14th May, 2015

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

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

BSE CODE:509550

Dear Sir,

Sub: Outcome of the Board Meeting held on 14th May,2015.

As required under Clause 41 of the Listing Agreement, please find enclosed herewith Unaudited Financial Results of the Company for the second quarter ended 31st March, 2015 along with the Limited Review Report on the same.

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 14th May, 2015.

Kindly take note of the same.

Thanking you,

Yours truly,
FOR GAMMON INDIA LIMITED

GITA BADE
COMPANY SECRETARY

Encl: As Above

GAMMON INDIA LIMITED

Unaudited Financial Results for the Quarter Ended 31 March 2015

(Rupees in Crore)

S.No.	Particulars	Quarter Ended			6 Month Ended	9 Month Ended
		Unaudited	Unaudited	Unaudited	Unaudited*	Audited
		31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	30 Sep 2014
1	**Income from Operations**					
	Net Sales / Income from Operations	**1,019.02**	699.37	**1,141.20**	**1,718.39**	**2,966.99**
2	**Expenses**					
	Cost of Material Consumed	358.95	304.84	512.23	663.79	1,295.77
	Purchases of Stock-in-trade	42.08	19.55	76.54	61.63	164.37
	Change in inventory of WIP and FG	(1.68)	(44.26)	43.53	(45.94)	46.24
	Subcontracting Expenses	238.56	186.79	246.49	425.35	625.67
	Employee Benefits Expenses	103.62	105.07	116.01	208.69	336.65
	Depreciation and Amortisation	46.86	36.50	27.62	83.36	81.85
	Other Expenses	180.91	156.65	190.34	337.56	587.03
	Total Expenses	969.30	765.14	1,212.76	1,734.44	3,137.58
3	**Profit/(Loss) from Operations Before Other Income, Finance Costs**	**49.72**	**(65.77)**	**(71.56)**	**(16.05)**	**(170.59)**
4	Interest & Other Income	61.11	49.55	33.31	110.66	708.46
5	**Profit/(Loss) from Ordinary Activities Before Finance Costs and Forex Fluctuation**	**110.83**	**(16.22)**	**(38.25)**	**94.61**	**537.87**
6	Finance Cost	168.56	164.06	143.42	332.62	452.72
7	Forex Fluctuation (Gain) / Loss	4.43	(2.48)	3.34	1.95	7.71
8	Exceptional Items	-	-	-	-	-
9	**Profit Before Tax**	**(62.16)**	**(177.80)**	**(185.01)**	**(239.96)**	**77.44**
10	Tax Expenses	11.37	(17.05)	(11.42)	(5.68)	9.64
11	**Net Profit/(Loss) for the period**	**(73.53)**	**(160.75)**	**(173.59)**	**(234.28)**	**67.80**
12	Paid-up Equity Share Capital (Face Value Rs.2/- per Equity Share)	27.16	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	(5.42)	(11.84)	(12.79)	(17.26)	0.05
	Diluted	(5.42)	(11.84)	(12.79)	(17.26)	0.05
15	**Ratio**					
	Debt Service Coverage Ratio(DSCR)**				0.26	1.53
	Interest Service Coverage Ratio (ISCR)***				0.52	1.35
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	8,87,43,314
	- Percentage of Shareholding	65.01%	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	4,46,53,699
	- Percentage of Shares					
	(as a % of total Shareholding of Promoter & Promoter group)	93.50%	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%	32.72%
	Non-encumbered					
	- Number of Shares	31,03,455	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%	6.50%
	(as a % of total Share Capital of the Company)	2.27%	2.27%	2.27%	2.27%	2.27%
B	**Investor Complaints**					
	Pending at the beginning of the period	0			0	
	Received during the period	0			2	
	Disposed of during the period	0			2	
	Remaining unresolved at the end of the period	0			0	

* Refer Note 2

** 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

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

GAMMON INDIA LIMITED

An ISO 9001 Company

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Telephone : 91 - 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com

CIN : L74999MH1922PLC000997

ISO 9001 REGISTERED

GAMMON INDIA LIMITED

Statement of Standalone Assets and Liabilities

(Rupees in Crore)

