GAMMON INFRASTRUCTURE PROJECTS LIMITED

June 6, 2016

To
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block –G,
Bandra - Kurla Complex, Bandra (E),
Mumbai – 400051

Dear Sir,

Sub: Outcome of Board Meeting

Ref: Scrip Code - 532959, Scrip ID - GAMMNINFRA

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, we are submitting herewith:

(i) Audited Standalone & Consolidated Financial Results for the quarter and financial year ended on 31st March 2016 along with the related Auditors' Reports thereon in prescribed forms approved and taken on record by the Board of Directors of the Company at its meeting held today;

(ii) Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) on the said Financial Results.

Further, the Registrar of Companies, Mumbai vide its Order dated 30th May 2016 has granted an extension of time to hold the Annual General Meeting of the Company for the year ended on March 31, 2016 till September 30, 2016.

You are requested to please take note of the above.

Yours truly,

For **Gammon Infrastructure Projects Limited**

Renuka Matkari

Renuka Matkari
Company Secretary

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201• E-mail : info@gammoninfra.com
Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728
Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND EIGHTEEN MONTHS ENDED MARCH 31, 2016

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			18 Months ended	9 Months ended
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	30.09.2014
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Income from operations	7,410.79	11,042.67	4,870.86	40,320.02	8,135.56
1	**Total Income from operations**	**7,410.79**	**11,042.67**	**4,870.86**	**40,320.02**	**8,135.56**
	Expenses :					
	Project expense	7,328.94	7,452.31	3,135.06	29,788.96	3,788.82
	Employee benefits expenses	176.50	339.46	355.37	1,982.68	1,361.65
	Depreciation & amortisation expense	4.92	55.90	63.51	331.38	177.15
	Other expenses	860.83	195.19	212.53	1,995.87	897.04
2	**Total expenses**	**8,371.19**	**8,042.86**	**3,766.47**	**34,098.89**	**6,224.66**
3	**Profit from operations before other income, finance costs and Exceptional Items (1 - 2)**	**(960.40)**	**2,999.81**	**1,104.39**	**6,221.13**	**1,910.90**
4	Other Income	258.24	56.74	25.26	527.75	245.10
5	**Profit before Finance Costs and Exceptional Items (3 + 4)**	**(702.16)**	**3,056.55**	**1,129.65**	**6,748.88**	**2,156.00**
6	Finance Costs	(249.03)	1,165.60	1,032.65	5,233.00	5,345.16
7	**Profit / (Loss) after Finance Costs but before Exceptional Items (5 - 6)**	**(453.13)**	**1,890.95**	**97.00**	**1,515.88**	**(3,189.16)**
8	Exceptional Items	4,173.74	-	-	4,173.74	(3,916.16)
9	**Profit / (Loss) from Ordinary Activities before tax (7 - 8)**	**3,720.61**	**1,890.95**	**97.00**	**5,689.62**	**(7,105.32)**
10	Tax Expense :	(125.76)	-	-	(125.76)	(171.60)
11	**Profit / (Loss) from Ordinary Activities after tax (9 - 10)**	**3,846.37**	**1,890.95**	**97.00**	**5,815.38**	**(6,933.72)**
12	Extraordinary items (Net of tax expense)	-	-	-	-	-
13	**Net Profit / (Loss) for the period (11 - 12)**	**3,846.37**	**1,890.95**	**97.00**	**5,815.38**	**(6,933.72)**
14	Paid-up Equity Share Capital (Face Value Rs.2/- per equity share)				18,916.44	18,845.04
15	Reserves, excluding Revaluation Reserve as per the Balance Sheet of the previous accounting year				68,674.91	62,885.20
16	**Earnings Per Share for the period (Rupees) :**					
	a) Before Extraordinary Items					
	Basic	0.41	0.20	0.01	0.62	(0.92)
	Diluted	0.41	0.20	0.01	0.62	(0.92)
	b) After Extraordinary Items					
	Basic	0.41	0.20	0.01	0.62	(0.92)
	Diluted	0.41	0.20	0.01	0.62	(0.92)
17	Networth				87,591.35	81,730.24
18	Debt service coverage ratio #				1.23	0.09
19	Interest service coverage ratio ##				2.15	(0.30)
20	Debt equity ratio ###				0.23	0.62

\# DSCR = [(Profit after tax before exceptional items + depreciation + interest on long term debts) / (Interest & Principal repayment of long term debts during the period)]

\## ISCR = [(Profit before tax + depreciation + gross interest) / Gross interest]

\### Debt / Equity Ratio = Total debt / Net worth

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201• E-mail : info@gammoninfra.com
Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728
Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Amounts in Rupees lakhs)

