GAMMON INFRASTRUCTURE PROJECTS LIMITED

PART I

Statement of Unaudited Consolidated Financial Results for the quarter and six months ended March 31, 2015

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			Six months ended		Nine months period ended
		31.3.2015	31.12.2014	31.3.2014	31.3.2015	31.3.2014	30.09.2014
		Unaudited			Unaudited		Audited
	Income from operations:						
	Net sales / Income from operations	**20,800.56**	22,633.94	20,569.49	**43,434.50**	33,986.27	52,426.62
	Other operating income	**622.67**	2,673.60	550.64	**3,296.27**	1,010.69	1,773.93
1	**Total income from operations**	**21,423.23**	25,307.54	21,120.13	**46,730.77**	**34,996.96**	54,200.55
	Expenses:						
	Project expenses	**8,956.30**	7,408.26	4,533.60	**16,364.56**	8,421.29	15,040.08
	Employee benefits expenses	**656.81**	674.61	785.28	**1,331.42**	1,655.31	2,085.67
	Depreciation and amortisation expenses	**5,402.25**	8,552.85	8,223.55	**13,955.10**	12,748.14	16,823.75
	Other expenses	**1,071.92**	867.37	978.46	**1,939.29**	1,652.69	2,902.92
2	**Total expenses**	**16,087.28**	17,503.09	14,520.89	**33,590.37**	**24,477.43**	36,852.42
3	**Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2)**	**5,335.95**	7,804.45	6,599.24	**13,140.40**	**10,519.53**	17,348.13
4	Other income	**67.07**	369.02	160.61	**436.09**	421.10	968.18
5	**Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**5,403.02**	8,173.47	6,759.85	**13,576.49**	**10,940.63**	18,316.31
6	Finance costs	**5,580.63**	5,933.38	6,857.18	**11,514.01**	14,106.30	20,629.30
7	Share of profit /(loss) in associates	**(0.11)**	5.06	(0.33)	**4.96**	(2.10)	(6.23)
8	**Profit / (loss) from ordinary activities after finance costs but before exceptional items (5 - 6 + 7)**	**(177.72)**	2,245.15	(97.65)	**2,067.44**	**(3,167.77)**	(2,319.22)
9	Exceptional items	**-**	-	3,797.37	**-**	-	3,797.37
10	**Profit/ (loss) from ordinary activities before tax (8 - 9)**	**(177.72)**	2,245.15	(3,895.03)	**2,067.44**	**(3,167.77)**	(6,116.59)
11	Tax expense	**(1,075.83)**	1,519.82	143.77	**444.00**	278.78	(2,157.15)
12	**Net profit / (loss) from ordinary activities after tax (10 - 11)**	**898.11**	725.33	(4,038.80)	**1,623.44**	**(3,446.55)**	(3,959.44)
13	Extraordinary items (net of tax expenses)	**-**	-	-			-
14	Minority interest - share of profit/(loss)	**160.46**	127.15	17.31	**287.61**	(55.18)	65.70
15	**Net profit / (loss) for the period (12 - 13 - 14)**	**737.65**	598.18	(4,056.11)	**1,335.83**	**(3,391.37)**	(4,025.14)
16	Paid-up equity share capital (Face value Rs. 2 per equity share)	**18,864.24**	18,862.44	14,761.55	**18,864.24**	14,761.55	18,845.04
17	Reserves, excluding revaluation reserve as per balance sheet of the previous accounting year						76,276.19
18	**Earnings per share for the period (Rupees) :**						
	a) Before extraordinary items						
	Basic	**0.08**	0.06	(0.55)	**0.14**	(0.46)	**(0.54)**
	Diluted	**0.08**	0.06	(0.55)	**0.14**	(0.46)	**(0.54)**
	b) After extraordinary items						
	Basic	**0.08**	0.06	(0.55)	**0.14**	(0.46)	**(0.54)**
	Diluted	**0.08**	0.06	(0.55)	**0.14**	(0.46)	**(0.54)**

PART II

Select information for the quarter and six months ended March 31, 2015

		Quarter ended			Six months ended		Nine months period ended
		31.3.2015	31.12.2014	31.3.2014	31.3.2015	31.3.2014	30.09.2014
A	**PARTICULARS OF SHAREHOLDING**						
1	**Public shareholding**						
	- Number of shares (in lakhs)	**3,887.61**	3,886.71	1,836.26	**3,887.61**	1,836.26	3,878.01
	- Percentage of shareholding	**41.39%**	41.39%	25.02%	**41.39%**	25.02%	41.33%
2	**Promoters and promoter group shareholding**						
	a) Pledged / Encumbered						
	- Number of shares (in lakhs)	**5,280.00**	312.06	4,302.86	**5,280.00**	4,302.86	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**95.93%**	5.67%	78.18%	**95.93%**	78.18%	-
	- Percentage of shares (as a % of the total share capital of the Company)	**56.22%**	3.32%	58.62%	**56.22%**	58.62%	-
	b) Non-encumbered						
	- Number of shares (in lakhs)	**224.00**	5,191.94	1,201.14	**224.00**	1,201.14	5,504.00
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**4.07%**	94.33%	21.82%	**4.07%**	21.82%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	**2.39%**	55.29%	16.36%	**2.39%**	16.36%	58.67%

B	INVESTOR COMPLAINTS :	Quarter ended 31.3.2015
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed off during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

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Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728
Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.