S.No.	Particulars	As At 31 Mar 2015	As At 30 Sep 2014
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	Share Capital	27.50	27.50
	Reserves and Surplus	790.85	1,064.54
		818.35	1,092.04
2	**Non-Current Liabilities**		
	Long Term Borrowings	3,475.62	3,568.97
	Deferred Tax Liabilities (Net)	-	-
	Other Long Term Liabilities	356.22	381.20
	Long Term Provisions	246.66	253.49
		4,078.50	4,203.66
3	**Current Liabilities**		
	Short Term Borrowings	1,709.98	1,177.13
	Trade Payables	1,345.19	1,442.67
	Other Current Liabilities	1,252.18	1,140.52
	Short Term Provisions	9.46	11.82
		4,316.81	3,772.14
	Total Equity and Liabilities	**9,213.66**	**9,067.84**
B	**ASSETS**		
1	**Non-Current Assets**		
	Fixed Assets (Net)	1,001.44	1,092.64
	Non-Current Investments	76.27	76.27
	Deferred Tax Assets (Net)	106.21	82.69
	Long Term Loans and Advances	3,116.50	2,225.85
	Long Term Trade Receivble	980.60	848.42
	Other Non-Current Assets	130.88	109.71
		5,411.90	4,435.58
2	**Current Assets**		
	Current Investments	2.12	2.50
	Inventories	1,741.82	1,722.51
	Trade Receivables	1,267.06	1,352.20
	Cash and Cash Equivalents	56.18	90.71
	Short Term Loan and Advances	412.56	431.53
	Other Current Assets	322.02	1,032.81
		3,801.76	4,632.26
	Total Assets	**9,213.66**	**9,067.84**

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Notes:

1. The Financial Results for the quarter ended March 2015 were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 14 May 2015 and have been subjected to limited review by the Statutory Auditors of the Company as required by Clause 41 of the listing agreement.

2. The Company had closed its previous financial year as at 30 September 2014 (9 months). Figures for the current period ended 6 month are from 01 October 2014 to 31 March 2015. Since previous accounting year was from 01 January 2014 to 30 September 2014, no accounts are made from October 2013 to March 2014, hence not disclosed.

3. During previous period ended 30 September 2014, 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 Meccanica S.p.A (FTM) is Rs.595.69 Crore of funded exposure and Rs.531.16 Crore of non-fund exposure against Corporate Guarantees as at 31 March 2015, including investments and guarantees towards the acquisition loan taken by the SPV.

   The application for a pre-insolvency procedure was filed by FTM and was admitted by the Court of Milan on 7 June 2013. Three bids were received by the Commissioner on 22 December 2014 and all 3 bids were found to be compliant resulting in negotiations with all and tabulation thereafter of the negotiated bids. The Commissioner invited the second highest bidder to undertake the first step of finalizing with the Unions as a prelude to complying with the other requirements, which only then would have resulted in a final award. However, the Unions have rejected the proposal of this bidder and as a result the Commissioner has sought a further 60 days' time to decide the way forward under the circumstances. It is likely that one option which may be pursued is a rebid. In any case, no decision is expected till the end of third quarter of 2015 on the outcome of the bid.

   Meanwhile, since effects of the encashed amounts of some of the Bank Guarantees pending the outcome of the bids have not 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.

   The Auditors have also qualified their Report expressing their inability to comment on the adjustments to be made in the Financial Statements of the company in the absence of the Financial Statements of FTM pending completion of the procedure.

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.368.42 Crore. The Company had made provision for impairment of investments and loan of Rs.125.45 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.154.68 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.90.55 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 on account of pending approval by CDR lenders. Since, the Company has received an approval from lenders', it 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 amounts to Rs.20.28 Crore for the accounting years 2012-13 and 9 month period ended 31 December 2013 and 30 September 2014 and for the current half year ended 31 March 2015.

   The auditors have qualified their report on this account.

7. There are disputes in three projects of the Company and / or its SPVs. The total exposure against these projects is Rs.108.57 Crore. The Company is pursuing legal recourse / negotiations for addressing 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.

   The auditors have qualified their report on this account.

8. The Company has granted unsecured loan to its joint ventures, including the facility provided by the bankers for the purposes of business operation out of the limits of the company. This loan facility is in excess of the limits specified U/s 186 of the Companies Act 2013. The Company will obtain the shareholders consent in due course.