	Particulars	As at 31-Mar-16 (Audited)	As at 30-Sep-14 (Audited)
A	EQUITY AND LIABILITIES		
1	**Shareholders' Funds**		
	a) Share capital	18,916.44	18,845.04
	b) Reserves and surplus	68,674.91	62,885.20
	Sub-total : Shareholders' Funds	**87,591.35**	**81,730.24**
2	**Non-current liabilities**		
	a) Long-term borrowings	300.00	26,933.56
	b) Deferred tax liability, net	-	-
	c) Other long-term liabilities	6,736.03	11,011.84
	d) Long-term provisions	61.44	42.10
	Sub-total : Non-current liabilities	**7,097.47**	**37,987.50**
3	**Current Liabilities**		
	a) Short-term borrowings	7,998.04	6,446.59
	b) Trade payables	6,261.24	999.44
	c) Other current liabilities	44,362.23	36,420.35
	d) Short-term provisions	1,694.17	1,882.44
	Sub-total : Current liabilities	**60,315.68**	**45,748.82**
	TOTAL : EQUITY AND LIABILITIES	**155,004.50**	**165,466.56**
B	ASSETS		
1	**Non-current assets**		
	a) Fixed assets	50.45	1,122.77
	b) Deferred Tax Asset, Net	125.76	-
	c) Non current investments	63,751.96	80,796.33
	d) Long-term loans and advances	48,634.89	76,648.51
	e) Trade receivables	2,970.69	882.87
	f) Other non-current assets	2,737.88	1,011.49
	Sub-total : Non-current assets	**118,271.63**	**160,461.97**
2	**Current assets**		
	a) Current investments	2,324.33	620.00
	b) Inventories	-	51.51
	c) Trade receivables	467.91	153.86
	d) Cash and cash equivalents	32,447.90	1,242.07
	e) Short term loans and advances	1,284.19	2,922.34
	f) Other current assets	208.54	14.81
	Sub-total : Current assets	**36,732.87**	**5,004.59**
	TOTAL : ASSETS	**155,004.50**	**165,466.56**

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201• E-mail : info@gammoninfra.com
Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728
Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.

Notes:

1 The financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors of the Company at their respective meetings held on June 06, 2016. These results

2 The Company has during the period transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for the following six entities:
a) Andhra Expressway Limited
b) Aparna Infraenergy India Pvt Limited (through PHL being 100% subsidiary of GIPL)
c) Gorakhpur Infrastructure Company Limited
d) Kosi Bridge Infrastructure Company Limited
e) Mumbai Nasik Expressway Limited
f) Rajahmundry Expressway Limited

The SPA covered the sale of another 3 entities Pravara Renewable Energy Limited, Sikkim Hydro Power Ventures Limited and Vijayawada Gundugolanu Road Project Pvt Limited in respect of which certain condition precedent were required to be satisfied.
In respect of Pravara Renewable Energy Limited and Sikkim Hydro Power Ventures Limited the long stop date expired on May 26, 2016. The long stop date for Vijayawada Gundugolanu Road Project Pvt Limited is August 26, 2016.
Since the Long stop date for Pravara Renewable Energy LImited and Sikkim Hydro Power ventures Limited has passed the Management has carried out fresh valuation thorugh independent valuers and based on that concluded that there is no impairment necessary for the same.
In respect of the six entities transferred the Company has received a total cash consideration of Rs. 13,784.91 lakhs and a waiver of ICD received by the Company including accrued interest payable there on aggregating to Rs. 28,440.98 lakhs. The difference between the carrying value of investment and afore mentioned aggregate consideration has been shown as profit on sale of investment of Rs. 20,029.10 lakhs after providing towards certain obligations towards the projects.

As a consequence of the sale of these six SPV's the O&M contracts in favour of the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. An amount of Rs. 715.79 lakhs has been charged to the Statement of Profit and Loss. Similarly various tangible assets at the project sites assisting the Company in its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six SPV aggregating to Rs. 66.51 lakhs. These amounts are debited to the statement of profit and loss. Further there has also been a reversal of O&M income pursuant to the aforesaid SPA, of Rs. 1,355.79 lakhs which has been effected.
The Company has also sold its equity interest in three other Subsidiaries namely Patna Buxor Highways Limited, Mormugao Terminals Limited and Pataliputra Highways Limited, which had projects in limbo for an aggregate consideration of Rs. 30 lakhs. The difference between carrying value of the three subsidiaries and the aforesaid consideration has been charged as loss on sale of investment aggregating to Rs. 14,572.50 lakhs. The write off on account of the second divestment aggregates to Rs. 80.36 lakhs

3 Exceptional items include:

Particulars	18 months ended 31-Mar-16	9 months ended 30-Sep-14
Provision towards Investments, loans and advances	-	(3,916.16)
Profit / (Loss) on disposal of SPV's (refer note 2)	5,456.60	-
Sundry balances written back / Write off on divestment of SPV's (refer note 2)	66.51	-
Intangible asset written off (refer note 2)	(715.79)	-
Fixed asset written off (refer note 2)	(18.81)	-
Professional fees in connection with disposal of SPV's	(614.78)	-
	4,173.74	**(3,916.16)**

4 During the previous period ended September 30, 2014 on account of inadequacy of profits, the company has paid managerial remuneration in respect of two personnel 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 is Rs. 204.49 lakhs. The Company's application for waiver of the recovery has been rejected by the Ministry of Corporate affairs. However the Company is making a review petition to the Ministry to review its decision. Pending the same no adjustments have been made to the financial statements. Similarly for the current period the remuneration in excess of the limits computed under the provisions of S197 read with Schedule V to the Companies Act 2013 is Rs. 183.96 lakhs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

Auditor's qualification:
Attention is invited to note 4 to the financial results relating to the excess managerial remuneration paid of Rs. 204.49 lakhs for the previous period. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery has been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 204.49 lakhs. For the current period also there is an excess remuneration paid of Rs. 183.96 lakhs to the Managing Director which is in excess of the limits specified u/s 197 of the Companies act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31st March 2016.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

5 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 commonly encountered in the Infrastructure business and the management is confident of a favourable resolution in due course. The auditors in their review report have made an emphasis of matter on these matters.

(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 / settlement. The Company has also parallely filed a writ in the matter before the Hon. Kerala High Court for specific performance. The exposure of the Company is Rs. 2,515.87 lakhs (funded and non-funded).

(b) Hydro power project at Himachal Pradesh - the project is stalled due to local agitation relating to environment issues. The matter with state Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the company is Rs. 7,136.94 lakhs.