Unaudited Consolidated Statement of Assets and Liabilities

Sr. No.	Particulars	As at 31.3.2015 Unaudited	As at 30.09.2014 Audited
	EQUITY AND LIABILITIES		
1	**Shareholders' Funds**		
	Share capital	**18,864.24**	18,845.04
	Reserves and surplus	**78,155.89**	76,276.19
	Sub-total : Shareholders' Funds	**97,020.13**	**95,121.23**
2	**Minority interest**	**16,340.54**	**15,777.96**
3	**Non-current liabilities**		
	Long-term borrowings	**361,268.47**	350,124.75
	Deferred tax liability, Net	**520.37**	234.06
	Other long-term liabilities	**393,142.35**	396,668.52
	Long-term provisions	**6,342.22**	3,295.77
	Sub-total : Non-current liabilities	**761,273.41**	**750,323.10**
4	**Current Liabilities**		
	Short-term borrowings	**7,956.11**	6,446.59
	Trade payables	**3,971.86**	2,010.14
	Other current liabilities	**69,126.75**	72,689.91
	Short-term provisions	**12,486.75**	13,359.14
	Sub-total : Current liabilities	**93,541.47**	**94,505.78**
	TOTAL : EQUITY AND LIABILITIES	**968,175.55**	**955,728.07**
B	**ASSETS**		
1	**Non-current assets**		
	Fixed assets	**886,719.76**	882,184.30
	Goodwill on consolidation	**6,006.79**	6,006.79
	Deferred tax asset	**5,941.81**	7,233.87
	Non current investments	**78.48**	73.52
	Long-term loans and advances	**23,057.42**	18,209.28
	Trade receivables	**2,431.42**	1,909.78
	Other non-current assets	**8,311.96**	8,338.53
	Sub-total : Non-current assets	**932,547.64**	**923,956.07**
2	**Current assets**		
	Current investments	**502.71**	3,322.92
	Inventories	**1,190.35**	1,211.53
	Trade receivables	**7,611.51**	1,908.76
	Cash and cash equivalents	**2,703.10**	5,088.73
	Short term loans and advances	**5,517.60**	6,009.74
	Other current assets	**18,102.64**	14,230.32
	Sub-total : Current assets	**35,627.91**	**31,772.00**
	TOTAL : ASSETS	**968,175.55**	**955,728.07**

Notes :

1 **Summary of unaudited standalone financial results**

Particulars	Quarter ended			Six months ended		Nine months period ended
	31.3.2015	31.12.2014	31.3.2014	31.3.2015	31.3.2014	30.09.2014
	Unaudited			Unaudited		Audited
Income from operations and other operating income	**4,870.86**	4,205.74	1,950.69	**9,076.60**	3,433.08	8,135.56
Profit / (loss) before tax	**97.00**	(308.60)	(5,361.75)	**(211.61)**	(6,702.80)	(7,105.31)
Profit / (loss) after tax	**97.00**	(308.60)	(5,354.77)	**(211.61)**	(6,659.82)	(6,933.72)

2 The above Statement of unaudited consolidated financial results were reviewed by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on May 15, 2015.

3 The above Statement of unaudited consolidated financial results have been prepared in accordance with the principles of consolidation set out in the Accounting Standard AS-21 on Consolidated Financial Statements, AS-27 on Financial Reporting of Interest in Joint Ventures and AS-23 on Accounting for Investments in Associates in Consolidated Financial Statements.

4 During the previous period, one of the subsidiary of the Company had initiated correspondence with NHAI towards closure of its project on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Forest clearances. Subsequently vide their letter dated August 29, 2014, NHAI unilaterally terminated the concession agreement and also invoked the bank guarantees to the tune of Rs. 1,129.11 lakhs. The Group's total exposure to this project amounts to Rs 7,555.97 lakhs. The subsidiary is in the process of initiating Arbitration proceedings. The management believes that it has a strong case in this matter. Pending outcome of the proposed arbitration proceedings, no adjustments have been made to the unaudited consolidated financial results. The auditors had modified their opinion in this matter in their audit report on the Consolidated financial statements for the

5 During the previous period, the Mormugao Port Trust ('MPT') had unilaterally sought to terminate the Concession Agreement with a subsidiary citing non-compliance with certain terms of the concession agreement. MPT also encashed the bid security bank guarantee of Rs. 200 lakhs despite the stay order issued by the Hon. District Court, Goa. The court has also passed stay order from carrying into effect the termination of the agreement. The subsidiary has already taken further action in the matter including filing of claim before the Arbitral Tribunal. The Group's exposure towards the project is Rs. 595.35 lakhs. The management believes that it has a strong case in this matter. Pending outcome of the legal proceedings, no adjustments have been made to the unaudited consolidated financial results. The auditors had modified their opinion in this matter in their audit report on the Consolidated financial statements for the period ended September 30, 2014.

6 In respect of the following projects there are legal issues,arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matters. These issues are commanly encountered in the infrastructure business and the management is confident of a favourable resolution in due course. The auditors had highlighted the same as an Emphasis of Matter in their audit report on the Consolidated financial statements for the period ended September 30, 2014.

a. Bridge project at Cochin - The Greater Cochin Development Authority has sought to end the toll collection by unilaterally sealing the toll booth. The subsidiary has initiated arbitration. The exposure of the group towards the project is Rs. 2,629.74 lakhs.

b. Hydro power project at Himachal Pradesh - The project is stalled due to local agitiions relating to environment issues. The matter with state government is under active negotiation to restrat the project or reimburse the cost incurred. The exposure of the group is Rs. 6,737.96 lakhs.

7 As at March 31, 2015, the current liabilities exceed current assets by Rs. 57,863.56 lakhs (September 30, 2014 - Rs. 62,733.78 lakhs). The Group is taking various steps to meet its commitments, both, short term and long term in nature. The Group intends to monetise some of its mature assets, securitise some of its future receivables and raise funds through capital market. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the going concern assumption and the carrying values of the assets and liabilities in these unaudited consolidated financial results are appropriate. Accordingly the accompanying unaudited consolidated financial results do not include any adjustments that may result from these uncertainties. The auditors had highlighted the same as an Emphasis of Matter in their audit report on the Consolidated financial statements for the period ended September 30, 2014.

8 In one of the Joint Venture entity which is engaged in development of a container terminal, there are cost overruns and defaults in payment of debt obligations because of delays in the project execution due to non-fulfilment of certain conditions by the Client. Further the JV has been incurring losses and its current liabilities exceed current assets. These conditions indicates existence of significant doubt and material uncertainty regarding the JV's ability to continue as going concern and its ability to realise its assets and discharge its liabilities in the normal course. To address these issues, the management has taken various steps comprising of rescheduling of the loan (which has already being appraised by the Lead banker and recommended for sanction), temporary utilization of constructed berths and claim for cost overruns on the Client. The Company's exposure towards the project amounts to Rs. 30,208.58 lakhs. Based on the steps taken above, management is confident of recovering the said amounts. The auditors had highlighted the same as an Emphasis of Matter in their audit report on the Consolidated financial statements for the period ended September 30, 2014..

9 During the quarter ended December 31, 2014, one of the subsidiary has received an amount of Rs. 3,213 lakhs from NHAI towards partial claim towards delayed days which had been accounted as income along with related expenditure.

10 During the previous period on account of inadequacy of profits, the Company had paid managerial remuneration in excess of the limits specified under Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013 wherever applicable. The total amount paid in excess of the limits as computed under the respective regulations was Rs. 208.55 lakhs. The Company has filed an application in April 2015, with the Central Government for approving the excess managerial remuneration.

11 Other operating income for the quarter ended December 31, 2014 includes an amount of Rs. 1,784.06 lakhs in respect of write-back of excess provision towards periodic maintenance created in earlier years.

12 During the previous period, two subsidiaries namely Birmitrapur Barkote Highway Private Limited and Yamunanagar Panchkula Highway Private Limited had terminated the contracts with NHAI on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Environment and Forest clearances. The exceptional item disclosed above represents the write off of the expenditure incurred on these two projects.

13 The Company's operations constitutes a single segment namely 'Infrastructure Development' as per Accounting Standard AS-17 'Segment Reporting'. Further, the Company's operations are within single geographical segment which is India.

14 During the quarter the Company has issued 90,000 equity shares on exercise of ESOPs by eligible employees.

15 In the previous periods the Company had closed its accounts for nine months ended December 31, 2013 and September 30, 2014. Comparative figures in Part 1 above, for the six months 'ended March 31, 2014 are derived by aggregating the figures for the quarters ended December 31, 2013 and March 31, 2014.

16 Figures for previous periods have been regrouped / reclassified wherever necessary to conform to the current quarter's presentation.

For Gammon Infrastructure Projects Limited

Kishor Kumar Mohanty
Managing Director
DIN : 00080498

Place : Mumbai
Date : May 15, 2015