

Date: 23rd February, 2022

The National Stock Exchange of India Ltd.

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

BSE Limited

1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
BSE Code: 509550

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 23rd February, 2022 pursuant to Regulation 30 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, you are hereby informed that the Board of Directors ("Board") of the Company at its meeting held on 23rd February, 2022 which commenced at 3:00 p.m. and concluded at 7:30 p.m. *inter - alia* transacted the following business:

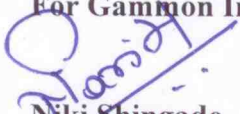
- (i) **Approval of the Un-Audited Standalone Financial Statements of the Company for the quarter ended 31st December, 2021 and**
- (ii) **Approval of the Un-Audited Consolidated Financial Statements of the Company for the quarter ended 30th June, 2021, quarter and half year ended 30th September, 2021 and quarter ended 31st December, 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>.

You are requested to take the above information on record.

Thanking you,

For Gammon India Limited


Niki Shingade
Company Secretary

Encl: As above

GAMMON INDIA LIMITED

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

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

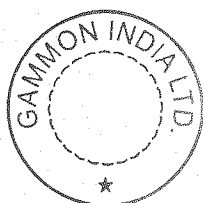
CIN : L74999MH1922PLC000997

Statement of unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2021

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31-Dec-21	30-Sep-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Mar-21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Income						
	a) Revenue from Operations :	7.00	11.59	17.91	25.85	34.18	52.84
	b) Other Income	6.74	4.16	8.82	16.69	23.84	33.38
	Total Income (a+b)	13.74	15.75	26.73	42.54	58.02	86.22
II	Expenses						
	a) Cost of material consumed	2.67	2.41	2.76	7.67	5.48	13.98
	b) Subcontracting Expenses	1.89	6.63	12.80	10.93	22.84	32.10
	c) Employee benefits expense	1.93	2.11	1.98	6.08	5.45	7.44
	d) Finance Costs	183.58	177.60	158.97	534.07	476.99	605.96
	e) Depreciation & amortization	0.87	0.95	2.24	2.82	6.83	9.01
	f) Other expenses	3.13	(2.84)	9.80	10.30	26.57	41.34
	Total Expenses	194.07	186.86	188.55	571.87	544.16	709.83
III	Profit/(Loss) before exceptional items and tax	(180.33)	(171.11)	(161.82)	(529.33)	(486.14)	(623.61)
IV	Exceptional items Income / (Expense)	-	-	-	-	-	(95.56)
V	Profit / (Loss) before tax	(180.33)	(171.11)	(161.82)	(529.33)	(486.14)	(719.17)
VI	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	-	(2.27)
	Deferred Tax Liability / (asset)	2.03	0.33	0.06	2.68	0.21	(0.05)
	Total tax expenses	2.03	0.33	0.06	2.68	0.21	(2.32)
VII	PROFIT FOR THE PERIOD / YEAR	(182.36)	(171.44)	(161.88)	(532.01)	(486.35)	(716.85)
VIII	Other Comprehensive Income:						
	Items that will not be reclassified to profit or loss (net of Tax)						
	Remeasurement gain/ (loss) on defined benefit plans [net of tax]	0.02	0.02	(0.01)	(0.01)	0.07	0.10
	Other Comprehensive Income:	0.02	0.02	(0.01)	(0.01)	0.07	0.10
IX	Total Comprehensive Income / (Loss) For The Period / Year	(182.34)	(171.42)	(161.89)	(532.02)	(486.28)	(716.75)
X	Paid up Equity Share Capital (Face Value ₹ 2 per Equity share)						74.11
	Other Equity						(4,981.48)
XI	Earnings per equity share						
	Basic	(4.94)	(4.65)	(4.39)	(14.42)	(13.19)	(19.43)
	Diluted	(4.94)	(4.65)	(4.39)	(14.42)	(13.19)	(19.43)

See accompanying notes to the financial results



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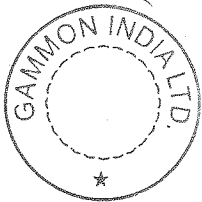
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BY *Handwritten signature*
NAYAN PARIKH & CO
MUMBAI

