

**Date:** 12<sup>th</sup> November, 2021

**The National Stock Exchange of India Ltd.**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra (East),  
Mumbai - 400 051  
**NSE Code:** GAMMONIND

**BSE Limited**

1<sup>st</sup> 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 12<sup>th</sup> November, 2021 pursuant to Regulation 30 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, you are hereby informed that the Board of Directors ("Board") of the Company at its meeting held on 12<sup>th</sup> November, 2021 which commenced at 3:00 p.m. and concluded at 04:50 p.m. *inter - alia* transacted the following business:

- (i) **Approval of the Un-Audited Standalone Financial Statements of the Company for the quarter and half year ended 30<sup>th</sup> September, 2021;**

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

- (ii) **Reappointment of Mr. Ajit Balubhai Desai as the Chief Executive Officer ('CEO') of the Company for a period of 1 (one) year effective from 17<sup>th</sup> December, 2021;**

The Board of Directors proposed the re-appointment of Mr. Ajit Balubhai Desai as the Chief Executive Officer ('CEO') of the Company for a period of 1 (one) year effective from 17<sup>th</sup> December, 2021.

Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given hereunder:

- a) **Reason for change and date and Term of Appointment:**

The present term of Mr. Ajit Balubhai Desai as CEO of the Company expires on 16<sup>th</sup> December, 2021. He is re-appointed as the CEO of the Company for further term of 1(one) year effective from 17<sup>th</sup> December, 2021.

- b) **Brief Profile:**

Mr. Ajit Balubhai Desai, aged 65 years graduated in 1978 in Civil Engineering from VJTI, Mumbai. Mr. Desai joined the Company in 1979 and since then has handled several major projects. He has over 42 years of rich experience in the construction industry, specifically handling projects in various sectors such as Roads, Ports, Power, Urban Infrastructure and Industrial & Residential Construction which included Vizag Seaport, Kalpakkam Nuclear project, Parbati Hydroelectric Power Plant and many private sector power plants. The value of projects handled by Mr. Desai varied from Rs. 100 Crores to Rs. 900 Crores.

c) **Disclosure Of Relationships Between Directors:**

Mr. Ajit Balubhai Desai is not related to any of the other Directors and Key Managerial Personnel of the Company.

You are requested to take the above information on record.

Thanking you,

**For Gammon India Limited**

Niki Avinash Shingade Digitally signed by  
Niki Avinash Shingade  
Date: 2021.11.12  
16:54:17 +05'30'

**Niki Shingade  
Company Secretary**

Encl: As above

STANDALONE STATEMENT OF ASSETS AND LIABILITIES		
	(₹ in Crore)	
Particulars	As at 30 September 2021	As at 31 March 2021
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
(a) Property, plant and equipment	415.93	418.07
(b) Capital work-in-progress	-	-
(c) Financial assets		
(i) Investments	121.67	121.67
(ii) Trade receivable	276.37	283.37
(iii) Loans	731.40	726.27
(iv) Others	98.23	91.94
(d) Deferred tax assets (net)	-	-
(e) Other non-current assets	1,384.04	1,387.00
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,027.64</b>	<b>3,028.32</b>
<b>CURRENT ASSETS</b>		
(a) Inventories	33.91	33.13
(b) Financial assets	-	-
(i) Investments	0.04	0.05
(ii) Trade receivables	25.64	26.23
(iii) Cash and cash equivalents	14.79	7.20
(iv) Bank balances	0.58	0.58
(v) Loans	5.79	5.30
(vi) Others	26.51	26.73
(c) Current tax assets (net)	-	-
(d) Other current assets	107.57	104.74
<b>TOTAL CURRENT ASSETS</b>	<b>214.83</b>	<b>203.96</b>
<b>TOTAL ASSETS</b>	<b>3,242.47</b>	<b>3,232.28</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity share capital	74.11	74.11
(b) Other equity	(5,331.16)	(4,981.48)
<b>TOTAL EQUITY</b>	<b>(5,257.05)</b>	<b>(4,907.37)</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
(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	12.84	12.74
(iii) Other financial liabilities	12.00	12.00
(b) Provisions	0.66	0.53
(c) Deferred tax liabilities (net)	103.79	103.14
(d) Other non-current liabilities	70.65	70.63
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>199.94</b>	<b>199.04</b>
<b>CURRENT LIABILITIES</b>		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	-
- Total outstanding dues to Micro and Small Enterprises	1.21	1.21
- Total outstanding dues to other than Micro and Small Enterprises	101.23	104.08
(iii) Other financial liabilities	7,695.68	7,334.79
(b) Other current liabilities	63.17	62.26
(c) Provisions	438.29	438.27
(d) Current tax liabilities (net)	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,299.58</b>	<b>7,940.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,242.47</b>	<b>3,232.28</b>