(c) Container terminal at Mumbai – where the group is a Joint Venture (JV) partner, the MbPT has permitted the JV on a trial basis to operate the Ro-Ro operations on a revenue share, which is generating revenue for the JV. The JV has handled around 60 vessels till date. However the project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the company incurring losses and default in repayment of debt obligation. The said JV's facility have become NPA. The matter with the MBPT is under active discussions for resolving the outstanding issues. The management is also negotiating with the bankers for re-scheduling the loans. The exposure of the Company in the JV is Rs. 12,775.62 lakhs (funded and non-funded).

(d) Tolling bridge project in Andhra Pradesh - The current monthly toll collections is not sufficient to repay the monthly interest on bank borrowings. The Company is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016. The term loan account of the Company has been classified as a Non Performing Asset. The management is exploring opportunities to replace the high cost debts with low cost debts. To achieve the above objective, the SPV has engaged rating agencies to assist the it to make a private placement of low cost bonds. In addition to the above, as per the Concession Agreement with Andra Pradesh Road Development Corporation (APRDC), the SPV is eligible to receive Revenue Shortfall Loan at subsidised rate of interest from the APRDC. The SPV is in the process of making necessary applications with APRDC. The management is strongly of the view that once APRDC satisfies its obligations under the terms of the Concession Agreement and other factors stated above, the financial viability of the SPV is expected to improve. In view of the above, the financial statements have been prepared on a going concern basis and accordingly, no impairment of assets was required. The exposure of the Company in the SPV is Rs. 29,328.72. lakhs (funded and non-funded).

6 The Company has divested some of its subsidiaries for a cash surplus which reduced the current liability and current asset mis-match. The present mismatch are dependent upon satisfaction of further condition precedents to effect the sale of balance SPV's as detailed in note 2 above. 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 audited financial results are appropriate. Accordingly the accompanying financial results do not include any adjustments that may result from these uncertainties.

7 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.

8 The current audited period is for eighteen months from October 1, 2014 to March 31, 2016 while in the previous period the Company had closed its accounts for nine months ended September 30, 2014. Therefore the audited full period results are strictly not comparable. The figures for the quarter ended March 2016 are derived from the audited figures of eighteen months period ended March 31, 2016 and the published year to date figures upto December 31, 2015 which were subjected to limited review by the statutory auditors.

9 Figures for previous periods have been regrouped / reclassified wherever necessary to conform to the current quarters presentation.

For Gammon Infrastructure Projects Limited

Kishor Kumar Mohanty
Managing Director
DIN : 00080498
Place : New Delhi
Date : May 06, 2016

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

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

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Gammon Infrastructure Projects Limited,
Mumbai.

1. We have audited the quarterly financial results of Gammon Infrastructure Projects Limited ('the Company') for the quarter ended March 31, 2016, and the financial results for the eighteen months ('period') ended March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are the derived figures between the audited figures in respect of the period ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of the fifth quarter of the current financial period, which were subject to limited review. The financial results for the quarter ended March 31, 2016 have been prepared on the basis of the financial results for the fifteen-month period ended December 31, 2015, the audited annual financial statements as at and for the period ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the fifteen-month period ended December 31, 2015 whichwas prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the eighteen months period ended March 31, 2016; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. *Basis for qualified opinion*

   Attention is invited to note 4 relating to the excess managerial remuneration paid of Rs. 204.49 lacs for the previous period. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery has been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the

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

excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 204.49 lacs. In respect of the current period also there is an excess remuneration paid of Rs. 183.96 lacs to the Managing Director which is in excess of the limits specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen month period ended 31st March 2016.

4. *Subject to the effects arising out of the matters mentioned in our basis for qualified opinion mentioned hereinabove* in our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the eighteen month period to date results:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

   (ii) give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2016 and for the eighteen month period ended March 31, 2016.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2016 represent the derived figures between the audited figures in respect of the financial period ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of the fifth quarter of the current financial period, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Emphasis of Matters

6. Without qualifying our report, we draw attention to the following matters:

   a) Note 5(a) of the Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to a subsidiary. The Company's exposure towards the said project (funded and non-funded) is Rs. 2,515.87 lacs. Pending conclusion on these legal matters, no adjustments have been made in these financial results.
   b) Note 5(b) of the Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and is also exploring legal steps. The Company's exposure towards the said project includes investment and loans and advances of Rs. 7,136.94 lacs. Pending conclusion between the parties, no adjustments have been made in these financial results.
   c) Note 5(c) of the Statement in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 12,775.62 lacs (funded and non-funded). The only project of the JV Company has been delayed resulting in the company incurring losses and

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

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

consequent default in repayment of its debt obligation culminating in the bank facility being designated as NPA. Considering the MbPT permission to allow RORO operations on a trial basis and based on the management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.

d) Note 5(d) , in respect of a tolling bridge project in Andhra Pradesh where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA, considering the steps the management proposes to take to replace the high cost debts and the terms of the concession agreement in which the Company is eligible for revenue shortfall loans, no provisions is considered necessary against the Company's exposure of Rs. 29,328.72 lacs.

e) Note 6 of the Statement wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets despite the sale of some of the SPVs. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

