

**GAMMON****GAMMON INDIA LIMITED**

Unaudited Financial Results for the Quarter Ended 31 December 2014

(Rupees in Crore)

S.No.	Particulars	Quarter Ended			9 Month Ended
		Unaudited	Audited *	Audited *	Audited
		31 Dec 2014	30 Sep 2014	31 Dec 2013	30 Sep 2014
1	Income from Operations				
	Net Sales / Income from Operations	699.37	902.97	1,018.03	2,966.99
2	Expenses				
	Cost of Material Consumed	304.84	401.47	433.66	1,295.77
	Purchases of Stock-in-trade	19.55	57.22	50.32	164.37
	Change in inventory of WIP and FG	(44.26)	(17.26)	20.35	46.24
	Subcontracting Expenses	186.79	213.13	250.34	625.67
	Employee Benefits Expenses	105.07	114.28	107.67	336.65
	Depreciation and Amortisation	36.50	27.02	28.41	81.85
	Other Expenses	156.65	207.42	310.72	587.03
	Total Expenses	765.14	1,003.28	1,201.47	3,137.58
3	Profit/(Loss) from Operations Before Other Income, Finance Costs	(65.77)	(100.31)	(183.44)	(170.59)
4	Interest & Other Income	49.55	632.02	36.02	708.46
5	Profit/(Loss) from Ordinary Activities Before Finance Costs and Forex Fluctuation	(16.22)	531.71	(147.42)	537.87
6	Finance Cost	164.06	161.40	143.95	452.72
7	Forex Fluctuation (Gain) / Loss	(2.48)	1.76	2.20	7.71
8	Exceptional Items	-	-	281.41	-
9	Profit Before Tax	(177.80)	368.55	(574.98)	77.44
10	Tax Expenses	(17.05)	6.89	(120.57)	9.64
11	Net Profit/(Loss) for the period	(160.75)	361.66	(454.41)	67.80
12	Paid-up Equity Share Capital (Face Value Rs.2/- per Equity Share)	27.16	27.16	27.16	27.16
13	Reserves, excluding Revaluation Reserve as per Audited Balance Sheet				955.88
14	Earning Per Share (Rupees)				
	Basic	(11.84)	21.69	(33.47)	0.05
	Diluted #	(11.84)	21.69	(33.47)	0.05
A	Particulars of Shareholding				
1	Public Shareholding				
	- Number of Shares	8,87,43,314	8,87,43,314	8,87,43,314	8,87,43,314
	- Percentage of Shareholding	65.01%	65.01%	65.01%	65.01%
2	Promoters & Promoter Group Shareholding				
	Pledge/ Encumbered				
	- Number of Shares	4,46,53,699	4,46,53,699	4,46,53,699	4,46,53,699
	- Percentage of Shares				
	(as a % of total Shareholding of Promoter & Promoter group)	93.50%	93.50%	93.50%	93.50%
	(as a % of total Share Capital of the Company)	32.72%	32.72%	32.72%	32.72%
	Non-encumbered				
	- Number of Shares	31,03,455	31,03,455	31,03,455	31,03,455
	- Percentage of Shareholding				
	(as a % of total Shareholding of Promoter & Promoter group)	6.50%	6.50%	6.50%	6.50%
	(as a % of total Share Capital of the Company)	2.27%	2.27%	2.27%	2.27%
B	Investor Complaints				
	Pending at the beginning of the period	0			
	Received during the period	2			
	Disposed of during the period	2			
	Remaining unresolved at the end of the period	0			

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

* Refer Note 2

GAMMON INDIA LIMITED

An ISO 9001 Company

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025, INDIA.



Notes:

1. The Financial Results for the quarter ended December 2014 were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 13 February 2015 and have been subjected to limited review by the Statutory Auditors of the Company as required by Clause 41 of the listing.
2. The figures for the quarter ended 30 September 2014 and 31 December 2013 are the balancing figure between the audited figures in respect of full 9 month period ended 30 September 2014 and 31 December 2013 and the unaudited year to date published figure up to 30 June 2014 and 30 September 2013 respectively.
3. During September 2014 quarter, the Company has sold its entire stake in its subsidiary M/s Gammon Infrastructure Projects Limited to its subsidiary M/s Gammon Power Limited. The excess of the consideration over the book value of the investments amounting to Rs.605.92 Crore has been shown under other income.
4. The Company's exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs.568.85 Crore of funded exposure and Rs.589.87 Crore of non-funded exposure against Corporate Guarantee as at December 2014 including Investments and guarantees towards the acquisition loan taken by the SPV. The application for a pre-insolvency procedure filed by FTM was admitted by the court of Milan on 7 June 2013 after having received confirmation of the possibility of continuity of the Company, by calling for bids for the lease of its business. However the commissioner has revised the procedure by which, instead of lease of a business the bidder will have to place an offer for outright sale of operational business to prospective bidders. Three bids were received by the commissioner on 22 December 2014. Negotiations have started with the bidders and it is expected that the successful bidder for the operating business of FTM will be finalized within end of March 2015.

Once the successful bidder takes over the operational business, the process of re-instating the encashed guarantees of Euro 17.80 Million will be initiated which management is hopeful to successfully conclude in near future hence no effect have been given by the company.

The auditors have qualified their report expressing their inability to comment upon possible further liability arising out of such corporate guarantees.

5. The Auditors of M/s SAE Powerlines S.r.l, Italy (SAE), a subsidiary of the Company have expressed their inability to opine on the financial statements in view of the said SAE's ability to operate as a going concern being at risk and the directors of the said SAE have highlighted the liquidity crisis. The total exposure of the Company in SAE and ATSL Netherlands B.V., the holding Company of SAE towards investments including guarantees towards the acquisition loan taken by SPV is Rs.354.48 Crore. The Company had made provision for impairment of investments and loan of Rs.110.45 Crore and provision for Rs.88.29 Crore for risk and contingencies for corporate guarantees for acquisition loan of the SPV and the net exposure of the Company is Rs.155.74 Crore. The Company has carried out a valuation of the business of SAE by independent valuers and based on the valuation an amount of Rs.82.59 Crore has not been provided for being the net exposure in excess of the fair value. The management is of the opinion that considering the order book position and adequate references and strengths in international markets the provision made by it for impairment of its investment, loans and trade receivable is adequate.

The auditors have qualified their report on this account.

6. The Company's application for approval of remuneration to its chairman and managing director has been rejected for the period up to 31 March 2014. Since the Company is proposing to file an appeal against the rejection hence no effects has been given in accounts. The total amount of remuneration rejected pending appeal and its effect is Rs.6.00 Crore for the year 2013-14 and Rs.8.12 Crore for the year 2012-13.

The application for the remuneration paid since April 2014 to chairman and managing director is pending for approval from the Central Government.

The auditors have qualified their report on this account.

7. The Company has extended support to one of its SPV (Subsidiary) for Rs.50.56 Crore for business operations. Due to termination of contract by the client for which management is seeking legal advice that it has a good case in the matter hence does not require any provision.

The auditors have qualified their report on this account.