   The auditors have qualified their report on this account.

9. The Company in evaluating its jobs has considered an amount of Rs.584.80 Crore, which includes Rs.170.54 Crore during the quarter in respect of two projects based on legal opinion received relating to the likelihood of the claim materialising in favour of the Company, arising out of claims for work done on account of 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.150.62 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 favourable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favourable verdict from the courts.

   Trade Receivables includes Rs.123.80 Crore in respect of two of its project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

10. The Company is exploring several options for overcoming the liquidity crisis. The Group is in the process of monetizing its land bank as well as some of its overseas operations and to divest its non-core business, recovery towards final bills, retention money, settlement of non-routine collection including claims, arbitration awards etc. to meet the working capital needs. The Company is having a good order book in hand as on March 2015 of Rs.11,850 Crore.

    After detailed evaluation of current situation, the management is confident to come out of liquidity crisis with support of bankers for continuation of operations of the Company. In view of this assessment by the management the going concern assumption is appropriate.

11. Pursuant to the put option exercised, one of the Subsidiary of the Company has paid $ 32 Million (Rs.219.07 Crore) for acquisition of further 35% stake in Sofinter Group. Pending the transfer of the shares in the name of the subsidiary, Sofinter is considered an associate with the stake of 32.5%.

12. 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.

13. In accordance with the provisions of Schedule II to the Companies Act 2013, effective from 1 April 2014, the Company has revised the useful lives of its fixed assets. As a consequence of such revision, the charge for depreciation is higher than the previously applied rates by Rs.29.77 Crore for the 6 month period ended 31 March 2015. For assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1 October 2014 of Rs.23.32 Crore (net of taxes Rs.10.43 Crore) has been charged to the opening balance of the surplus in Statement of Profit and Loss.

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

For **Gammon India Limited**

Abhijit Rajan
Chairman & Managing Director
Mumbai, 14 May 2015



Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
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Limited Review Report

Review Report to
The Board of Directors
Gammon India Limited

1. We have reviewed the accompanying statement of unaudited Standalone financial results of Gammon India Limited ('the Company') for the quarter ended March 31, 2015 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. 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 misstatement. 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.

3. We did not review the statement of unaudited financial results of Gammon India Limited – Nagpur Branch including the overseas branches at Algeria, Nigeria, Kenya, Bhutan, Ethiopia, Rwanda, Yemen & Italy, whose financial information includes total assets of Rs. 1557.62 crores and total revenues of Rs. 485.07 crores. The financial information of the aforesaid branch has been reviewed by the Branch Auditors whose report has been received by us. Our conclusion so far as transactions of the said Branches are concerned, is based solely on the limited review report of the Branch Auditors'.

4. *Basis For Qualified Conclusion*
   a. *We invite attention to note no 4 relating to the accounts of one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM) which have not been audited since December 2011 and in respect of which the financials are not available. As detailed in the said note the commissioner has received three bids in respect of which the negotiations are in progress. The company's exposure in the said subsidiary (net of provisions and credit balance in Foreign exchange translation reserve) is Rs. 1126.85 crores which includes the loans made and Investments made (net of provisions) of Rs. 380.89 crores, the exposure of corporate guarantee towards the borrowing made by the overseas SPV through which the step down subsidiary is held of Rs. 214.80 crores and corporate guarantee exposures in respect of the said FTM by way of corporate guarantee issued by the company towards the non-fund based limits granted to the said FTM based on which guarantees were given to the projects of the said subsidiary of Rs. 531.16 crores. In the absence of financial statements and any*



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indications of the value arising out of the negotiations as aforesaid from the bidders we are unable to comment upon the adequacy of the provision for diminution in the value of Investment and loans resulting in a net carrying value as aforesaid.

b. *In respect of the corporate guarantees issued towards the jobs of FTM the Company has received demands for euro 21.84 million(Rs. 147.44 crores) against which the Company has made a provision of Rs. 31.59 crores towards liabilities arising from demand against some of the corporate guarantees. In respect of the balance demand of Euro 17.80 million (Rs. 120.17 crores) in respect of another project no provision is made as the Company is in active negotiation with the clients of the subsidiary for the cancellation of the demand. In view of the uncertainties involved in the negotiation settling in favour of the Company and the future of the business of FTM we are unable to comment upon possible further liabilities arising from such corporate guarantees.*

c. *The branch auditors of the company have modified their report stating that the Auditors of M/s SAE Powerlines Srl, 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 BV, the holding company of SAE towards investments including guarantees towards the acquisition loan taken by SPV and guarantees towards the operating business of SAE is Rs. 368.42 Crores. The Company has made provision for impairment of investments and Loan of Rs. 125.45 crores and provision for risk and contingencies towards corporate guarantees for acquisition loan of the SPV of Rs. 88.29 resulting in the net exposure of the Company at Rs.154.68 crores. The Company has carried out a valuation of the business of SAE by an independent valuer and based on the valuation, an amount of Rs.90.55 Crores has not been provided for, being the net exposure in excess of the fair value.*

d. *The Company's Application for managerial remuneration aggregating to Rs. 20.28 crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December 2013 and 30th September 2014 and for the current half year ended 31st March 2015 for want of NOC from the CDR lenders. The Company prefers review of the application in view of the CDR lender NOC that is being received by the Company. Pending the review application no adjustments have been made for the amount of Rs.20.28 crores.*

e. *There are disputes in three projects of the Company and/or its SPVs..The total exposure against these projects is Rs. 108.57 crores. 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.*

f. *The Company has given unsecured loans of Rs.31.30 crores to its joint ventures as a lead partner for which it does not have any prior approval of the members..*

The above paras (a) to (d) were the subject matter of our modified opinion on the Financial Statements for the period ended September 2014.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

5. Without qualifying our review report we re-iterate our emphasis of matter contained in our audit report dated December 5, 2014 on the financial statements for the nine month period ended 30th September 2014 and further updation thereon relating to:

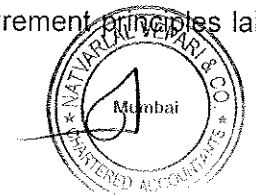
   (a) We draw attention to Note no 9 of the Statement relating to recoverability of an amount of *Rs.150.62 crores* as at December 14 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of *Rs. 584.80 crores* , which includes recognition of further claims during the quarter of Rs. 170.54 in respect of two projects based on legal opinion received relating to the likelihood of the claim materialising in favour of the Company ,towards work done on account of cost overruns arising due to client delays, changes of scope, deviation in design and other charges recoverable from the client which are pending approval or certification by the client and *Rs. 123.80 crores* where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.

   (b) The company has cash losses from operations after reducing the interest payments and has accumulated losses to the tune of Rs. (1033.53) crores. These conditions, along with other matters as set forth in Note 10 of the attached statement, indicate the existence of an uncertainty as to timing and realisation of cash flow.

   (c) Note No 11 relating to the exposure of *Rs. 219.07 crores* which includes non-fund based guarantees of Rs. *121.86 crores* towards acquisition of further stake of 35% in Sofinter. The transfer of shares to be done as detailed in the aforesaid note is essential to support the exposure of the company towards the funded and non-funded exposure towards M/s Gammon Holding Mauritius Limited for the additional 35% equity stake in Sofinter. Further the management has made assertions about the investment and reasons why the same does not require any provision towards diminution in the value of investment and loans provided to M/s Gammon International BV. Relying on the assertions and on the further acquisition of interest in M/s Sofinter as detailed in the aforesaid note no adjustments have been made in the financials towards possible impairment.

   (d) We also re-iterate our emphasis of matter in our audit report dated December 5, 2014 on the financial statements for the period ended 30th September 2014 in case of Gactel Turnkey Projects Limited & G&B Contracting LLC where the management has made assertions about the investment and reasons why the same does not require any provision towards diminution in the value of investment and loans provided. Relying on the assertions no adjustments have been made in the financials towards possible impairment.

6. Based on our review conducted, *except for the possible effects of the matters described in our basis for qualified conclusion paragraph referred to para 4(a) to 4(f)*, nothing has come to our attention that causes us to believe that the Statement of Unaudited Financial Results prepared in accordance with recognition and measurement principles laid down



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in Accounting Standard 25 "Interim Financial Reporting", specified under the Companies Act, 1956 (which are deemed to be applicable as per 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 Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm registration number:106971W



N Jayendran
Partner
M. No. 40441
Mumbai, Dated : May 14, 2015