SIGNED FOR IDENTIFICATION  
BY *K. N. Parikh*

**GAMMON INDIA LIMITED**  
NAYAN PARIKH & CO

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

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

CIN : L74999MH1922PLC000997


**STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021**

(₹ in Crore )

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	<b>Income</b>						
	a) Revenue from Operations :	11.59	7.26	9.52	18.85	16.27	52.84
	b) Other Income	4.16	5.79	9.30	9.95	15.02	33.38
	<b>Total Income (a+b)</b>	<b>15.75</b>	<b>13.05</b>	<b>18.82</b>	<b>28.80</b>	<b>31.29</b>	<b>86.22</b>
II	<b>Expenses</b>						
	a) Cost of material consumed	2.41	2.59	1.72	5.00	2.72	13.98
	b) Subcontracting Expenses	6.63	2.41	5.82	9.04	10.04	32.10
	c) Employee benefits expense	2.11	2.04	1.80	4.15	3.47	7.44
	d) Finance Costs	177.60	172.89	161.62	350.49	318.02	605.96
	e) Depreciation & amortization	0.95	1.00	2.30	1.95	4.59	9.01
	f) Other expenses	(2.84)	10.01	4.14	7.17	16.77	41.34
	<b>Total Expenses</b>	<b>186.86</b>	<b>190.94</b>	<b>177.40</b>	<b>377.80</b>	<b>355.61</b>	<b>709.83</b>
III	<b>Profit/(Loss) before exceptional items and tax</b>	<b>(171.11)</b>	<b>(177.89)</b>	<b>(158.58)</b>	<b>(349.00)</b>	<b>(324.32)</b>	<b>(623.61)</b>
IV	<b>Exceptional items Income / (Expense)</b>	-	-	-	-	-	(95.56)
V	<b>Profit / (Loss) before tax</b>	<b>(171.11)</b>	<b>(177.89)</b>	<b>(158.58)</b>	<b>(349.00)</b>	<b>(324.32)</b>	<b>(719.17)</b>
VI	<b>Tax expenses</b>						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	(2.27)
	Deferred Tax Liability / (asset)	0.33	0.32	0.08	0.65	0.15	(0.05)
	<b>Total tax expenses</b>	<b>0.33</b>	<b>0.32</b>	<b>0.08</b>	<b>0.65</b>	<b>0.15</b>	<b>(2.32)</b>
VII	<b>PROFIT FOR THE PERIOD / YEAR</b>	<b>(171.44)</b>	<b>(178.21)</b>	<b>(158.66)</b>	<b>(349.65)</b>	<b>(324.47)</b>	<b>(716.85)</b>
VIII	<b>Other Comprehensive Income:</b>						
	<b>Items that will not be reclassified to profit or loss ( net of Tax )</b>						
	Remeasurement gain/ (loss) on defined benefit plans [net of tax]	0.02	(0.05)	0.03	(0.03)	0.08	0.10
	<b>Other Comprehensive Income:</b>	<b>0.02</b>	<b>(0.05)</b>	<b>0.03</b>	<b>(0.03)</b>	<b>0.08</b>	<b>0.10</b>
IX	<b>Total Comprehensive Income / (Loss) For The Period / Year</b>	<b>(171.42)</b>	<b>(178.26)</b>	<b>(158.63)</b>	<b>(349.68)</b>	<b>(324.39)</b>	<b>(716.75)</b>
X	<b>Paid up Equity Share Capital ( Face Value ₹ 2 per Equity share )</b>						74.11
	<b>Other Equity</b>						(4,981.48)
XI	<b>Earnings per equity share</b>						
	Basic	(4.65)	(4.83)	(4.30)	(9.48)	(8.80)	(19.43)
	Diluted	(4.65)	(4.83)	(4.30)	(9.48)	(8.80)	(19.43)

See accompanying notes to the financial results

*Onote*

SIGNED FOR IDENTIFICATION  
BY   
NAYAN PARIKH & CO  
MUMBAI



**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 year ended September 30, 2021		
Particulars	(₹ in Crore)	
	Half Year ended September 30, 2021	Half Year ended September 30, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(349.00)	(324.32)
Adjustments for :		
Depreciation	1.95	4.59
(Profit) / Loss on Sale of Assets	(0.01)	(0.88)
Net gain on financial asset through FVTPL	0.01	-
(Profit) / Loss on Sale of Investments	-	(0.03)
Interest Expenses	350.49	318.02
Provision for Doubtful Debts and Advances	(0.50)	-
Foreign Exchange Loss / (Gain)	2.09	3.75
Interest Income	(5.62)	(6.00)
Exceptional Items	-	-
Assets W/off	-	-
Write off of Contract Assets	-	7.26
Sundry Balances Written off	0.01	-
Sundry Balances Written Back	(0.06)	(0.16)
<b>Operating Profit Before Working Capital Changes</b>	<b>(0.64)</b>	<b>2.23</b>
Trade and Other Financial Receivables	8.10	30.11
Inventories	(0.78)	0.28
Trade Payables and Provision	(2.59)	(9.71)
Other Non Financial Assets	0.68	(1.66)
Other financial liabilities	2.78	(4.35)
Other non-financial liabilities	0.93	(3.63)
<b>CASH GENERATED FROM THE OPERATIONS</b>	<b>8.48</b>	<b>13.27</b>
Direct Taxes Paid / (Refund)	0.35	1.28
<b>Net Cash from Operating Activities</b>	<b>8.13</b>	<b>14.55</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Property Plant and Equipment and CWIP disposal	0.19	2.61
Sale of Investments	-	-
Subsidiary, Joint Ventures & Associates	-	-
Loan Given to Subsidiary and others	(0.50)	(0.18)
Interest Received	0.01	0.41
<b>Net Cash from Investment Activities</b>	<b>(0.30)</b>	<b>2.84</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(0.24)	(0.34)
(Repayment) from Long term Borrowings	-	-
Net proceeds from Short term Borrowings	-	(1.75)
<b>Net Cash from Financing Activities</b>	<b>(0.24)</b>	<b>(2.09)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7.59</b>	<b>15.30</b>
<b>Opening Balance</b>	<b>7.20</b>	<b>3.37</b>
Less: Cash and Cash Equivalent transferred on demerger of Business	-	-
<b>Closing Balance</b>	<b>14.79</b>	<b>18.67</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7.59</b>	<b>15.30</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	0.03	0.04
Balances with Bank	14.76	18.63

*Onase*

**SIGNED FOR IDENTIFICATION**  
 BY *Nayan Parikh*  
**NAYAN PARIKH & CO**  
 MEDICAL



## 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

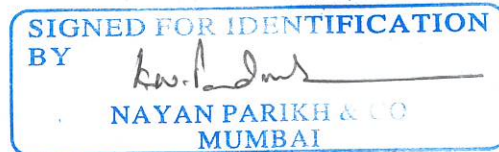
Notes:

1. The Financial Results for the quarter and half year ended September 30, 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on November 12, 2021 and have been subjected to limited review by the Statutory Auditors of the Company.
2. Results for the quarter and half year ended September 30, 2021 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016.
3. The auditors have qualified their report in respect of the following matters –
  - a) The Company had evaluated its claims in respect of on-going, completed and/or terminated contracts in the earlier periods which amounts to Rs. 931.69 crore as at September 30, 2021 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the quarter and the same are due to them and they have a very good chance of realisation.
  - b) There are disputes in six projects of the Company. The total exposure against these projects is Rs. 349.96 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 43.49 crore and other receivables Rs. 158.42 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 Deepmala Infrastructure Private Limited developing a real estate project in Bhopal is Rs 225.64 crores (net of provisions of Rs. 100 crores against its exposure based on internal estimates of the realisable value). Due to slow down in the real estate market and various other factors the subsidiary company is facing problems in the development of its projects and its sale. The subsidiary's RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. However, the subsidiary company made a part payment of the amount mentioned in the One Time Settlement in June 2019. The subsidiary company is in negotiation with the lenders to restore its credit facility and for the financial support for completion of the project.

The auditor of the subsidiary have highlighted material uncertainty regarding going concern issue in their limited review report for the quarter ended June 30, 2021 and issued emphasis of matter on their inability to estimate the recoverability of Work-in-Progress of Rs. 1,238.26 crore considering the liquidity issue and suspension of RERA Registration



*Handwritten signature*



**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



- d) During the half year two lenders have levied penal interest and charges of Rs 36.34 Crores. Total amount of penal interest and charges amounts to Rs. 284.92 Crores up to September 30, 2021. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.
- e) The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1377.49 crores of which Gammon International BV is Rs. 963.49 Crores and Gammon Holding Mauritius Limited is Rs.414.00 Crores. Based on the valuation carried out by an independent valuer in March 2020, there is a diminution in the equity value of Sofinter group as compared to the total exposure of the Company. The management is of the view that this diminution in the equity value of Sofinter group is of temporary in nature considering the Sofinter Group's strong order book position. Considering the combined exposure in GIBV & GHML as per the valuation report dated August 11, 2020 for the purposes of the financial statement of March 31, 2020 the reduction in equity value of Rs. 556.46 crores has been provided up to March 31, 2020. The Company has not carried out valuation as at March 31, 2021 and as at September 30, 2021 due to Covid-19 Pandemic. In the absence of fair valuation report no impact if any on the carrying value of the exposure has been recognised.
4. The Company in evaluating its jobs in previous years has considered an amount of Rs. 7.56 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

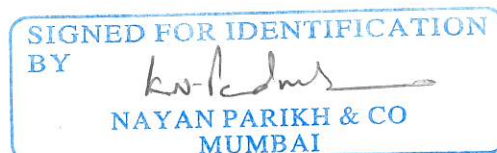
In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of Rs. 146.64 Crore in the previous years, which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favorable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favorable verdict from the courts.

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



*Handwritten signature in blue ink.*



of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. Also the Company's current liabilities exceed the current assets by Rs. 8084.98 Crore as at September 30, 2021. Which has only increased further in the quarter. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The liquidity crunch is affecting the Company's operation with increasing severity. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy code

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

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

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

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

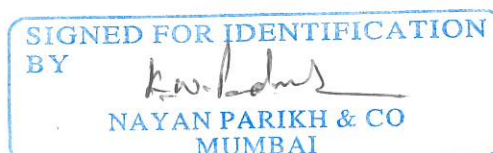
To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting and the ICA was executed in July 2019 by all the lenders.

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

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan



*Handwritten signature*





to the consortium of lenders. Pursuant to the submission of the resolution plan, four lenders including the lead monitoring institution provided their in-principle sanction to the company and the company is pursuing for the approval with other lenders as well. The salient features of the sanction letters are:

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

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

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

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

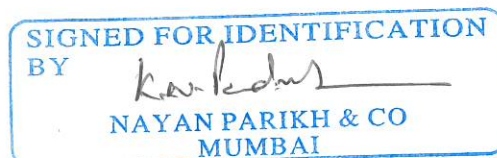
- The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore, no disclosure of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

- The Exceptional items include the following Rs In Crore

Particulars	Half year ended September 30, 2021	Year ended March 31, 2021
Net provision for impairment of Investments net of DTL reversal	-	85.30
Impairment provisions of Loans and interest	-	3.90
Provision for risk and contingency	-	8.88
Write back of provision of Loans	-	(2.52)
<b>Total</b>	-	<b>95.56</b>



*Handwritten signature*



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

11. The details of previous due date of the Non-Convertible Debentures interest and its next due dates is given herein below:

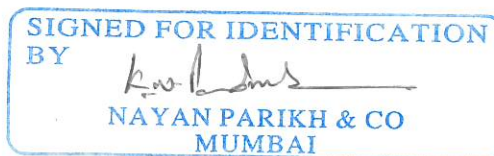
Particulars	Previous Due Date	Paid (Y/N)	Next Due Date	Amount (Rs in Crores)
NCD 10.5% monthly interest payments (Rs. 39.27 Cr. not paid since April'16)	30th Sept, 2021	No	31st October, 2021	0.58 Cr
NCD 11.05% monthly interest payments (Rs. 49.26 Cr. not paid since April'16)	30th Sept, 2021	No	31st October, 2021	0.84 Cr
NCD 9.50% monthly interest payments (Rs. 51.86 Cr. not paid since April'16)	30th Sept, 2021	No	31st October, 2021	0.72 Cr
NCD 9.95% half yearly interest payments (Rs. 24.75 Cr. not paid since September'16)	30th Sept, 2021	No	31st March, 2022	2.26 Cr

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

Particulars	Previous Due Date	Paid (Y/ N)	Next Due Date	Amount (Rs in Crores)
NCD 10.5% quarterly Principal payments (Rs. 35.08 Cr. not paid since April'16)	15th July, 2021	No	15th October, 2021	2.96 Cr.
NCD 11.05% quarterly Principal payments (Rs. 48.08 Cr. not paid since April'16)	15th July, 2021	No	15th October, 2021	4.00 Cr.
NCD 9.50% quarterly Principal payments (Rs. 48.34 Cr. not paid since April'16)	15th July, 2021	No	15th October, 2021	4.00 Cr.



