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

Limited Review Report

Review Report to
The Board of Directors
Gammon Infrastructure Projects Limited

1. We have reviewed the accompanying statement of unaudited financial results of Gammon Infrastructure Projects Limited ('the Company') for the quarter ended June 30, 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 reviewed 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 Engagements (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. *As detailed in Note 2 and Note 3 to the Statement, with respect to two subsidiaries where the authorities had unilaterally terminated the Concession Agreement against which these subsidiaries are taking steps to claim compensation/relief as per the Concession Agreement. The Company's exposure to these projects is Rs. 8,793.54 lakhs. As the outcome of these matters is uncertain, we are unable to comment on the recoverability including any provisioning towards the same and any consequential impact, arising thereof, on these unaudited financial results. In respect of the above matters, our audit report for the nine months period ended September 30, 2014 was similarly modified.*

4. Based on our review conducted as above, *except for the possible effects of the matters arising out of our comments in paragraph 3 above,* nothing has come to our attention that causes us to believe that the Statement prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised 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.

5. 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 4(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. 2,512.08 lakhs. Pending conclusion on these legal matters, no adjustments have been made in these unaudited financial results.

   b) Note 4(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.



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

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 Company's exposure towards the said project includes investment and loans and advances of Rs. 7,129.70 lakhs. Pending conclusion between the parties, no adjustments have been made in these unaudited financial results.

c) Note 4(c) of the Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 12,642.07 lakhs (funded and non-funded). The only project of the JV Company has been delayed and has been incurring losses and the company has also defaulted in repaying its debt obligation. Based on management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.

d) Note 5 of the Statement, wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets by Rs. 42,754.21 lakhs. These conditions, along with other matters as set forth in said Note of the Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

e) Note 6 of the Statement, regarding the excess remuneration of Rs. 208.55 lakhs, paid to the managerial persons beyond the limits specified in schedule XIII to the Companies Act 1956/Schedule V to the Companies Act 2013. The said amount has been charged to statement of profit and loss for the nine months period ended September 2014. The excess remuneration is subject to approval from the Central Government for which the Company has made the necessary applications. Pending approval no adjustment is made in these unaudited financial results. For the current financial period the management contends that the managerial remuneration shall be within the limits specified under the Companies Act 2013.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration Number: 106971W

N Jayendran
Partner
Membership No. : 40441

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date: August 13, 2015

GAMMON INFRASTRUCTURE PROJECTS LIMITED

PART I

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			9 Months ended		
		30.06.2015 (Unaudited)	31.03.2015 (Unaudited)	30.06.2014 (Unaudited)	30.06.2015 (Unaudited)	30.06.2014 (Unaudited)	30.09.2014 (Audited)
	Income from operations	6,727.50	4,870.86	1,863.46	15,804.10	5,296.54	8,135.56
1	**Total Income from operations**	**6,727.50**	**4,870.86**	**1,863.46**	**15,804.10**	**5,296.54**	**8,135.56**
	Expenses :						
	Project expense	4,618.77	3,135.06	913.74	10,519.05	2,074.64	3,788.82
	Employee benefits expenses	356.50	355.37	442.64	1,109.00	1,579.74	1,361.65
	Depreciation & amortisation expense	62.64	63.51	59.05	200.60	180.93	177.15
	Other expenses	279.70	212.53	281.94	731.90	738.80	897.04
2	**Total expenses**	**5,317.61**	**3,766.47**	**1,697.37**	**12,560.55**	**4,574.11**	**6,224.66**
3	**Profit from operations before other income, finance costs and Exceptional Items (1 - 2)**	**1,409.89**	**1,104.39**	**166.09**	**3,243.55**	**722.43**	**1,910.90**
4	Other Income	15.73	25.26	80.74	179.69	228.44	245.10
5	**Profit before Finance Costs and Exceptional Items (3 + 4)**	**1,425.62**	**1,129.65**	**246.83**	**3,423.24**	**950.87**	**2,156.00**
6	Finance Costs	1,063.50	1,032.65	1,851.21	3,272.75	5,341.88	5,345.15
7	**Profit / (Loss) after Finance Costs but before Exceptional Items (5 - 6)**	**362.12**	**97.00**	**(1,604.38)**	**150.49**	**(4,391.01)**	**(3,189.15)**
8	Exceptional Items	-	-	-	-	3,916.16	3,916.16
9	**Profit / (Loss) from Ordinary Activities before tax (7 - 8)**	**362.12**	**97.00**	**(1,604.38)**	**150.49**	**(8,307.17)**	**(7,105.31)**
10	Tax Expense :	-	-	(20.80)	-	(63.78)	(171.60)
11	**Profit / (Loss) from Ordinary Activities after tax (9 - 10)**	**362.12**	**97.00**	**(1,583.58)**	**150.49**	**(8,243.39)**	**(6,933.71)**
12	Extraordinary items (Net of tax expense)	-	-	-	-	-	-
13	**Net Profit / (Loss) for the period (11 - 12)**	**362.12**	**97.00**	**(1,583.58)**	**150.49**	**(8,243.39)**	**(6,933.71)**
14	Paid-up Equity Share Capital (Face Value Rs.2/- per equity share)	18,914.24	18,864.24	14,761.55	18,914.24	14,761.55	18,845.04
15	Reserves, excluding Revaluation Reserve as per the Balance Sheet of the previous accounting year						62,885.20
16	**Earnings Per Share for the period (Rupees) :**						
	a) Before Extraordinary Items						
	Basic	0.04	0.01	(0.22)	0.02	(1.12)	(0.92)
	Diluted	0.04	0.01	(0.22)	0.02	(1.12)	(0.92)
	b) After Extraordinary Items						
	Basic	0.04	0.01	(0.22)	0.02	(1.12)	(0.92)
	Diluted	0.04	0.01	(0.22)	0.02	(1.12)	(0.92)

PART II

Select information for the quarter ended June 30, 2015

A)	**PARTICULARS OF SHAREHOLDING**						
1	**Public shareholding**						
	- Number of shares (in lakhs)	3,912.61	3,887.61	1,836.26	3,912.61	1,836.26	3,878.01
	- Percentage of shareholding	41.55%	41.39%	25.02%	41.55%	25.02%	41.33%
2	**Promoters and promoter group shareholding**						
	a) Pledged / Encumbered						
	- Number of shares (in lakhs)	5,280.00	5,280.00	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%	95.93%	78.18%	95.93%	78.18%	0.00%
	- Percentage of shares (as a % of the total share capital of the Company)	56.07%	56.22%	58.62%	56.07%	58.62%	0.00%
	b) Non-encumbered						
	- Number of shares (in lakhs)	224.00	224.00	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%	4.07%	21.82%	4.07%	21.82%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	2.38%	2.39%	16.36%	2.38%	16.36%	58.67%

B)	INVESTOR COMPLAINTS	Quarter ended 30.06.2015
	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

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.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

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 August 13, 2015. These results have been subjected to a limited review by the Statutory Auditors of the Company.

2 During the earlier 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 29th August 2014, the NHAI unilaterally terminated the concession agreement and also invoked the bank guarantees to the tune of Rs. 1,129.11 lakhs. The Company's total exposure to this project includes investments and loans and advances of Rs. 8,170.08 lakhs. The subsidiary has initiated Arbitration proceedings. The management believes that it has a strong case in this matter. Pending outcome of the Arbitration proceedings, no adjustments have been made to the unaudited financial results. The auditors in their review report have modified their conclusion in this matter.

3 During the earlier period, Mormugao Port Trust ('MPT') had unilaterally sought to terminate with a subsidiary the Concession Agreement for the project citing non-compliance with certain terms of the concession agreement. MPT also encashed the bid security bank guarantee for 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 for arbitration. The Company's exposure including investments and loans and advances is around Rs 623.46 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 financial results. The auditors in their review report have modified their conclusion in this matter.

4 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. The exposure of the Company is Rs. 2,512.08 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. 7,129.70 lakhs.

(c) Container terminal at Mumbai – where the group is a Joint Venture (JV) partner, 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 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. 12,642.07 lakhs (funded and non-funded).

5 The Company's Current Liabilities exceeds Current Assets by Rs. 42,754.21 lakhs as at March 31, 2015 (Rs. 40,772.66 lakhs as on September 30, 2014) The Company is taking various steps to meet its commitments, both, short term and long term in nature. The Company intends to monetise some of its mature assets and securitise some of its future receivables. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the carrying values of the assets and liabilities in these unaudited financial results are appropriate. Accordingly the accompanying financial results do not include any adjustments that may result from these uncertainties. The auditors in their review report have highlighted the same as an Emphasis of Matter.

6 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 to the Central Government for approving the excess managerial remuneration. The auditors in their review report have highlighted the same as an Emphasis of Matter. For the current financial period the management contends that the managerial remuneration shall be within the limits specified under the Companies Act, 2013.

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 During the quarter the Company has issued 2,500,000 equity shares on exercise of ESOPs by eligible employee.

9 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 nine months ended June 30, 2014 are derived by aggregating the figures for the quarters ended December 31, 2013, March 31, 2014 and June 30, 2014.

10 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 : Mumbai.
Date : August 13, 2015

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.