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

Notes:

1. The Financial Results for the quarter and nine months ended December 31, 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 23, 2022 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, 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 December 31, 2021 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the quarter and the same are due to them and they have a very good chance of realisation.
 - b) There are disputes in six projects of the Company. The total exposure against these projects is Rs. 349.74 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 43.49 crore and other receivables Rs. 158.19 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 Deepmala Infrastructure Private Limited developing a real estate project in Bhopal is Rs 261.91 crores (net of provisions of Rs. 100 crores against its exposure based on internal estimates of the realisable value). Due to slow down in the real estate market and various other factors the subsidiary company is facing problems in the development of its projects and its sale. The subsidiary's RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. 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.
 - d) During the nine months ended December 31, 2021 two lenders have levied penal interest and charges of Rs 56.25 Crores. Total amount of penal interest and charges amounts to Rs. 304.83 Crores up to December 31, 2021. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this.



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CIN : L74999MH1922PLC000997

SIGNED FOR IDENTIFICATION

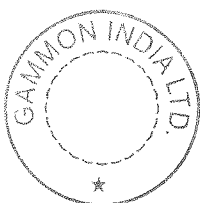
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- e) The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 1383.58 crores of which Gammon International BV is Rs. 966.49 Crores and Gammon Holding Mauritius Limited is Rs.417.09 Crores. Based on the valuation carried out by 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 December 31, 2021 due to Covid-19 Pandemic. In the absence of fair valuation report no impact if any on the carrying value of the exposure has been recognised.
4. The Company in evaluating its jobs has considered an amount of Rs. 7.56 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

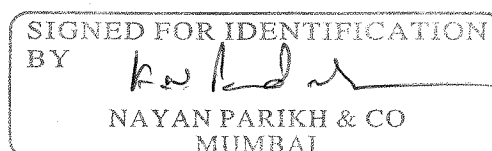
In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of Rs. 146.64 Crore in the previous years, which is part of Long Term Trade Receivable. The Company contends that such awards have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

5. The Company has receivable including retention and work in progress aggregating to Rs. 44.51 Crore (inventory - Rs. 21.19 crores and receivables Rs. 23.31 crores) in various jobs relating to the Real Estate Projects due to the problems faced by the Real Estate Sector. The management is confident of ultimate recovery considering its contractual position and therefore no adjustments are required to be made in respect of such contracts.
6. Material Uncertainty Relating to Going Concern:

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. Also the Company's current liabilities exceed the current assets by Rs. 8302.15 Crore as at December 31, 2021. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The liquidity crunch is affecting the Company's operation with increasing severity. The CDR lenders have recalled the various facilities, initiated recovery suits



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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

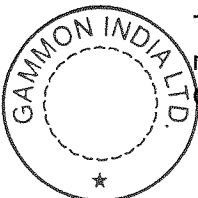
To take into consideration the above mentioned circular issued by RBI and the execution of the ICA, ICICI Bank Limited being the lead monitoring institution of the CDR Lenders, invited all the lenders for a consortium meeting and the ICA was executed in July 2019 by all the lenders.

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.

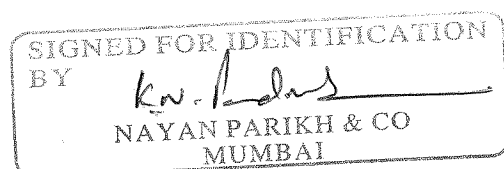
In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, Six lenders including the lead monitoring institution provided their in-principle sanction to the company and the company is pursuing 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.