*Handwritten signature*





Particulars	Previous Due Date	Paid (Y/ N)	Next Due Date	Amount (Rs in Crores)
NCD 9.95% yearly Principal payments (Rs. 24.04 Cr. not paid since April'16)	15th April,2021	No	15th October, 2021	2.00 Cr.

12. 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, 2021
A	Debt Equity Ratio	(0.94)
B	Debt Service Coverage Ratio	(0.01)
C	Interest Service Coverage Ratio	(0.02)
D	Debenture Redemption Reserve	81.00
E	Net Worth	(5257.05)
F	Net Profit after Tax (six months ended September 30, 2021)	(349.65)
G	Basic Earnings per share (For six months ended September 30, 2021)	(9.48)

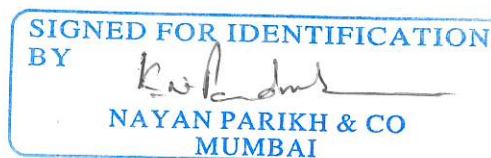
- i) Debt Equity Ratio = Term Loans and Debentures / Net worth
- ii) Debt Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / (Interest + Principal repayment of long term loans)
- iii) Interest Service Coverage Ratio = Profit before Depreciation and Amortization, interest and Tax / interest
- iv) Net Worth = Equity + Other Equity

13. The negative figure in other expenses for the quarter September 30, 2021 is mainly due to foreign currency exchange rate fluctuations.

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

For Gammon India Limited

  
Anurag Choudhry  
Executive Director & CFO  
DIN No. 00955456  
Mumbai, November 12, 2021





# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

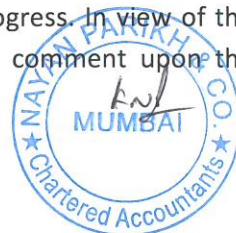
PHONE : (91-22) 2640 0358, 2640 0359

**Independent Auditor's Limited Review Report on unaudited standalone financial results for the quarter and half year ended September 30, 2021 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, 2021. 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. 3 (a) of the statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at September 30, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert except that we are informed the arbitrations are in progress. In view of the above-mentioned circumstances and facts we are unable to comment upon the



# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

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

amounts recognised, its realisation and the consequent effect on the financial results for the quarter and half year ended September 30, 2021.

- b. We invite attention to note no. 3(b) of the statement relating to Trade receivables, inventories and loans and advances which includes an amount of Rs. 349.96 crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.
- c. We invite attention to note no. 3(c) relating to the exposure of the Company to a subsidiary engaged in real estate development in Bhopal. The Company has on prudent basis made a provision of Rs. 100 crores against the exposure of Rs. 325.64 crores. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. The statutory auditors of the subsidiary have opined material uncertainty relating to the future of the Project and have expressed Emphasis of Matter concerning the realisability of Work in Progress of Rs 1238.26 Cr. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the balance exposure of Rs. 225.64 crores.
- d. We invite attention to note no 3 (d) relating to penal interest and charges of Rs 36.34 crores during the half year charged by the lenders on its facilities. Total of penal interest and charges aggregates to Rs. 284.92 Crores up to September 30, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.
- e. We Invite attention to note no 3(e) relating to exposure of the Company in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021 and September 30, 2021. In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure of the subsidiary as at September 30, 2021. Total Exposure of the two Subsidiary is Rs. 821.03 Crores (Net of Provision).





# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

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

## a) Qualified Conclusion

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

## b) Material Uncertainty Related to Going Concern

We invite attention to the note no. 6 of the Statement relating to the present financial situation of the Company detailing the Material Uncertainties Relating to Going Concern and the Going Concern assumptions. The lenders had in the previous years recalled all the loans and facilities and also the Company Current Liabilities exceeds Current Assets by Rs 8084.98 Crore as at September 30, 2021. The Company is finding it difficult to meet its financial obligations and the lenders have still not approved its further restructuring plan. The liquidity crunch is affecting the Company's operation with increasing severity. the trading in equity shares of the Company is presently suspended. Some of the creditors have filed for winding up petitions against the Company. The company has severe manpower issues and is defaulting on its statutory and regulatory obligations. The Company's resolution plan has found favour with four lenders as detailed in the note no. 6 but the final approval of all lenders and the execution of the plan and its success involves material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

## c) Emphasis of Matter

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

- a) We draw attention to Note no 4 of the Statement relating to recoverability of an amount of Rs. 146.64 crores as at September 30, 2021 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs. 7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.





# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

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

- 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. 036410

Mumbai, Dated: - November 12, 2021

UDIN: 21036410 AAAAHC 8113