For Natvarlal Vepari& Co.
Chartered Accountants
Firm Registration No.: 106971W

N Jayendran
Partner
M. No. 40441

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

New Delhi, Dated :June 06, 2016

ANNEXURE I

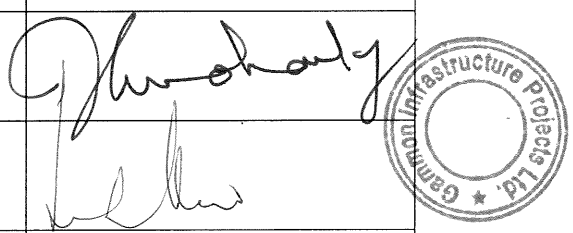
Statement on Impact of Audit Qualifications
(for audit report with modified opinion) submitted along-with
Annual Audited Financial Results (Standalone)

(Rs. in lakhs)

Statement on Impact of Audit Qualifications for the Financial Period of Eighteen Months Ended March 31, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sr. no.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	45,021.51	45,021.51
	2	Total Expenditure	39,331.89	39,127.40
	3	Net Profit / (Loss)	5,815.38	6019.87
	4	Earnings Per Share (Rs.)	0.62	0.64
	5	Total Assets	155,004.50	155,208.99
	6	Total Liabilities	67,413.15	67,413.15
	7	Net Worth	87,591.35	87,795.84
	8	Any other financial item(s) (as felt appropriate by the management)	—	—
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:** The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery has been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 204.49 lacs. In respect of the current period also there is an excess remuneration paid of Rs. 183.96 lacs to the Managing Director, which is in excess of the limits, specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31st March 2016.		

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Gammon Infrastructure Projects Ltd.

	b. **Type of Audit Qualification:** Qualified Opinion	
	c. **Frequency of qualification:** appeared first time in annual financial statements. Qualified in limited review for the period ended December 31, 2015.	
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company is in the process of making a representation to the Ministry of Corporate Affairs ("**MCA**") to review their decision relating to waiver of the excess remuneration paid to the Managing Director who is de facto professional and is hopeful that the same would be considered by the MCA.	
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** In respect of excess managerial remuneration the auditor has not quantified the impact pending the decision of MCA for the current year.	
	(i) **Management's estimation on the impact of audit qualification:** We expect the MCA to consider our application favourably which will be made in due course for the excess remuneration paid to the Managing Director who is de facto professional.	
	(ii) **If management is unable to estimate the impact, reasons for the same:** Same as above	
	(iii) **Auditors' Comments on (i) or (ii) above:** In absence of indication of the MCA decision, we are unable to comment.	
III.	**Signatories:**	
	Mr. Kishor Kumar Mohanty Managing Director	
	Mr. Kaushik Chaudhuri CFO	
	Mr. Sushil Chandra Tripathi Chairman of the Audit Committee Meeting	
	For Natvarlal Vepari & Co. Chartered Accountants Firm Regn No.: 106971W Mr. N. Jayendran Partner M. no. 040441	
	Place: New Delhi	
	Date: June 6, 2016	

GAMMON INFRASTRUCTURE PROJECTS LIMITED

Statement of Audited Consolidated Financial Results for the quarter and eighteen months ended March 31, 2016

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			Eighteen months ended	Nine months ended
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	30.09.2014
		Audited	Unaudited	Unaudited	Audited	Audited
	Income from operations:					
	Net sales / Income from operations	20,929.70	25,754.58	20,800.56	1,28,922.41	52,426.62
	Other operating income	1,992.10	451.78	622.67	6,948.17	1,773.93
1	**Total income from operations**	**22,921.80**	**26,206.36**	**21,423.23**	**1,35,870.58**	**54,200.55**
	Expenses:					
	Project expenses	9,480.01	12,227.57	8,956.30	52,884.99	15,040.08
	Employee benefits expenses	50.13	1,118.08	656.81	3,789.99	2,085.67
	Depreciation and amortisation expenses	5,439.97	6,211.27	5,402.25	37,595.10	16,823.75
	Other expenses	443.79	1,142.89	1,071.92	5,572.47	2,902.92
2	**Total expenses**	**15,413.90**	**20,699.81**	**16,087.28**	**99,842.55**	**36,852.42**
3	**Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2)**	**7,507.90**	**5,506.55**	**5,335.95**	**36,028.03**	**17,348.13**
4	Other income	874.83	183.61	67.07	1,639.20	968.18
5	**Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**8,382.73**	**5,690.16**	**5,403.02**	**37,667.23**	**18,316.31**
6	Finance costs	6,501.63	7,022.14	5,580.63	35,804.67	20,629.30
7	Share of profit /(loss) in associates	12.61	-	(0.11)	39.19	(6.23)
8	**Profit / (loss) from ordinary activities after finance costs but before exceptional items (5 - 6 + 7)**	**1,893.71**	**(1,331.98)**	**(177.72)**	**1,901.75**	**(2,319.22)**
9	Exceptional items	2,077.23	-	-	2,077.23	3,797.37
10	**Profit / (loss) from ordinary activities before tax (8 - 9)**	**(183.52)**	**(1,331.98)**	**(177.72)**	**(175.48)**	**(6,116.59)**
11	Tax Expense	1,548.69	(137.84)	(1,075.83)	2,064.61	(2,157.15)
12	**Profit/(loss) after tax expenses but before minority interest**	**(1,732.21)**	**(1,194.15)**	**898.11**	**(2,240.09)**	**(3,959.44)**
13	Minority interest - share in profit/(loss)	(241.62)	(167.39)	160.46	(546.36)	65.70
14	**Profit/(loss) after minority interest from continuing operations**	**(1,490.59)**	**(1,026.75)**	**737.65**	**(1,693.73)**	**(4,025.14)**
15	Paid-up equity share capital (Face value Rs. 2 per equity share)	18,916.44	18,916.44	18,864.24	18,916.44	18,845.04
16	Reserves, excluding revaluation reserve as per balance sheet of the previous accounting year				87,171.92	76,276.19
17	**Earnings per share for the period (Rupees) :**					
	a) Before extraordinary items					
	Basic	(0.16)	(0.11)	0.08	(0.18)	(0.54)
	Diluted	(0.16)	(0.11)	0.08	(0.18)	(0.54)
	b) After extraordinary items					
	Basic	(0.16)	(0.11)	0.08	(0.18)	(0.54)
	Diluted	(0.16)	(0.11)	0.08	(0.18)	(0.54)
18	Nominal value of equity share (Rupees)	2.00	2.00	2.00	2.00	2.00

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201• E-mail : info@gammoninfra.com
Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728
Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.