Onote



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

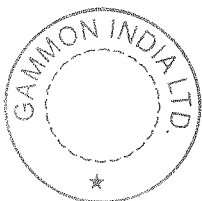
Therefore, in the view of the management the going concern assumption of GIL is intact and these financials are prepared on a going concern basis. The above action plan of the Company for repaying the debts and servicing the same including the necessary value of the balance stake being available and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

7. The Company has received an award in respect of its joint venture relating the Chennai Metro project. The Company is exploring legal option in contesting the quantum and other matter arising out of the award, pending which no impact of the award is considered in these financial results.
8. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Indian Accounting Standard INDAS -108 is done in respect of this segment.
9. On account of the company being marked as non performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.
10. The Exceptional items include the following

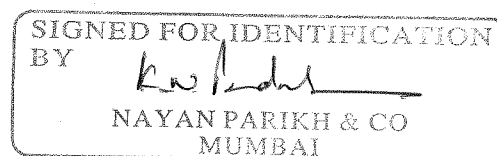
Rs. In Crore

Particulars	Nine months ended December 31, 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	-	(1.00)
Total	-	95.56

11. The Covid-19 Pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the Governments. The operations of the Company were impacted, due to shutdown of Projects and offices following nationwide lockdown. Various proposals for restructuring and arbitration & settlement matters have been delayed on account of the non-availability of the officials and the offices being shut. The COVID -19 Pandemic has compounded the problems due to




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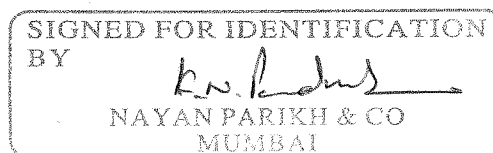


all the restrictions on the movement of people, opening of offices, and the project work at sites, which was already at its slowest. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions. The Management does not expect any further material adjustment beyond the assessments and impairments already made in the financial statements to the assets and liabilities. The Covid-19 Pandemic does not have further implications on the going concern assumptions previously assessed.

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

For Gammon India Limited


Anurag Choudhry
Executive Director & CFO
DIN No. 00955456
Mumbai, February 23, 2022



NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

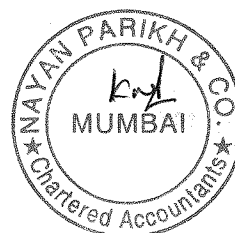
PHONE : (91-22) 2640 0358, 2640 0359

Independent Auditor's Limited Review Report on unaudited standalone financial results for the quarter and nine months ended December 31, 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 nine months ended December 31, 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.



NAYAN PARIKH & CO.

(REGISTERED)

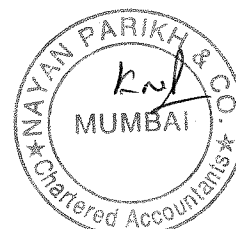
CHARTERED ACCOUNTANTS

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

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 December 31, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert, on the recovery of the claims, except the award received, mentioned in note 7 of the statement, which is also being contested by the Company. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results for the quarter and nine months ended December 31, 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. 349.74 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. 361.91 crores. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. Considering the liquidity crunch, cancelled RERA registration and pending outcome of the discussion with lenders we are unable to state whether any further provision is required towards the balance exposure of Rs. 261.91 crores.
- d. We invite attention to note no 3 (d) relating to penal interest and charges of Rs 56.25 crores during the nine months charged by the lenders on its facilities. Total of penal interest and charges aggregates to Rs. 304.83 Crores up to December 31, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.



NAYAN PARIKH & CO.

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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 December 31, 2021. In absence of sufficient and appropriate evidence towards the fair value assessment of the exposure to Sofinter S.p.A., we are unable to comment whether any adjustments are required towards the exposure of the subsidiary as at December 31, 2021. Total Exposure towards the two Subsidiary is Rs. 827.12 Crores (Net of Provision).

a) Qualified Conclusion

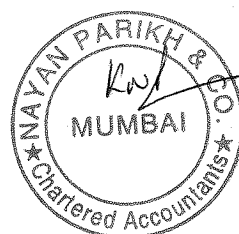
Except for the possible effects arising out of the matters mentioned in para 4(a) to 4(e) of our Basis for Qualified Conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards 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 8302.15 Crore as at December 31, 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 six 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;



NAYAN PARIKH & CO.

