



18th March, 2014

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

Bombay Stock Exchange Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir,

Sub: Outcome of the Board Meeting held on 18th March, 2014

As required under Clause 41 of the Listing Agreement, please find enclosed herewith Audited Standalone Financial Results of the Company for the year ended 31st December, 2013.

The aforesaid results, duly reviewed by the Audit Committee, have been approved and taken on record by the Board of Directors at its Meeting held on 18th March, 2014.

Kindly take note of the same.

Thanking you,

**Yours faithfully,
FOR GAMMON INDIA LIMITED**


**GITA BADE
COMPANY SECRETARY**

Encl.: As above



GAMMON INDIA LIMITED

Audited Financial Results for the Nine Month Period Ended 31 December 2013

GAMMON
(Rupees in Lacs)

S.No.	Particulars	Quarter Ended			9 Month Ended		Year Ended
		Audited	Unaudited	Unaudited	Audited	Unaudited	Audited
		31 Dec 2013	30 Sep 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Mar 2013
1	Income from Operations						
	Net Sales / Income from Operations	101,803	104,558	121,647	327,931	356,480	519,736
2	Expenses						
	Cost of Material Consumed	43,366	40,306	67,207	140,582	182,091	262,136
	Purchases of Stock-in-trade	5,032	4,231	3,608	13,291	13,393	22,502
	Change in inventory of WIP and FG	2,035	16,774	3,154	18,265	(15,635)	(26,509)
	Subcontracting Expenses	25,034	24,740	26,783	77,531	78,729	115,484
	Employee Benefits Expenses	10,767	10,970	12,138	32,816	38,058	51,876
	Depreciation and Amortisation	2,841	2,826	2,663	8,330	8,101	10,739
	Other Expenses	31,072	22,965	23,926	70,705	61,841	85,759
	Total Expenses	120,147	122,812	139,479	361,520	366,578	521,987
3	Profit/(Loss) from Operations Before Other Income, Finance Costs	(18,344)	(18,254)	(17,832)	(33,589)	(10,098)	(2,251)
4	Interest & Other Income	3,602	1,911	3,705	8,444	10,377	13,242
5	Profit/(Loss) from Ordinary Activities Before Finance Costs and Forex Fluctuation	(14,742)	(16,343)	(14,127)	(25,145)	279	10,991
6	Finance Cost	14,395	13,795	12,605	40,215	32,552	44,341
7	Forex Fluctuation (Gain) / Loss	220	(640)	(298)	(1,346)	(264)	(22)
8	Exceptional Items	28,141	(1,246)	-	27,088	-	10,664
9	Profit Before Tax	(57,498)	(28,252)	(26,434)	(91,102)	(32,009)	(43,992)
10	Tax Expenses	(12,057)	(2,098)	(270)	(14,511)	60	575
11	Net Profit/(Loss) for the period	(45,441)	(26,154)	(26,164)	(76,591)	(32,069)	(44,567)
12	Paid-up Equity Share Capital (Face Value Rs.2/- per Equity Share)	2,716	2,716	2,716	2,716	2,716	2,716
13	Reserves, excluding Revaluation Reserve as per Audited Balance Sheet				90,726		157,372
14	Earning Per Share (Rupees)						
	Basic	(33.47)	(19.26)	(19.27)	(56.41)	(23.62)	(32.82)
	Diluted #	(33.47)	(19.26)	(19.27)	(56.41)	(23.62)	(32.82)
15	Ratio						
	Debt Service Coverage Ratio(DSCR)*				(2.09)		(1.57)
	Interest Service Coverage Ratio (ISCR)**				(1.12)		0.24
A	Particulars of Shareholding						
1	Public Shareholding						
	- Number of Shares	88,743,314	88,743,314	88,368,314	88,743,314	88,368,314	88,368,314
	- Percentage of Shareholding	65.01%	65.01%	64.74%	65.01%	64.74%	64.74%
2	Promoters & Promoter Group Shareholding						
	Pledge/ Encumbered						
	- Number of Shares	44,653,699	44,653,699	11,645,000	44,653,699	11,645,000	11,575,000
	- Percentage of Shares	93.50%	93.50%	24.19%	93.50%	24.19%	24.05%
	(as a % of total Shareholding of Promoter & Promoter group)						
	(as a % of total Share Capital of the Company)	32.72%	32.72%	8.53%	32.72%	8.53%	8.48%
	Non-encumbered						
	- Number of Shares	3,103,455	3,103,455	36,487,154	3,103,455	36,487,154	36,557,154
	- Percentage of Shareholding	6.50%	6.50%	75.81%	6.50%	75.81%	75.95%
	(as a % of total Shareholding of Promoter & Promoter group)						
	(as a % of total Share Capital of the Company)	2.27%	2.27%	26.73%	2.27%	26.73%	26.78%
B	Investor Complaints						
	Pending at the beginning of the period				0		
	Received during the period				11		
	Disposed of during the period				11		
	Remaining unresolved at the end of the period				0		

Since the options granted are anti dilutive hence diluted EPS is not computed

* DSCR = (PAT+Depreciation+Interest on long term loans) / (Interest & Principal repayment of long term loans during the year)

** ISCR = (PBT+Depreciation+Gross Interest) / Interest expenses during the year

GAMMON INDIA LIMITED

An ISO 9001 Company



GAMMON INDIA LIMITED



GAMMON

BALANCE SHEET AS AT 31 DEC 2013

(Rs. In Lacs)

	As At 31 Dec 2013	As At 31 Mar 2013
<u>EQUITY AND LIABILITIES</u>		
Shareholders' Funds		
Share Capital	2,750	2,750
Reserves and Surplus	101,828	168,712
	104,578	171,462
Non-Current Liabilities		
Long Term Borrowings	325,848	90,912
Deferred Tax Liabilities (Net)	-	7,035
Other Long Term Liabilities	43,443	36,528
Long Term Provisions	19,333	1,258
	388,624	135,733
Current Liabilities		
Short Term Borrowings	108,503	239,132
Trade Payables	151,177	181,160
Other Current Liabilities	89,097	116,752
Short Term Provisions	1,078	887
	349,855	537,931
TOTAL	843,057	845,126
<u>ASSETS</u>		
Non-Current Assets		
Fixed Assets		
- Tangible Assets	112,642	112,596
- Intangible Assets	125	222
- Capital Work in Progress	2,990	3,386
	115,757	116,204
Non-Current Investments	18,188	21,915
Deferred Tax Assets (Net)	7,737	-
Long Term Loans and Advances	218,569	194,486
Long Term Trade Receivable	86,990	81,248
Other Non-Current Assets	8,908	7,223
	340,392	304,872
Current Assets		
Current Investments	214	221
Inventories	175,195	200,198
Trade Receivables	128,263	147,866
Cash and Bank Balances	9,045	7,801
Short Term Loan and Advances	38,851	31,100
Other Current Assets	35,340	36,864
	386,908	424,050
TOTAL	843,057	845,126

Notes:

1. The Audited Financial Results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 18th March 2014.

The figures for the quarter ended 31st Dec 2013 are the balancing figure between the audited figures in respect of full financial period ended 31st Dec 2013 and the unaudited year to date published figures upto 30th Sept 2013

2. The Auditor has qualified their audit report on the following matters-
- a) Their inability to opine on the adequacy of the provision towards impairment relating to investment in Franco Tosi Meccanica S.p.A. (FTM), step down subsidiary:

Management Response:

The application for a pre-insolvency procedure filed by FTM was admitted by the court of Milan on 7th June 2013 after having received confirmation of the possibility of continuity of the company, by calling for bids for the lease of its business. The successful bidder for the lease was foreseen to be finalized by early December 2013. However till date no decision in this regard is forthcoming. The continuous delay in final closure has put the ongoing projects at risk, unless immediate steps are taken to scale up the execution with intent to meet the existing project schedules. In light of the ongoing procedure no financial statements of the company have been released to date and it is expected that this will not be released until the entire process is complete. The management is in an advance stage of negotiation with intended buyer to sell its stake in the said company.

- b) Their inability to opine on the adequacy of provision for impairment relating to Investment and advance in SAE S.r.l. step down subsidiary of the Company

Management Response:

The Company has exposure towards investment and guarantee against acquisition loan. On the basis of offer received from intended buyer & following principle of conservatism the Company has made a provision of Rs. 11045 lac and Rs. 8829 lac towards guarantees given for acquisition loan taken by SPV.

- c) Amount contributed in excess of limit prescribe under Section 293(1)(e) of the Companies Act, 1956 of Rs. 52 lac
- d) The Company's application for waiver of excess remuneration of Rs.184 Lacs paid to CMD and Rs.25 Lacs paid to an Executive Director during the year 2011-12 has been rejected. The Company has preferred a representation to the Ministry to reconsider its decision and reply is awaited.

The Company's application for payment of remuneration to Chairman & Managing Director for the year 2012-13 of Rs.685 Lacs and 2013-14 of Rs.414 Lacs is pending for approval with the Central Government. The Company's application for payment of remuneration to Mr Himanshu Parikh for year 2012-13 has been approved for Rs.166 Lacs as against proposed remuneration of Rs.171 Lacs.

3. Exceptional item:

(Rs. In lacs)

Particulars	April-Dec 2013	April-March 2013
Provision for Risks and Contingencies	184,38	
Provision towards impairment of Investments/ Advances	95,00	95,29
Reversal of interest cost (net of expenses) due to implementation CDR	(8,50)	
Provision towards operation in Oman		11,35
Total	270,88	106,64

4. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" and Windmills 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 Accounting Standard AS -17 is done in respect of these segments.
5. The Board of Directors in their meeting held on 18th February 2014 and as confirmed by the CDR EG, the Company has closed its financial year as at 31st December 2013. Accordingly these financial statements are for a period of 9 months from 1st April 2013 to 31st December 2013 and are not comparable with the figures for the previous year of 12 months.



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

For Gammon India Limited

A handwritten signature in blue ink, appearing to read 'Abhijit Rajan', with a horizontal line underneath.

Abhijit Rajan
Chairman & Managing Director
Mumbai, 18 Mar 2014