Consolidated Statement of Assets and Liabilities

(All amounts in Rupees lakhs)

Sr. No.	Particulars	As at 31.03.2016 Audited	As at 30.09.2014 Audited
	EQUITY AND LIABILITIES		
1	**Shareholders' Funds**		
	Share capital	18,916.44	18,845.04
	Reserves and surplus	87,171.92	76,276.19
	Sub-total : Shareholders' Funds	**1,06,088.36**	**95,121.23**
2	**Minority interest**	**11,835.84**	**15,777.96**
3	**Non-current liabilities**		
	Long-term borrowings	2,51,077.47	3,50,124.75
	Deferred tax liability, Net	135.16	234.06
	Other long-term liabilities	3,74,795.26	3,96,668.52
	Long-term provisions	211.21	3,295.77
	Sub-total : Non-current liabilities	**6,26,219.10**	**7,50,323.10**
4	**Current Liabilities**		
	Short-term borrowings	10,673.03	6,446.59
	Trade payables		
	- Total outstanding dues to MSME parties	-	-
	- Other than MSME parties	10,251.56	2,010.14
	Other current liabilities	51,233.50	72,689.91
	Short-term provisions	1,470.29	13,359.14
	Sub-total : Current liabilities	**73,628.38**	**94,505.78**
	TOTAL : EQUITY AND LIABILITIES	**8,17,771.68**	**9,55,728.07**
B	**ASSETS**		
1	**Non-current assets**		
	Fixed assets	7,40,687.05	8,82,184.30
	Goodwill on consolidation	3,274.42	6,006.79
	Deferred tax asset, Net	146.34	7,233.87
	Non current investments	112.71	73.52
	Long-term loans and advances	15,105.31	18,209.28
	Trade receivables	1,817.08	1,909.78
	Other non-current assets	2,608.91	8,338.53
	Sub-total : Non-current assets	**7,63,751.82**	**9,23,956.07**
2	**Current assets**		
	Current investments	2,323.33	3,322.92
	Inventories	892.47	1,211.53
	Trade receivables	5,220.72	1,908.76
	Cash and cash equivalents	40,133.79	5,088.73
	Short term loans and advances	4,180.78	6,009.74
	Other current assets	1,268.77	14,230.32
	Sub-total : Current assets	**54,019.86**	**31,772.00**
	TOTAL : ASSETS	**8,17,771.68**	**9,55,728.07**

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201• E-mail : info@gammoninfra.com
Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728
Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.

Notes:

1 The consolidated financial statements relates to Gammon Infrastructure Projects Limited and its Subsidiary Companies, Associates and Joint Ventures. The consolidated financial statements have been prepared in accordance with Accounting Standard - 21 "Consolidated Financial Statement", Accounting Standard - 23 "Accounting for Investment in associate in consolidated financial statements" and Accounting Standard 27 " Financial Reporting of Interests in Joint Ventures" of the Companies (Accounting Standard) Rules 2006.

2 The consolidated financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors of the Company at their respective meetings held on June 06, 2016. The full eighteen month figures in the above results for the period from October 1, 2014 to March 31, 2016 have been audited by the Statuotry Auditors of the Company. The figures for quarter ended March 31, 2016 are dervied from the audited consolidated figures of the eighteen month period ended March 31, 2016 and the published year to date cosolidated finanical results for the fifteen month period ended December 31, 2015 which were not subjected to any limited review or audit by the statutory auditors.

3 The Company has during the period transferred its entire beneficial interest in favour of BIF India Holdings Pte Ltd. (Purchaser) for which it entered into a Share Purchase Agreement (SPA) with the purchaser for the following six entities:

a) Andhra Expressway Limited
b) Aparna Infraenergy India Pvt Limited (through PHL being 100% subsidiary of GIPL)
c) Gorakhpur Infrastructure Company Limited
d) Kosi Bridge Infrastructure Company Limited
e) Mumbai Nasik Expressway Limited
f) Rajahmundry Expressway Limited

The SPA covered the sale of another 3 entities Pravara Renewable Energy Limited, Sikkim Hydro Power Ventures Limited and Vijayawada Gundugolanu Road Project Pvt Limited in respect of which certain condition precedent were required to be satisfied.

In respect of Pravara Renewable Energy Limited and Sikkim Hydro Power Ventures Limited the long stop date expired on May 26, 2016. The long stop date for Vijayawada Gundugolanu Road Project Pvt Limited is August 26, 2016.

The Company has also sold its equity interest in three other Subsidiaries namely Patna Buxar Highways Limited, Mormugao Terminals Limited and Pataliputra Highways Limited, which had projects in limbo. As a consequence of the sale of these six SPV's the O&M contracts in favour of the Company has been cancelled. The Company has therefore written off its Intangible assets being the right to O&M activities which the Company acquired. Similarly various tangible assets at the project sites assisting the Company in its O&M activities have been written off. Further as per the terms of the SPA signed with the buyer there has been write-back (net) of various balances of the aforementioned six SPV.

