GAMMON

21st June, 2013

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 21st June, 2013.

As required under Clause 41 of the Listing Agreement, please find enclosed herewith Audited Consolidated Financial Results of the Company for the year ended 31st March, 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 21st June, 2013.

Kindly take note of the same.

Thanking you,

Yours faithfully,
FOR GAMMON INDIA LIMITED

GITA BADE
COMPANY SECRETARY

Encl.: As above

GAMMON INDIA LIMITED
An ISO 9001 Company
GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529
ISO 9001 REGISTERED

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PART I

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND FOR THE YEAR ENDED MARCH 31, 2013

(All amount in Rupees Crores)

Sr. No.	Particulars	Year ended 31.03.2013 Audited	Year ended 31.03.2012 Audited
1	Income from operations	7,344.44	8,037.35
	Other operating income	149.78	111.22
	Total income from operations (net)	**7,494.22**	**8,148.57**
2	Expenses :		
	Cost of Material Consumed	3,143.46	3,038.26
	Purchase of Stock in Trade	292.48	266.66
	Change in Inventory - WIP & FG	(349.36)	(74.72)
	Subcontracting Expenses	1,554.48	1,676.69
	Employee benefits expense	968.68	968.87
	Depreciation and amortisation expense	343.67	242.96
	Other expenses	1,503.91	1,536.27
	Total expenses	**7,457.32**	**7,654.99**
3	**Profit from operations before other income, finance costs and exceptional items (1 - 2)**	**36.90**	**493.58**
4	Other income	91.37	180.86
5	**Profit from ordinary activities before finance costs and exceptional items (3 + 4)**	**128.27**	**674.44**
6	Finance costs	827.35	652.83
7	Forex Fluctuation (Gain) / Loss	14.81	4.07
8	**Profit from ordinary activities after finance costs but before exceptional items (5 - 6 - 7)**	**(713.89)**	**17.54**
9	Exceptional items	(190.46)	(35.56)
10	**Profit from ordinary activities before tax (8 + 9)**	**(904.35)**	**(18.02)**
11	Tax expense		
	Current year	4.09	89.27
	Previous year	1.97	6.25
12	**Net profit from ordinary activities after tax (10 - 11)**	**(910.41)**	**(113.54)**
13	Profit/(Loss) in Associates	(11.51)	(6.51)
14	Less : Share of minority interest	72.09	16.18
	Profit/(Loss) of Sale/Dilution of Investments	-	(1.27)
15	**Net profit for the period (12 + 13 +14)**	**(849.83)**	**(105.14)**
16	Paid-up equity share capital (Face Value Rs.2/- per equity share)	27.50	27.50
17	Reserves, excluding revaluation reserve as per Balance sheet of the previous accounting year	946.85	1,866.40
18	**Earnings per share for the period (Rupees) :**		
	b) After extraordinary items		
	Basic	(62.59)	(7.75)
	Diluted	(62.59)	(7.75)

PART II

A)	**PARTICULARS OF SHAREHOLDING**		
1	**Public shareholding**		
	- Number of shares (in Lacs)	88,368,314	89,143,314
	- Percentage of shareholding	64.74%	65.31%
2	**Promoters and promoter group shareholding**		
	a) Pledged / encumbered		
	- Number of shares (in Lacs)	11,575,000	11,575,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	8.48%	8.48%
	b) Non-encumbered		
	- Number of shares (in Lacs)	36,557,154	35,782,154
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	26.78%	26.21%

Particulars		Three months ended March 31, 2013
B)	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	0
	Received during the quarter	11
	Disposed of during the quarter	11
	Remaining unresolved at the end of the quarter	0

