trustee Services Limited w.e.f 07/02/2019)
11	Gammon Holdings (Mauritius) Limited	5	Mr. Jaysing Ashar w.e.f. 19th February, 2019
12	Gammon Holdings B.V.		
13	Gammon International B.V.		**Independent Director**
14	Gammon International FZE	1	Naval Choudhary (Independent Director till 31/03/2019)
15	Gammon Power Limited	2	Urvashi saxena (Independent Director till 31/03/2019)
16	Gammon Realty Limited	3	Atul Kumar Shukla (Independent Director till 31/03/2019)
17	Gammon Retail Infrastructure Private Limited	4	Chayan Battacharya (Executive Director till 03/08/2018)
18	Metropolitan Infrahousing Private Limited		
19	P.Van Eerd Beheersmaatschappaji B.V.		
20	Patna Water Supply Distribution Network Pvt Ltd		
21	Gammon Transmission India Limited		
	STEPDOWN SUBSIDIARIES		
1	Franco Tosi Meccanica S.p.A		
2	Gammon & Billimoria LLC		
3	Gammon Italy S.r.l		
4	Preeti Township Private Limited **		
5	SAE Powerlines S.r.l		
	JOINT VENTURE		
1	Gammon OJSC Mosmetrostroy		
3	Gammon SEW		
4	Gammon Srinivasa		
5	Haryana Bio Mass Power Limited		
6	Hyundai Gammon		
8	Sofinter S.p.A		
9	Gammon FECP JV Naigeria		
10	Consortium of Jyoti Structure & GIL		
11	GIPL GIL Jv		

* Consequent to invocation of pledge of shares of Transrail Lighting Limited (TLL) and Gammon Engineers and Contractors Private Limited(GECPL) ceased to be an associate hence only previous years figures are shown in the related party disclosure.

** Preeti Township Private Limited ceased to be a subsidiary during the year on account of stake sale.

Statement B **₹ In Crore**

Apr 19- Sept 19

B	Nature of Transactions / relationship / major parties	Subsidiaries	Joint Ventures	Associates	Key Managerial Personnel and their relative	Total
				- -		- -
	Finance provided for Loans, expenses & on a/c payments	**0.04**	**-**	**-**	**-**	**0.04**
	Deepmala Infra P Ltd	0.04				
	Amount liquidated towards the finance provided	**1.00**	**0.48**	**-**	**-**	**1.48**
		-	**-**	**-**	**-**	**-**
	Gammon Realty Limited	1.00				**1.00**
	Gammon OJSC Mosmetrostroy		0.32			**0.32**
	Gammon SEW		0.16			**0.16**
	Interest Income during the year	**5.35**	**-**	**-**	**-**	**-**
	Gammon Holdings (Mauritius) Ltd	5.35	-	-	-	**5.35**
		-	-	-	-	**-**
	Key Managerial Personnel	**-**	**-**	**-**	**0.94**	**0.94**
	Managerial Remuneration Paid	**-**	**-**	**-**	**-**	
	Mr. Ajit B. Desai	-	-	-	0.38	**0.38**
	Mr. Anurag Choudhry	-	-	-	0.26	**0.26**
	Mr. Jaysing Ashar	-	-	-	0.23	**0.23**
	Nikki Shingade				0.07	**0.07**
	Director Sitting fees	**-**	**-**	**-**	**0.01**	**0.01**
	S N Sanyal				0.01	**0.01**
	Ulhas Dharmadhikari				0.01	**0.01**