4 The disclosure of discontinuing operations has been made in respect of the above 9 entites which have been sold and one entity namely Vijayawada Gundugulano Road Project Private Limited for which there is a binding contract for disposal. Since the Long stop date for Pravara Renewable Energy Limited and Sikkim Hydro Power ventures Limited has passed the same are not treated as discontinuing operations and are treated as part of continuing operations. In respect of these two entities the Management has carried out fresh valuation thorugh independent valuers and based on that concluded that there is no impairment necessary for the same.

Details of discontinuing operations

(All amounts in Rupees lakhs)

Particulars	Eighteen months ended 31.03.2016	Nine months ended 30.09.2016
Profit/(Loss) before tax expense and minority interest of discontinued operations	1,004.62	5,567.30
Taxes of discontinued operations	2,092.63	(2,393.38)
Profit/(Loss) after tax expense but before minority interest of discontinued operations	(1,088.01)	7,960.67
Minority interest of discontinued operations	185.53	(25.44)
Profit/(Loss) after tax expense and minority interest of discontinued operatins	**(1,273.54)**	**7,986.11**

5 **Exceptional items include:**

(All amounts in Rupees lakhs)

Particulars	Eighteen months ended 31.03.2016	Nine months ended 30.09.2016
Provision towards investments, loans and advances	-	3,797.37
Loss on divestment of subsidiaries	793.28	-
Sundry balances written back / Write off on divestment of SPV's (refer note 3)	(66.51)	-
Intangible asset written off (refer note 3)	715.79	-
Fixed asset written off (refer note 3)	18.81	-
Loss due to fire (net of insurance claim)	1.09	-
Professional fees in connection with disposal of SPV's	614.78	-
Total	**2,077.23**	**3,797.37**

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

6 During the previous period ended September 30, 2014 on account of inadequacy of profits, the company has paid managerial remuneration in respect of two personnel 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 is Rs. 204.49 lacs. The Company's application for waiver of the recovery has been rejected by the Ministry of Corporate affairs. However the Company is making a review petition to the Ministry to review its decision. Pending the same no adjustments have been made to the financial statements. Similarly for the current period the remuneration in excess of the limits computed under the provisions of S197 read with Schedule V to the Companies Act 2013 is Rs. 183.95 lacs for which the Company is in the process of making an application to the Central Government for approval / waiver of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period.

Auditor's qualification:

Attention is invited to note 6 to the financial results relating to the excess managerial remuneration paid of Rs. 204.49 lacs for the previous period. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery has been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 204.49 lacs. For the current period also there is an excess remuneration paid of Rs. 183.96 lacs to the Managing Director which is in excess of the limits specified u/s 197 of the Companies act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31st March 2016)

7 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 commonly encountered in the Infrastructure business and the management is confident of a favourable resolution in due course. The auditors in their audit report on the consolidated financial statements for the eighteen month period ended March 31, 2016 have made an emphasis of matter on these matters.

(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 / settlement. The Company has also parallely filed a writ in the matter before the Hon. Kerala High Court for specific performance. The exposure of the Group is Rs.2629.74 lakhs (funded and non-funded).

(b) Hydro power project at Himachal Pradesh - the project is stalled due to local agitation relating to environment issues. The matter with state Government is under active negotiation to restart the project or reimburse the costs incurred. The exposure of the group is Rs. 6784.94 lakhs.

(c) Container terminal at Mumbai – where the group is a Joint Venture (JV) partner,The MbPT has permitted the JV on a trial basis to operate the Ro-Ro operations on a revenue share, which is generating revenue for the JV. The JV has handled around 60 vessles till date. However , The project is delayed due to non-fulfillment of certain conditions by the Mumbai Port Trust. This has resulted in the company incurring losses and default in repayment of debt obligation. The said JV's facility have become NPA. The matter with the MBPT is under active discussions for resolving the outstanding issues. The management is also negotiating with the bankers for re-scheduling the loans. The exposure of the group in the JV is Rs. 35614.29 lakhs (funded and non-funded)

(d) Tolling bridge project in Andhra Pradesh - The current monthly toll collections is not sufficient to repay the monthly interest on bank borrowings. The Company is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016. The term loan account of the Company has been classified as a Non Performing Asset. The management is exploring opportunities to replace the high cost debts with low cost debts. To achieve the above objective, the SPV has engaged rating agencies to assist the it to make a private placement of low cost bonds. In addition to the above, as per the Concession Agreement with Andra Pradesh Road Development Corporation (APRDC), the SPV is eligible to receive Revenue Shortfall Loan at subsidised rate of interest from the APRDC. The SPV is in the process of making necessary applications with APRDC. The management is strongly of the view that once APRDC satisfies its obligations under the terms of the Concession Agreement and other factors stated above, the financial viability of the SPV is expected to improve. In view of the above, the financial statements have been prepared on a going concern basis and accordingly, no impairment of assets was required. The exposure of the Company in the SPV is Rs. 106379.58. lakhs (funded and non-funded).

8 The Company has divested some of its subsidiaries for a cash surplus which has reduced its current liability and current asset mis-match. The present mismatch are dependent upon satisfaction of further condition precedents to effect the sale of balance SPV's as detailed in note 3 of the financial statements. 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 audited financial results are appropriate. Accordingly the accompanying financial results do not include any adjustments that may result from these uncertainties.

9 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.