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

	Particulars	As at year ended 31.03.2013	As at year ended 31.03.2012
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	a) Share capital	27.50	27.50
	b) Reserves and surplus	1,082.00	2,123.00
	Sub-total : Shareholders' Funds	**1,109.50**	**2,150.50**
2	**Minority interest**	**335.53**	**318.29**
3	**Non-current liabilities**		
	a) Long-term borrowings	6,206.67	4,528.08
	b) Deferred tax liability, Net	202.10	192.72
	c) Other long-term liabilities	542.51	365.17
	d) Long-term provisions	339.63	271.10
	Sub-total : Non-current liabilities	**7,290.91**	**5,357.07**
4	**Current Liabilities**		
	a) Short-term borrowings	3,378.94	3,869.05
	b) Trade payables	2,670.16	2,339.92
	c) Other current liabilities	2,346.99	2,330.50
	d) Short-term provisions	289.33	275.48
	Sub-total : Current liabilities	**8,685.42**	**8,814.95**
	TOTAL : EQUITY AND LIABILITIES	**17,421.36**	**16,640.81**
B	**ASSETS**		
1	**Non-current assets**		
	a) Fixed assets	6,870.74	6,583.86
	b) Goodwill on consolidation	579.34	672.33
	c) Non current investments	338.51	321.88
	d) Deferred tax asset	82.73	39.78
	e) Long-term loans and advances	791.95	710.48
	f) Trade receivables	786.95	712.50
	g) Other non-current assets	113.23	101.90
	Sub-total : Non-current assets	**9,563.44**	**9,142.74**
2	**Current assets**		
	a) Current investments	7.02	6.49
	b) Inventories	2,424.23	2,212.02
	c) Property Development Account	1,491.50	1,335.41
	c) Trade receivables	2,241.28	2,203.54
	d) Cash and cash equivalents	460.80	747.03
	e) Short term loans and advances	794.26	779.21
	f) Other current assets	438.83	214.39
	Sub-total : Current assets	**7,857.92**	**7,498.09**
	TOTAL : ASSETS	**17,421.36**	**16,640.83**

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Notes -

1. The Consolidated Financial Results of Gammon India Limited along with all its subsidiaries, Joint ventures and Associates for the year ended 31st March 2013 were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 21st June, 2013.

2. The above published audited consolidated results for the year ended 31s March 2013 have been prepared from the Audited Consolidated Financial Statements prepared in accordance with the principles of consolidation set out in AS 21 – Consolidated Financial Statements, AS-27 – Financial reporting of interests in joint ventures and AS-23 – Accounting for Investments in Associates in Consolidated Financial Statements

3. During 2012, implementation of the Business Plan of Franco Tosi (subsidiary company) faced a lot of difficulties due to several reasons such as a) cancellation of a large contract of approx. EUR 175 mln in Iraq with a potential cash surplus of EUR 50 mln, b) shrinking of the world markets for turbines geographically, mainly to the Middle East, Africa and South/Central America, c) political and financial crisis within Italy, making it impossible to get any form of financial support from the banking system in general & d) impaired cash collections for nearly 8 months from the Italian public sector companies due to non-receipt of tax certificates on account of prolonged negotiations between the company and the State for re-schedulement of its large legacy statutory debts. In this situation, if the company had formally approved its Financial Statements of 2012, the Italian laws would have automatically got triggered, making it mandatory for the Board to decide on recapitalization of the company. Therefore The Board of FTM filed on May 30th with the court of Milan (and with the Companies Registry) a "preliminary" request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts ("concordato preventivo") in light of acute financial stress being faced by the company due to several extraneous reasons. The said application was admitted by the Court on 7 June 2013 on the procedure and has granted a period of time of 120 days (extendable by 60 days) to file the final proposal for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring the debts (the "**Proposal**"). The concordato procedure chosen by FTM is for continuity purposes and not liquidation and is expected to be completed within about 6/8 months. The management is of the view that FTM has sufficient assets to meet the liabilities as may be approved by the court as part of the overall plan, while ordinary business operations will continue without hindrances, considering the healthy order backlog as well as the large front log of orders under evaluation.

4. The auditors of the Company have qualified the consolidated accounts for;

   i) The effects arising out of the audit of Franco Tosi Meccanica and the effects arising out of the pre-insolvency composition agreement for the 12 month period ended 31st December 2012

   ii) In respect of one of the Joint Venture - Absence of sufficient information to assess the recoverability of the net receivables of Euro 9.5 million .i.e. Rs.66.06 crores the company's share being Euro 4.28 Million (Rs.29.73 crores) in one of the associates of a joint venture whose financial statements reflect a negative equity of about 12.8 million. This was the subject matter of qualification by the auditors of the Joint Venture

   iii) In respect of the same Joint Venture - an amount of Euro 3 Million .i.e. Rs.20.86 crores (company's share being Euro 1.35 Million (i.e., Rs.9.39 crores) regarding recognition of possible claims resulting in trade receivables being overstated by the same amount and consequent effect on profits recognized of Euro 2.1 Million i.e. Rs.14.6 crores (company's share being Euro 0.95 Million (i.e., Rs. 6.57 crores)) as qualified by the said auditors of the Joint Venture

   iv) Receivables of AED 2.7 million (Rs. 3.99 crores) which is due to the company as a sub-contractor. Since the said company has back to back terms with the main contractor, the recoverability of the said amounts is dependent on successful outcome of the main contractor's dispute with the client, the auditors are of the opinion that substantial portion of the same should be considered as impaired based on the qualification by the auditors of the subsidiary.

5. Exceptional items for the year includes,

   i) Considering the complexity of the situation, economic condition prevalent in Europe and as a measure of prudence, the Company has made provision towards impairment of the entire Goodwill arising on consolidation of FTM into the company of an amount of Rs.109.16 crores

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ii) Although the order book position and the assessment of impairment did not indicate any impairment requirement, considering the economic situation in Europe and particularly Italy and as measure of prudence the Company has made provision towards impairment of the entire Goodwill arising on consolidation of SAE Powerlines S.r.L into the company of an amount of Rs.17.63 crores.

iii) In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards the Investment in Sadelmi of Rs. 52.59 Crore.

iv) The Company has during the year suspended its operations at Oman JV and its branch office and has provided towards all receivables and assets in connection therewith of Rs. 11.35 crores. The Company has also suspended recognition of the results of the Joint Venture in its financials and does not expect any liabilities in connection therewith.

6. The group undertakes various projects on build-operate-transfer basis as per the Service Concession Agreements with the government authorities. The construction costs incurred by the operator on contracts with the group companies are considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the profits from such intra group contracts is considered realised by the group and not eliminated for consolidation under AS – 21 Consolidated Financial Statements . The revenue & contract profit during the year from such contracts not eliminated in the above results is Rs.386.44 crores (Previous Year Rs. 936.42 crores) and Rs. 119.08 crores (Previous year Rs.325.32 crores) respectively.

7. The Company is engaged in three segments-"Construction and Engineering, Oil exploration and Realty Development" including businesses acquired on account of new acquisitions. The revenue from oil exploration and realty development are less than threshold limit of 10% and hence no disclosure of separate segment reporting is made in terms of Accounting Standard AS -17.

The Group although operates on a worldwide basis across the globe, they operate in two principal geographical areas of the world in India and the other countries. The following table presents the break-up of the revenues and assets regarding the geographical segments.

Particulars	Amount (Rs. in Crores)			Percentage (%)	
	Domestic	Overseas	Total	Domestic	Overseas
Segment Revenue	6,195.33	1,298.89	7,494.22	82.67	17.33
	6,295.90	1,852.67	8,148.57	77.26	22.74
Segment Asset	13,575.70	3,845.63	17,421.33	77.93	22.07
	12,475.04	3,516.00	15,991.04	78.01	21.99
Capital Expenditure	5,759.55	1,111.20	6,870.75	83.83	16.17
	5,481.06	1,102.80	6,583.86	83.25	16.75

(Previous year figures are given in the non shaded portion.)

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

For **GAMMON INDIA LIMITED**

Abhijit Rajan
Chairman & Managing Director
Mumbai, 21st June 2013.