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- a) We draw attention to Note no 4 of the Statement relating to recoverability of an amount of Rs. 146.64 crores as at December 31, 2021 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs. 7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.
- b) We draw attention to Note no 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: - February 23, 2022

UDIN: 22036410ADLVDA118



STATEMENTS OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2021

(₹ in Crore)

Sr No	Particulars	Quarter ended			Nine Months ended		Year Ended
		31-Dec-21	30-Sep-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Mar-21
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from Operations	7.04	11.61	18.53	26.03	35.64	54.52
	(b) Other Income	6.61	(52.61)	91.76	11.07	206.52	120.72
	Total Income	13.65	(41.00)	110.29	37.10	242.16	175.24
2	Expenses						
	(a) Cost of Sales	2.83	2.40	2.79	7.14	5.51	14.36
	(b) Purchases of stock-in-trade	-	-	0.32	-	0.32	-
	(c) Subcontracting Expenses	1.89	6.63	12.85	10.93	22.92	32.18
	(d) Employee benefits expense	2.08	2.26	2.15	4.67	5.90	8.06
	(e) Finance Costs	221.22	214.23	184.57	647.53	555.56	751.95
	(f) Depreciation & amortization	0.89	0.97	2.26	2.89	6.90	9.11
	(g) Other expenses	68.77	9.61	4.30	79.86	17.82	119.02
	Total Expenses	297.68	236.10	209.24	753.02	614.93	934.68
3	Profit/(Loss) before exceptional items and tax	(284.03)	(277.10)	(98.95)	(715.92)	(372.77)	(759.42)
4	Exceptional items (Income) / Expense	-	-	-	-	-	(35.70)
5	Profit / (loss) before share of (profit)/loss of associates and joint ventures and tax	(284.03)	(277.10)	(98.95)	(715.92)	(372.77)	(795.14)
6	Share of profit / (loss) of associates and joint ventures	-	-	-	-	0.06	(0.34)
7	Profit / (Loss) before tax	(284.03)	(277.10)	(98.95)	(715.92)	(372.71)	(795.48)
8	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Excess / Short Provision of Earlier years	-	-	-	-	0.85	(1.42)
	Deferred Tax Liability / (asset)	2.04	0.34	0.10	2.70	0.29	0.66
	Total tax expenses	2.04	0.34	0.10	2.70	1.14	(0.76)
9	Profit after tax for the period	(286.07)	(277.44)	(99.05)	(718.62)	(373.85)	(794.72)
10	Other Comprehensive Income:						
	Items that will not be reclassified to profit or loss:						
	- Remeasurements of the defined benefit plans [net of tax]	0.02	0.02	-	(0.01)	0.07	0.10
	Items that will be reclassified to profit or loss						
	- Exchange differences through OCI	52.99	57.33	(73.73)	53.04	(157.24)	(70.18)
	- Net gain/ (loss) on fair value of equity instruments through OCI	-	-	-	-	-	-
	Other Comprehensive Income for the year	53.01	57.35	(73.73)	53.03	(157.17)	(70.08)
11	Total Comprehensive Income / (Loss) For The Period	(233.06)	(220.09)	(172.78)	(665.59)	(531.02)	(864.80)
	Profit for the year attributable to:						
	- Owners of the Company	(282.92)	(274.30)	(98.93)	(709.18)	(373.47)	(781.68)
	- Non- Controlling interest	(3.15)	(3.15)	(0.12)	(9.44)	(0.38)	(13.04)
12	Other Comprehensive Income attributable to:						
	- Owners of the Company	53.01	57.35	(73.73)	53.03	(157.17)	(70.08)
	- Non- Controlling interest	-	-	-	-	-	-
13	Total Comprehensive Income attributable to:						
	- Owners of the Company	(229.91)	(216.95)	(172.66)	(656.15)	(530.64)	(851.76)
	- Non- Controlling interest	(3.15)	(3.15)	(0.12)	(9.44)	(0.38)	(13.04)
14	Earnings per equity share						
	Basic	(7.67)	(7.44)	(2.68)	(19.23)	(10.13)	(21.19)
	Diluted	(7.67)	(7.44)	(2.68)	(19.23)	(10.13)	(21.19)

See accompanying notes to the financial results



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GAMMON INDIA LIMITED**Registered Office :** Floor 3rd, Plot - 3/8, Hamilton House, J. N. Heredia Marg, Ballard Estate,Mumbai - 400 038. Maharashtra, India; **Telephone :** +91-22-2270 5562**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, 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 23, 2022 and have been subjected to limited review by the Statutory Auditors of the Company.
2. Results for the quarter and Nine Month ended December 31, 2021 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016.
3. The 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 December 31, 2021 with the help of an independent expert in the field of claims and arbitration who had assessed the likely amount of claims being settled in favour of the Company. The management contends that there is no change in position during the quarter and the same are due to them and they have a very good chance of realisation.
 - b) There are disputes in four projects of the Company. The total exposure against these projects is Rs. 265.32 Crore consisting of receivable of Rs. 148.05 crores, inventory Rs. 43.49 crore and other receivables Rs. 73.77 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 Deepmala Infrastructure Private Limited in Bhopal is Rs 936.48 crore. Due to slow down in the real estate market and various other factors the subsidiary company is facing problems in the development of its projects and its sale. The Company has already made a provision of Rs 100 crores against its project development inventory based on internal estimates of the realisable value which has been adjusted against its carrying value. The management is confident that there will be no further provision required towards impairment. The subsidiary's RERA registration got cancelled and it was unable to settle the One Time Settlement direction from lenders for settlement of term loan. 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.



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- d) During the nine months ended December 31, 2021 two lenders have levied penal interest and charges of Rs 46.25 Crores. Total amount of penal interest and charges amounts to Rs. 304.83 Crores up to December 31, 2021. The management is disputing the same and has not accepted the debit of excess penal interest and charges in its books. They have also requested the lenders to reverse the same. In the resolution plan which is approved by two lenders, this amount is likely to be reversed and the resolution plan does not consider the Company liability to pay this
- e) The exposure of the Company in Sofinter S.p.A through two subsidiaries is Rs. 851.23. crores of which Gammon International BV is Rs. 415.46 Crores and Gammon Holding Mauritius Limited is Rs. 435.77 Crores. These investments are carried at Fair Value through Other Comprehensive Income (FVTOCI) which were based on the valuation carried out by an independent valuer as at March 2020. The Company has not carried out fair valuation of investment as required by Ind AS 109 "Financial Instrument" as at March 31, 2021 and as at December 31, 2021 due to Covid-19 Pandemic and In the absence of fair valuation report no impact, if any, on the carrying value of investment has been recognised

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

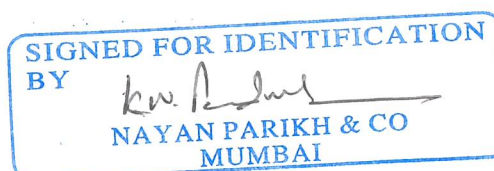
ACBI had received amounts as share application money of Rs 16.64 Crores from M/s Ansaldo caldaie S.p.A. for further allotment of shares which were to be issued on terms and conditions to be decided by the Board. However, the Company has neither made the allotment of shares nor refunded the money as per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

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

The Company's operations have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, operational issues etc. The Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment. Also the Company's current liabilities exceed the current assets by Rs. 8589.25 Crore as at December 31, 2021. The facilities of the Company with the CDR lenders are presently marked as NPA since June 2017. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. The liquidity crunch is affecting the Company's operation with increasing severity. The CDR lenders have recalled the various facilities, initiated recovery suits in the Debt Recovery Tribunals as well as filing a winding up petition with the National Company Law Tribunal, Mumbai bench under the Insolvency and Bankruptcy code



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

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

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

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

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

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

In furtherance to the execution of the ICA, the Company submitted a draft resolution plan to the consortium of lenders. Pursuant to the submission of the resolution plan, Six 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.



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

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

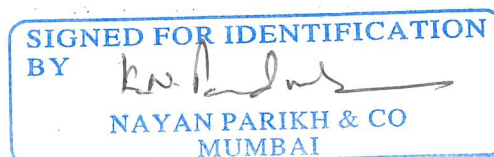
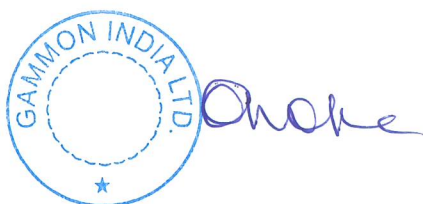
Ansaldo Caldaie Boilers India Limited

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.

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

7. The 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 has received an award in respect of its joint venture relating the Chennai Metro project. The Company is exploring legal option in contesting the quantum and other matter arising out of the award, pending which no impact of the award is considered in these financial results.



9. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.752.05 crores (fully provided) including Investments and guarantees towards the acquisition loan taken by the SPV. The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. had already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. The commissioner has not started the actual disposal of the property. However the liabilities to be discharged against the surplus on disposal (net of tax) are not yet crystallised and firmed up as on date. The Commissioner of the said FTM has released summarized statement of affairs from July 2016 to December 2016 from which also the values of assets and liabilities to be discharged there against are unclear.

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

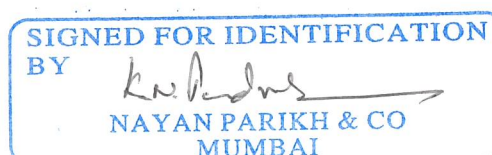
On account of the above facts and the absence of financial statements of the said FTM, FTM functions under severe long term restrictions which impair its ability to transfer funds to its parent. Further the parent does not have any control whatsoever as the entire control lies with the commissioner and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

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

10. On account of the company being marked as non-performing assets by the lenders no interest has been debited by majority of the lenders. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore, the loan balances and finance cost are subject to confirmation and consequent reconciliation, if any.
11. Other income for the quarter ended September 30, 2021 is negative on account of reversal of exchange gain during that quarter.





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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.
13. 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.
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, February 23, 2022

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BY 
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(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, 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 Consolidated Financial Results ("Statement") of Gammon India Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its joint ventures and associates for the quarter and nine months ended December 31, 2021, attached herewith, being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016.
2. This Statement is the responsibility of the Company's Management. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**
 - (a) We invite attention to note no. 3 (a) of the statement, detailing the recognition of claims during the earlier years in respect of on-going, completed and/or terminated contracts. The aggregate amount of claims outstanding as at December 31, 2021 is Rs. 931.69 crores. These claims were recognised only on the basis of opinion of an expert in the field of claims and arbitration. There are no further updates from the expert, on the recovery of the claims, except the award received, mentioned in note 8 of the statement, which is also being contested by the Company. In view of the above-mentioned circumstances and facts we are



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unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial statements for the quarter and nine months ended December 31, 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. 265.32 crores in respect of disputes in four projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure.
- (c) We invite attention to note no 3 (c) relating to the exposure of the Company to a real estate project of one of the subsidiary engaged in real estate development in Bhopal. The Company in its Standalone Financial results had on prudent basis in the earlier years, based on internal estimates, made a provision of Rs. 100 crores against the exposure of Rs. 361.91 crores which has been adjusted against the carrying value of inventory of said project in these consolidated financial statements. The subsidiary's RERA registration got cancelled and have severe liquidity crunch and was also unable to settle One Time Settlement directions from the lenders for settlement of the term loan. The subsidiary company is in active discussion with the lenders for the financial support for completion of the project. 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 exposure (Net) towards inventory of Rs. 836.48 crores.
- (d) We invite attention to note no 3 (d) relating to penal interest and charges of Rs 56.25 crores during the nine months charged by the lenders on its facilities. Total of penal interest and charges aggregates to Rs. 304.83 Crores up to December 31, 2021. The same has not been debited to profit and loss account as management is disputing the same and in discussion with the lenders for reversal of the said penal interest and charges. In the absence of conclusion of the aforesaid discussion, we are unable to state whether any provision is required to be made against such penal interest and charges.
- (e) We Invite attention to note no 3 (e) relating to exposure of the Group in Sofinter S.p.A through two subsidiaries, where the Company has not carried out valuation of Sofinter S.p.A as at March 31, 2021 and as at December 31, 2021. In absence of sufficient and appropriate evidence, we are unable to comment whether any adjustments are required towards the fair value of the investment in Sofinter S.p.A. measured at Fair Value through Other Comprehensive Income as at December 31, 2021, Total Exposure of the two Subsidiary is Rs. 851.23 Crores.
- (f) The auditors of one subsidiary Ansaldo Caldaie Boilers India Pvt Ltd of the Company carries a qualification in their Review Report as follows:



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

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

- i) M/s Deepmala Infrastructure Private Limited, a subsidiary of the Company whose financial statements reflects total assets of Rs. 1,108.76 crores and total revenues of Rs. Nil.
- ii) M/s Campo Puma Oriente S.A, Panama, a Joint Venture of the Company whose financials statement has been not received. There are no audited financial statements after 31st December 2012.
- iii) M/s Gammon OJSC Mosmetrostroy, a Joint Venture of the group. There are no audited financial statements since March 31, 2021.

5. The consolidated financial results of the Group includes the results for the quarter and nine months ended December 31, 2021 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(g) our basis for qualified conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of



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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 by Rs 8589.25 Crore as at December 31, 2021 which has only increased in the quarter. 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 six lenders as detailed in the note no. 5 but the final approval of all lenders and the execution of the plan and its success involves material uncertainties that may cast significant doubt about the Going Concern Assumption. Our report is not qualified on this account.

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

Ansaldo Caldaie Boilers India Limited

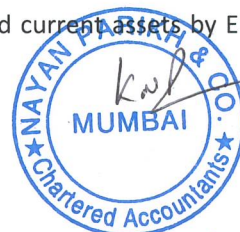
The Company is facing difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the company's ability to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

ATSL Holding BV

As at December 31, 2021 Current liabilities exceed current assets by Euro 2.02 Crores (Rs. 170.09 Crores), the Company is taking various steps to meet its commitments both short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have a significant effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements.

Gammon Holding BV

As on December 31, 2021 current liabilities exceed current assets by Euro 6.94 Crores (Rs.



NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

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

Gammon International BV

As on December 31 2021, current liabilities exceed current assets by Euro 7.62 Crores (Rs. 640.29 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sofinter S.p.A.. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions. Our opinion is not qualified on this account.

Gammon International FZE

As on December 31, 2021, current liabilities exceed current assets by AED 1.25 Crores (Rs. 25.45 Crores). The Company is taking various steps to meet its commitments, both, short term and long term in nature. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty, which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions.

Pvan Eerd Beheersmaatschappij B.V

As on December 31, 2021, current liabilities exceed current assets by Euro 1.71 Crores (Rs. 143.90 Crores). The company is taking various steps to meet its commitments, both, short term and long term in nature. However the ability of the Company to meet its commitment depends upon the disposal of the Investment made in Sadelmi SpA, which presently is impaired. This situation along with the financial stress the parent Company is presently facing indicates significant uncertainty which may have an effect on the going concern assumption and the carrying values of the assets and liabilities in these financial statements. The conditions as detailed in aforesaid note indicate existence of material uncertainties relating to the timing and realisation of the cash flows that may cast significant doubt about the going concern assumptions

Gammon Holdings Mauritius Limited

As on December 31, 2021, current liabilities exceed current assets by USD 4.32 Crores (Rs.



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321.28 Crores). This Condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial Statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the Shareholder.

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.146.64 crores as at December 31, 2021 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs.7.56 crores where the Company is confident of recovery. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.
- b) We draw attention to Note no 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 11 subsidiaries, which have been reviewed by their Auditors, whose standalone financial results reflect total assets of Rs.1487.23 Crores, total revenues of Rs. 1.28 Crores and total net loss after tax of Rs.127.41 Crores for the nine months ended December 31, 2021. The other Auditors' reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is solely based on the reports of the other auditor and the procedures performed by us as stated in para 3 above.
- b) The statement also includes the standalone financial results of 8 subsidiaries, which have not been reviewed by their auditors or us, whose standalone financial results reflect total assets



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of Rs. 1144.28 Crores, total revenues of Rs. Nil and total net loss after tax of Rs. 32.55 Cores for the nine months ended December 31, 2021, as considered in the statement. Our conclusion is not qualified on this account except for the material subsidiary and joint venture mentioned in our basis for qualified conclusion para.

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



K N Padmanabhan
Partner
M. No. 036410

Mumbai, Dated: - February 23, 2022

UDIN : 22036410 ADLVUF2443

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Annexure A

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