10 The current audited period is for eighteen months from October 1, 2014 to March 31, 2016 while in the previous period the Company had closed its accounts for nine months ended September 30, 2014. Therefore the audited full period results are strictly not comparable. The figures for the quarter ended March 2016 are derived from the audited figures of eighteen months period ended March 31, 2016 and the published year to date figures upto December 31, 2015 which were not subjected to any limited review or audit by the statutory auditors.

11 Figures for previous periods have been regrouped / reclassified wherever necessary to conform to the current quarters presentation.

For Gammon Infrastructure Projects Limited

Kishor Kumar Mohanty
Managing Director
DIN : 00080498
Place : New Delhi
Date : June 6, 2016

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

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

Auditor's Report On Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of
Gammon Infrastructure Projects Limited,

1. We have audited the accompanying Statement of Consolidated Financial Results of Gammon Infrastructure Projects Limited ("the Company") and its subsidiaries and jointly controlled entities (together referred to as "the Group") for the eighteen period ended March 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related Consolidated Financial Statements of the Group, which is in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on the audit of the consolidated financial statement for the eighteen-month period ended 31st March 2016. We have not carried out any audit or limited review for any interim period on the interim consolidated financial statements of any of the quarter.

2. The attached Statement also contains the quarterly financial results for the quarters ended March 31, 2016, December 31, 2015 and March 31, 2015. These figures are as per the published results of the respective quarters, which were neither limited reviewed nor audited by us. Except that the figures for the quarter ended 31st March 2016 are the derived figures between the audited figures in respect of the period ended March 31, 2016 and the published year-to-date figures up to December 31, 2015, being the date of the end of the fifth quarter of the current financial period and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of Company's management and have been approved by the Board of Directors of the Company which has neither been subjected to limited review nor audited by us.

3. We conducted our audit of the consolidated financial statement for the eighteen-month period ended 31st March 2016 in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

4. a) The consolidated results of the Group include results of
   a. Twenty four subsidiaries, whose financial statements reflect total assets of Rs. 67,159.98 lacs as at March 31, 2016, total revenues of Rs. 18,258.27 lacs and net cash out lows amounting to Rs.910.82 lacs for the eighteen months period ended on that date,

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

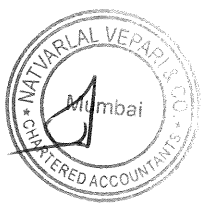
b. Group's share of total assets, total revenue and net cash flows in respect of one joint venture amounting to Rs.651.48 lacs, Rs. NIL and Rs. NIL respectively.
c. Group's share of net profit of Rs. 36.98 lacs for the eighteen months period ended on that date in respect of one associate,

whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates in India, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of two joint ventures, the group's share of total assets, total revenue and net cash flows of which is Rs. 1.71 lacs, Rs. NIL and Rs. NIL respectively and which are considered in the preparation of these consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Basis of Qualified Opinion

5. *Attention is invited to note 6 of the statement of consolidated financial results relating to the excess managerial remuneration paid of Rs. 204.49 lacs for the previous period. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery has been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 204.49 lacs. In respect of the current period also there is an excess remuneration paid of Rs. 183.96 lacs to the Managing Director, which is in excess of the limits, specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31st March 2016.*



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

Qualified Opinion

6. *Subject to the effects arising out of the matters mentioned in our basis for qualified opinion mentioned hereinabove* in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, the Statement:

   (a) In the case of the consolidated financial results of the Group includes the results for the period ended March 31, 2016 of the companies listed in Annexure 1, which are consolidated in accordance with AS-21 – Consolidated Financial Statements, Accounting Standard - 23 "Accounting for Investment in associate in consolidated financial statements" and Accounting Standard 27 " Financial Reporting of Interests in Joint Ventures".

   (b) is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and

   (c) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in Indiain the case of the consolidated financial results of the Group of the net profit and other financial information of the Group for the period ended March 31, 2016.

Emphasis of Matter

7. Without qualifying our review conclusion, we draw attention to the following matters which were also referred to in our audit report issued for the nine months period ended September 30, 2014:

   a) Note 7(a) of the Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to a subsidiary. The Group exposure towards the said project (funded and non-funded) is Rs. 2,629.74 lacs. Pending conclusion on these legal matters, no adjustments have been made in these financial results.
   b) Note 7(b) of the Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms. The group exposure towards the said project is Rs. 6,784.94 lacs. Pending conclusion between the parties, no adjustments have been made in these financial results.
   c) Note 7(c) of the Statement, in connection with container terminal project in Mumbai where the group exposure is an amount of Rs. 35,614.29 lakhs (funded and non-funded). The only project of the JV Company has been delayed resulting in the company incurring losses and consequent default in repayment of its debt obligation culminating in the bank facility being designated as NPA. Considering the MbPT permission to allow RORO operations on a trial



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

basis and based on the management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.

d) Note 7(d), in respect of a tolling bridge project in Andhra Pradesh, where the monthly toll collections are not sufficient to pay the interest and the resultant defaults in the loan repayment resulting in the facility being marked NPA, considering the steps the management proposes to take to replace the high cost debts and the terms of the concession agreement in which the Company is eligible for revenue shortfall loans , no provision is considered necessary against the group exposure of Rs. 1,06,379.58 lacs.

e) Note 8 of the Statement, wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets despite the sale of some of the SPVs. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No: 106971W

N Jayendran
Partner
M. No. 40441
New Delhi, Dated :June 06, 2016

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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

Annexure 1:

Name of Company	Relationship
Gammon Infrastructure Projects Limited	Holding Company
BirmitrapurBarkote Highway Private Limited	Subsidiary
Chitoor Infra Company Private Limited	Subsidiary
Cochin Bridge Infrastructure Company Limited	Subsidiary
Earthlink Infrastructure Projects Private Limited	Subsidiary
Gammon Logistics Limited	Subsidiary
Gammon Projects Developers Limited	Subsidiary
Gammon Renewable Energy Infrastructure Limited	Subsidiary
Gammon Road Infrastructure Limited	Subsidiary
Gammon Seaport Infrastructure Limited	Subsidiary
Haryana Biomass Power Limited	Subsidiary
Jaguar Projects Developers Limited	Subsidiary
Lilac Infra Projects Developers Limited	Subsidiary
Marine Project Services Limited	Subsidiary
Patna Highway Projects Limited	Subsidiary
Rajahmundry Godavari Bridge Limited	Subsidiary
Segue Infrastructure Projects Private Limited	Subsidiary
SidhiSingrauli Road Projects Limited	Subsidiary
Tada Infra Development Company Limited	Subsidiary
Tidong Hydro Power Limited	Subsidiary
Vizag Seaport Private Limited	Subsidiary
YamunanagarPanchkulaHighway Private Limited	Subsidiary
Youngthang Power Ventures Limited	Subsidiary
Ghaggar Renewable Energy Private Limited	Step-down subsidiary
Satluj Renewable Energy Private Limited	Step-down subsidiary
Ras Cities and Townships Private Limited	Step-down subsidiary
Tangri Renewable Energy Private Limited	Step-down subsidiary
Yamuna Minor Minerals Private Limited	Step-down subsidiary
Andhra Expressway Limited	Subsidiary disposed off
Gorakhpur Infrastructure Company Limited	Subsidiary disposed off
AparnaInfraenergy India Private Limited	Subsidiary disposed off
Kosi Bridge Infrastructure Company Limited	Subsidiary disposed off
Mormugao Terminal Limited	Subsidiary disposed off
Mumbai Nasik Expressway Limited	Subsidiary disposed off
Pataliputra Highway Limited	Subsidiary disposed off
Patna Buxar Highways Limited	Subsidiary disposed off
Rajahmundry Expressway Limited	Subsidiary disposed off
Vijayawada Gundugolanu Road Project Private Limited	Subsidiary held for sale
Pravara Renewable Energy Limited	Subsidiary held for sale

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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

Sikkim Hydro Power Ventures Limited	Subsidiary held for sale
ATSL Infrastructure Projects Limited	Associate
Eversun Sparkle Maritimes Services Private Limited	Associate
Modern Tollroads Limited	Associate
Blue Water Iron Ore Terminal Private Limited	Joint Venture
GIPL - GIL JV	Joint Venture
Indira Container Terminal Private Limited	Joint Venture
SEZ Adityapur Limited	Joint Venture



ANNEXURE I

Statement on Impact of Audit Qualifications
(for audit report with modified opinion) submitted along-with
Annual Audited Financial Results (Consolidated)

(Rs. in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Period of Eighteen Months Ended March 31, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sr. no.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total income	137,548.98	137,548.98
	2	Total Expenditure	139,242.70	139,038.21
	3	Net Profit / (Loss)	(1,693.72)	(1,529.12)
	4	Earnings Per Share (Rs.)	(0.18)	(0.16)
	5	Total Assets	817,771.68	817,976.17
	6	Total Liabilities	711,683.32	711,683.32
	7	Net Worth	106,088.36	106,292.85
	8	Any other financial item(s) (as felt appropriate by the management)	—	—
II.	**Audit Qualification (each audit qualification separately):**			
	a. **Details of Audit Qualification:** The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has rejected by the Ministry. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery has been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 204.49 lacs. In respect of the current period also there is an excess remuneration paid of Rs. 183.96 lacs to the Managing Director, which is in excess of the limits, specified u/s 197 of the Companies Act 2013 read with Schedule V to the Companies Act. The Company proposes to make an application for the waiver for recovery for the same to the ministry of corporate affairs. Subject to the outcome of the application we are unable to ascertain the impact on profits on this account for the eighteen months period ended 31st March 2016.		

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Gammon Infrastructure Projects Ltd.

	b. **Type of Audit Qualification:** Qualified Opinion	
	c. **Frequency of qualification:** appeared first time in annual financial statements. Qualified in limited review for the period ended December 31, 2015.	
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Company is in the process of making a representation to the Ministry of Corporate Affairs ("**MCA**") to review their decision relating to waiver of the excess remuneration paid to the Managing Director who is de facto professional and is hopeful that the same would be considered by the MCA.	
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** In respect of excess managerial remuneration the auditor has not quantified the impact pending the decision of MCA for the current year.	
	(i) **Management's estimation on the impact of audit qualification:** We expect the MCA to consider our application favourably which will be made in due course for the excess remuneration paid to the Managing Director who is de facto professional.	
	(ii) **If management is unable to estimate the impact, reasons for the same:** Same as above	
	(iii) **Auditors' Comments on (i) or (ii) above:** In absence of indication of the MCA decision, we are unable to comment.	
III.	**Signatories:**	
	Mr. Kishor Kumar Mohanty Managing Director	
	Mr. Kaushik Chaudhuri CFO	
	Mr. Sushil Chandra Tripathi Chairman of the Audit Committee Meeting	
	For Natvarlal Vepari & Co. Chartered Accountants Firm Regn No.: 106971W Mr. N. Jayendran Partner M. no. 040441	
	Place: New Delhi	
	Date: June 6, 2016	

Gammon Infrastructure Projects Ltd.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS