GAMMON INFRASTRUCTURE PROJECTS LIMITED

June 18, 2017

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

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Dear Sir / Madam,

Sub: Outcome of Board Meeting

Ref: Scrip Code - 532959, Scrip ID – GAMMNINFRA

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith:

(i) Audited Standalone & Consolidated Financial Results for the quarter and financial year ended on 31st March 2017 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.

You are requested to please take note of the above.

Yours truly,

For **Gammon Infrastructure Projects Limited**

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 Year ended 31st March, 2017

(Rs.in Lacs)

Sr No.	Particulars	Quarter ended			Year ended	Year ended
		31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	Revenue from Operations	4,442.33	3,755.85	7,410.79	18,982.02	40,320.02
	Other Income	770.23	526.24	1,018.85	2,695.94	5,844.16
	Total Income	**5,212.56**	**4,282.09**	**8,429.64**	**21,677.96**	**46,164.18**
2	Expenses					
	a) Construction Expenses	3,582.15	3,101.08	7,320.69	15,630.75	29,780.71
	b) Changes in inventory of consumables	-	-	8.25	-	8.25
	c) Employee Benefit Expenses	141.20	176.42	173.18	718.61	1,994.14
	d) Finance Cost	685.18	643.46	76.24	2,641.72	8,960.18
	e) Depreciation and Amortization Expenses	3.48	3.68	4.92	15.72	331.38
	f) Other Expenses	511.19	130.80	860.82	991.06	1,995.86
	Total Expenses	**4,923.20**	**4,055.44**	**8,444.10**	**19,997.86**	**43,070.52**
3	**Profit/(Loss) from Operations Before Exceptional Item & Tax (1-2)**	**289.36**	**226.65**	**(14.46)**	**1,680.10**	**3,093.66**
4	Exceptional Items	241.00	-	(892.30)	241.00	(892.30)
5	Profit/(Loss) from Ordinary Activities Before Tax (3+4)	**530.36**	**226.65**	**(906.76)**	**1,921.10**	**2,201.36**
6	Tax Expense	**(299.35)**	**52.31**	**(125.76)**	**45.94**	**(125.76)**
	Current Tax	-	-	-	585.00	1,371.50
	Deferred Tax Liability / (Asset)	(299.35)	52.31	(125.76)	(539.06)	(1,497.26)
7	Net Profit/(Loss) for the period after tax (5-6)	**829.71**	**174.34**	**(781.00)**	**1,875.16**	**2,327.12**
8	Other Comprehensive Income	(1.13)	4.11	(7.11)	5.70	7.67
9	Total Comprehensive Income (7+8)	**828.58**	**178.45**	**(788.11)**	**1,880.86**	**2,334.79**
10	Paid up Equity Capital (Face Value of Rs.2 each)	18,917.64	18,917.64	18,916.44	18,917.64	18,916.44
11	Other Equity				73,218.39	71,335.15
12	Earnings per Share					
	Basic (Rs.)	0.09	0.02	(0.08)	0.20	0.25
	Diluted (Rs.)	0.09	0.02	(0.08)	0.20	0.25

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Gammon Infrastructure Projects Ltd. Mumbai

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GAMMON INFRASTRUCTURE PROJECTS LIMITED

Audited Statement Of Standalone Assets And Liabilities As At 31St March, 2017

(Rs.in Lacs)

Particulars	As at 31-Mar-17 (Audited)	As at 31-Mar-16 (Audited)
Assets		
Non Current Assets		
a) Property, Plant and Equipment	35.25	50.45
b) Financial Assets	-	-
(i) Investments in Subsidiaries , Joint Ventures and Associates	1,27,082.40	1,19,373.35
(ii)Trade Receivables	4,182.21	3,020.55
(iii) Loans and Advances	3,169.08	2,863.96
(iv) Other Financial Assets	8,333.72	4,024.33
c) Deferred Tax Assets, (Net)	2,020.75	1,484.50
d) Other Non Current Assets	1,972.99	1,258.39
	1,46,796.40	**1,32,075.53**
Current Assets		
a) Inventories	-	-
b) Financial Assets		
(i) Investments in Subsidiaries , Joint Ventures and Associates	-	1.00
(ii) Other Investments	7,082.18	2,338.19
(iii) Trade receivables	2,329.54	691.90
(iv) Cash and cash equivalents	1,669.37	227.45
(v) Bank balances	12.37	32,220.45
(vi) Loans and Advances	-	-
(vii) Other Financial Assets	3,239.38	2,096.87
c) Other current assets	660.07	480.21
	14,992.91	**38,056.07**
Total Assets	**1,61,789.31**	**1,70,131.60**
Equity and Liabilities		
Equity		
a) Equity Share Capital	18,917.64	18,916.44
b) Other Equity	73,218.39	71,335.15
	92,136.03	**90,251.59**
Liabilities		
Non Current Liabilites		
a) Financial Liabilities		
(i) Borrowings	261.59	228.09
(ii) Other Financial Liabilities	141.63	136.23
b) Provisions	57.03	61.44
c) Other Non-Current Liabilities	23,025.03	26,536.48
	23,485.28	**26,962.24**
Current Liabilities		
a)Financial Liabilities		
(i) Borrowings	3,619.29	7,998.04
(ii) Trade Payables	1,541.72	6,261.25
(iii) Other Financial Liabilities	12,678.22	19,810.10
b) Provisions	181.12	311.72
c) Liabilities for Current Tax (Net)	1,795.83	2,061.33
c) Other Current Liabilities	26,351.81	16,475.33
	46,167.99	**52,917.77**
Total Equity and Liabilities	**1,61,789.31**	**1,70,131.60**

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Infrastructure Mumbai

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Notes:

1. The above audited financial results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on June 18, 2017.

2. The previous period of the Company was from 1st October 2014 to 31st March 2016 with 1st October 2014 being the date of transition to IND AS. Therefore for the previous period, the year to date figures upto March 31, 2016 are for the period from October 1, 2014 i.e. for a period of 18 months and are not strictly comparable with the year to date figures upto March 31, 2017 which are from 1st April 2016 i.e. for a period of 12 months.

3. The figures for the quarter ended March 17 are derived from the Audited figures of the twelve months period ended March 31, 2017 and the published year to date figures upto December 31 2016, which were subjected to limited review by the statutory auditors. Similarly the figures for the quarter ended March 16 are derived from the Audited figures of the eighteen months period ended March 31, 2016 and the published year to date figures upto December 31 2015 as prepared by the management for comparative purposes which were not subjected to limited review by the statutory auditors.

4. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and Companies(Indian Accounting Standards) Amendment Rule, 2016.

5. The reconciliation of Net Profit as previously reported and the total comprehensive income as per IND AS is as per table below:

Particulars	Standalone	
	Previous quarter ended	Year ended
	March 31, 2016 (Audited)	March 31, 2016 (Audited)
Net profit / (loss) under previous India GAAP	3846.37	5815.38
Add/ (less)		
Actuarial gain / loss on employee defined benefit funds recognized in OCI	3.32	(11.46)
Adjustments on recognition of finance income / expense on fair value of loans taken and given , guarantees given and other financial instruments on application of IND AS 109 - Financial Instruments.	(4630.69)	(3476.80)
Net profit as per IND AS	(781.00)	2327.12
Other Comprehensive Income (Net of Deferred Tax)	(7.11)	7.67
Total Comprehensive income under IND AS	(788.11)	2334.79

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Reconciliation of Equity as on March 2016 :

Particulars	Standalone
	Year ended
	March 31, 2016 (Audited) (Rs in lacs)
Equity as per Previous GAAP	87,591.35
Add/ (less)	
Net gains on application of IND AS 109 " Financial Instruments"	6,638.13
Profit/(Loss) on Sale of Subsidiaries (Exceptional Item)	(5,066.03)
Guarantee amortization	1,086.06
Fair Value of Current Investments	14.86
Employee benefits	(38.59)
Other Comprehensive Income	38.59
Deferred Tax on OCI	(12.76)
Total Adjustments	2,660.26
Total Equity under IND AS	90,251.62

6. In respect of the following projects / SPV of the Company 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 favorable 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 in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court vide order dated 20.10.2016, granted extension of 3 months from March 28, 2017 to settle the matter. Exposure of the Company in the SPV is Rs. 2,588.40 lacs (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 in the SPV is Rs. 7,110.91 lacs.
   c. Indira Container terminal at Mumbai – where the Company 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 was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to

detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the lenders. The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Refusal (ROFR) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Company in the JV is Rs. 12,632.78 lacs (funded and non-funded).

d. One of the SPV of the Company commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The exposure of the Company to the SPV is Rs. 92,560 lacs (funded and non-funded)

e. Vijayawada Gundugolanu Road Project Private Limited, a SPV had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of the Company's efforts and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The management is hopeful of the financial closure of the project and the project being revived. The net exposure of the company in the SPV is Rs. 16,062.44 lacs (including Bank guarantee of Rs 8420.00 Lakhs).

f. In respect of another project on annuity basis of the Group, The SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the SPV has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is Rs. 1,18,269.72 lacs

7. During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of Rs. 204.49 lacs and Rs. 183.96 lacs respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (Ministry) for approval of waiver of recovery of such excess remuneration. One of the Company's applications had been partially allowed and the Ministry has rejected the others, with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 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.

The Auditors have qualified their report on this matter as follows

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Gammon Infrastructure Projects Ltd. Mumbai

"Attention is invited to note 7 to the Statement relating to the excess managerial remuneration paid of Rs. 388.45 lacs for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. 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. 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Subject to the outcome of the application made and to be made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 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. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016."

8. The Company had divested some of its subsidiaries in the previous period for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch for which 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 quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

9. The Exceptional items include the following

Particulars	March 17	March 16
	(Rs in lacs)	
Project Claim received	241.00	
Profit on loss on disposal of SPVs		390.56
Sundry balances written back / Write off on divestment of SPV's		66.51
Intangible asset written off		(715.79)
Fixed asset written off		(18.81)
Professional fees in connection with disposal of SPV's		(614.78)
Total	241.00	(892.30)

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Gammon Infrastructure Projects Ltd. Mumbai

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10. The Company's operations constitute a single segment namely "Infrastructure Development" as per IND AS 108 - Operating Segments. Further, the Company's operations are within single geographical segment which is India.

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

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

For Gammon Infrastructure Projects Limited

Gammon Infrastructure Projects Ltd. Mumbai

Kishor Kumar Mohanty
Managing Director
DIN: 00080498
Place: Mumbai.
Date: June 18, 2017.

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 standalone financial results of Gammon Infrastructure Projects Limited ("the Company") for the quarter ended March 31, 2017, and the standalone financial results for the year ended March 31, 2017, attached herewith ("Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to limited review. The standalone financial results for the quarter ended March 31, 2017 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2016, the audited annual financial statements as at and for the year ended March 31, 2017, 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 nine-month period ended December 31, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Companies (Indian Accounting Standards) Regulation, 2015 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 year ended March 31, 2017; 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.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

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3. **Basis of Qualified Opinion**

Attention is invited to note 7 to the Statement relating to the excess managerial remuneration paid of Rs. 388.45 lacs for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. 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. 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Subject to the outcome of the application made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter and year ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 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. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016.

4. **Qualified Opinion**

Except for the possible 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 year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(ii) give a true and fair view of the net profit, total comprehensive income and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.

5. **Emphasis of Matter**

Without qualifying our opinion, we draw attention to the following matters;

a) We invite attention to Note 6(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 the subsidiary. The Company's exposure towards the said project (funded and non-funded) is Rs. 2,588.40 lacs.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b) We invite attention to Note 6(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. 7,110.91 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements

c) We invite attention to Note 6(c) of the Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 12,632.78 lacs (funded and non-funded). As mentioned in the said note a draft supplementary agreement has been discussed between the parties under which the project would go for a re-bid and the SPV has a Right Of First Offer. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV Company. Pending execution of the supplementary agreement and the conclusion of the Re-bid, no adjustments have been made in the financial statements

d) We invite attention to Note 6(d) of the Statement, 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. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. Pending conclusions no adjustments have been made in the financial statements. The Company's exposure towards the project/SPV is Rs. 92,560 lacs (funded and non-funded).

e) We invite attention to Note 6(e) of the Statement, in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The net exposure of the company in the SPV is Rs. 16,062.44 lacs (including Bank guarantee of Rs 8420.00 Lakhs). Pending conclusions no adjustments have been made in the financial statements.

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f) We invite attention to an annuity project of the Company where the SPV has accounted for the asset as a financial asset. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the proposed S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is Rs. 1,18,269.72 lacs including non-fund exposure. Pending conclusions nc adjustments have been made in the financial statements.

g) We invite attention to Note 8 of the Statement; wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets resulting in continued mismatch despite the sale of some of the SPVs in the previous period. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of significant uncertainty as to timing and realization of cash flow.

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, 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.

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

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
M. No. 40441
Mumbai, Dated : June 18, 2017

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 Twelve Months Ended March 31, 2017 [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	216,77.96	216,77.96
	2	Total Expenditure	19,802.81	19,802.81
	3	Net Profit / (Loss)	1875.15	1875.15
	4	Earnings Per Share (Rs)	0.20	0.20
	5	Total Assets	1,61,789.30	1,61,789.30
	6	Total Liabilities	69,653.27	69,653.27
	7	Net Worth	92,136.03	92,136.03
	8	Any other financial item(s) (as felt appropriate by the management)	---	---

II. **Audit Qualification (each audit qualification separately):**

a. Details of Audit Qualification: During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of Rs. 204.49 lacs and Rs. 183.96 lacs respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (MCA) for approval of waiver of recovery of such excess remuneration, which were rejected with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has submitted its representation to the MCA to reconsider its decisions and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. Pending the same, no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 lacs for which the Company is in the process of making an application to the MCA for approval / waiver of recovery of the same. Pending the approval, no

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Gammon Infrastructure Projects Ltd. Mumbai

	adjustments have been made to the financial statements for the remuneration of the current period.
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of qualification: appeared in annual financial statements for the year ended 31st March 2017, year ended March 31, 2016. Also Qualified in limited review reports for the fifteen months period ended December 31, 2015 (for the first time), quarter ended June 30, 2016, half year ended September 30, 2016, nine months ended December 31, 2016.
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Company has made a representation to the MCA for the previous periods for the said amount of Rs 388.45 lacs and is in the process of making application for the current year ended March 31, 2017 of Rs 108.72 lacs. The Auditors have said the impact cannot be quantified till the decision of MCA.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: The Company has made a representation for the previous periods for the said amount of Rs 388.45 lacs and is in the process of making application for the current year ended March 31, 2017 of Rs 108.72 lacs. The Auditors have said the impact cannot be quantified till the decision of MCA.
	(i) **Management's estimation on the impact of audit qualification:** We expect the MCA to consider our representation made as also 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	[signature]
	Mr. Kaushik Chaudhuri CFO	[signature]
	Mr. C. C. Dayal Chairman of the Audit Committee	[signature]
	For Natvarlal Vepari & Co. Chartered Accountants Firm Regn no.: 106971W Mr. N. Jayendran Partner M. no. 040441	[signature]
	Place: Mumbai	
	Date: June 18, 2017	

GAMMON INFRASTRUCTURE PROJECTS LIMITED

Statement of Audited Consolidated Financial Results for the Year ended 31st March, 2017

(Rs.in Lacs)

Sr No.	Particulars	Twelve Months Ended 31-Mar-17 (Audited)	Eighteen Months Ended 31-Mar-16 (Audited)
1	Income		
	Revenue from Operations	66,346.43	157,654.15
	Other Income	2,239.38	4,158.28
	Total Income	**68,585.81**	**161,812.43**
2	Expenses		
	a) Construction Expenses	31,241.36	88,279.95
	b) Changes in inventory of consumables	2,600.98	1,412.54
	c) Employee Benefit Expenses	1,932.18	3,881.94
	d) Finance Cost	31,223.60	64,309.68
	e) Depreciation and Amortization Expenses	4,951.03	9,996.03
	f) Other Expenses	3,765.69	5,111.25
	Total Expenses	**75,714.85**	**172,991.40**
3	**Profit/(Loss) from Operations Before Exceptional Item & Tax (1-2)**	**(7,129.04)**	**(11,178.97)**
4	Exceptional Items	241.00	(5,792.52)
5	Profit/(Loss) from Ordinary Activities Before Tax (3+4)	**(6,888.04)**	**(16,971.49)**
6	Tax Expense	2,704.58	4,113.69
	Current Tax	582.45	2,582.40
	Short Provision for Tax	-	11.18
	Deferred Tax Liability / (Asset)	2,122.13	1,520.10
7	Net Profit/(Loss) for the period after tax (5-6)	**(9,592.62)**	**(21,085.18)**
8	Share of Profits/(loss)from Investments in associates and joint ventures	(2,561.43)	715.78
9	Profit/(Loss) transferred to Non Controlling Interest	(1,748.10)	171.96
	Net Profit after tax, NCI and share of profit/(loss) of associates and joint ventures (7+8-9)	**(10,405.95)**	**(20,541.36)**
10	Other Comprehensive Income net of tax thereon	3.53	20.49
11	Total Comprehensive Income	**(10,402.42)**	**(20,520.87)**
12	Paid up Equity Capital (Face Value of Rs 2. each)	18,917.64	18,916.44
13	Other Equity	46,374.68	56,815.45
14	Earnings per Share		
	Basic (Rs.)	(1.10)	(2.18)
	Diluted (Rs.)	(1.10)	(2.18)

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

Consolidated Statement of Assets and Liabilities

(Rs.in Lacs)

Particulars	As at 31-Mar-17 (Audited)	As at 31-Mar-16 (Audited)
Assets		
Non Current Assets		
a) Property, Plant and Equipment	24,605.50	25,710.21
b) Capital work-in-progress	8,540.77	8,405.79
c) Goodwill on Consolidation	3,274.42	3,274.42
d) Other Intangible assets	191,809.17	195,212.37
e) Intangible assets under development	72,341.79	50,123.78
f) Financial Assets		
(i) Investment in Joint Venture/Associate	3,677.09	6,232.12
(ii) Trade Receivables	100,396.79	114,057.79
(iii) Loans and advances	311.59	400.72
(iv) Other financial asset	9,721.46	3,962.07
g) Deferred Tax Assets (Net)	2,797.61	2,385.53
h) Other Non-current assets	6,436.54	5,920.61
Total Non-Current Assets	**423,912.73**	**415,685.41**
Current Assets		
a) Inventories	1,280.67	329.12
b) Financial Assets		
(i) Investments in Joint Ventures/Associate	14,738.80	2,338.19
(ii) Trade receivables	34,361.60	6,576.81
(iii) Cash and cash equivalents	3,018.87	7,573.03
(iv) Bank balances	12.37	32,230.45
(v) Loans and Advances	5,035.75	6,135.47
(vi) Other Financial Assets	1,904.33	1,978.05
c) Other current assets	2,529.72	1,910.07
Total Current Assets	**62,882.10**	**59,071.19**
Total Assets	**486,794.83**	**474,756.60**
Equity and Liabilities		
Equity		
a) Equity Share Capital	18,917.64	18,916.44
b) Other Equity	46,374.68	56,815.45
Equity attributable to equity share holders of parent	65,292.32	75,731.89
c) Non-Controlling Interest	4,943.04	6,691.14
Total Equity	**70,235.36**	**82,423.03**
Liabilities		
Non Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	254,988.59	235,525.70
(ii) Other Financial Liabilities	74,517.39	66,778.84
b) Provisions	2,110.52	1,528.23
c) Deferred Tax Liabilities (Net)	5,709.43	3,171.67
d) Other Non-Current Liabilities	40,152.49	30,907.96
Total Non Current Liabilities	**377,478.42**	**337,912.40**
Current Liabilities		
a)Financial Liabilities		
(i) Borrowings	7,121.40	10,803.03
(ii) Trade Payables	6,446.86	11,406.21
(iii) Other Financial Liabilities	21,818.07	28,495.10
b) Provisions	195.07	333.73
c) Liabilities for Current Tax (Net)	1,847.57	2,068.27
d) Other Current Liabilities	1,652.08	1,314.83
Total Current Liabilities	**39,081.05**	**54,421.17**
Total Equity and Liabilities	**486,794.83**	**474,756.60**

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Notes:

1. The above audited Consolidated INDAS financial results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on June 18, 2017.

2. The Consolidated INDAS financial Statements relate to Gammon Infrastructure Projects Limited and its Subsidiaries, Joint Ventures and Associates. The Consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Regulations, 2015 specified under Section 133 of the Companies Act, 2013, read with relevant Rules thereon and other accounting principles generally accepted in India.

3. The previous period of the Company was from 1st October 2014 to 31st March 2016 with 1st October 2014 being the date of transition to IND AS. Therefore for the previous period, the year to date figures upto March 31, 2016 are for the period from October 1, 2014 i.e. for a period of 18 months and are not strictly comparable with the year to date figures upto March 31, 2017 which are from 1st April 2016 i.e. for a period of 12 months.

4. The reconciliation of Net Profit and Other Equity as previously reported and the total comprehensive income as per IND AS is as per table below:

Particulars	**Net Profit Reconciliation**	**Other Equity Reconciliation**
	March 31, 2016 (Audited)	**March 31, 2016 (Audited)**
	(Rs in lacs)	
Net profit / (loss) as per previous GAAP / Other Equity as per previous GAAP	(1,693.73)	87,171.92
Add/ (less)		
Share of Profit of JVs	(742.83)	(938.51)
Effects of INDAS 109	(20,253.71)	(10,735.14)
Deferred tax impact of SPVs	(3,129.30)	(6,920.58)
Application of Service Concession Agreement	5,547.03	12,911.02
INDAS 19	(18.45)	(18.45)
Changes in Minority interest	(718.32)	(823.76)
Others	467.95	946.17
INDAS 20 Grant accounting		(24,777.22)
Net profit as per IND AS / Other Equity as per INDAS	**(20,541.36)**	**56,815.45**
Other Comprehensive Income (Net of Deferred Tax)	20.48	
Total Comprehensive income under IND AS	**(20,520.87)**	

5. In respect of one of the subsidiaries of the Company where an Insurance claim of Rs 520 lacs is made towards loss by fire is subject to confirmation from the Insurance Company. The Management is of the firm view that the claim will eventually be received and contends that the whole amount is receivable.

   The Auditors have qualified their report on this matter as follows

   "We invite attention to Note no 5 relating to the recoverability of the Insurance claim in respect of one of the subsidiaries of the Company. In the absence of any intimation of acceptance of the claim or receipt of any survey report findings we are unable to comment upon the recoverability of the amount of Insurance claim aggregating to Rs. 520 lacs. The Management is confident that its claim will be approved and the insurance claim will be realised".

6. In respect of the following projects / SPV of the Company 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 favorable 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 in parallel filed a writ in the matter before the Hon. Kerala High Court for specific performance. However Government of Kerala approached the Hon'ble High Court for further extension of time and the Court vide order dated 20.10.2016, granted extension of 3 months from March 28, 2017 to settle the matter. Exposure of the Group in the SPV is Rs. 2,631.31 lacs (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 in the SPV is Rs.6,788.96 lacs.
   c. Indira Container terminal at Mumbai – where the Company 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 was under active discussions for resolving the outstanding issues and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principle to enter into a joint supplementary agreement between Board of Trustees of MbPT, JV company and the

lenders. The supplementary agreement is in the draft form and is subject to clearance from the Ministry of Shipping. The project is proposed for re-bid and the draft agreement provides for a mix of cargo of containers, steel and RORO. The JV has a Right Of First Refusal (ROFR) to match the winning bid. The draft agreement also provides for waiver of a part of the loan of the JV. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV company. The exposure of the Group in the SPV is Rs. 73,591.20 lacs (funded and non-funded).

d. One of the SPV of the Company commenced its operation on the Tolling Bridge Project situated in Andhra Pradesh with effect from November 1, 2015. The monthly toll collections for the year have not been sufficient to repay the monthly interest obligations to the lenders. The actual net cash inflows during the year ended 31st March 2017 are significantly lower than the projections for the same period. Thereafter, the lenders have classified the term loan borrowing by the SPV as a Non Performing Asset. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. As per the said scheme the SPV expects substantial reduction in the interest burden and thus increase in available Cash flows. The proposal has been in principle accepted by the lenders and is in advance stages of approval (subject to final approval of Managing Committee of the lenders). The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. In the event, the S4A Proposal of the Company is not approved by the lenders, as envisaged by the management, the Company would be required to reassess the impairment and the ability of the SPV to continue as a going concern. The exposure of the Group in the SPV is Rs. 1,05,274.57 lacs (funded and non-funded)

e. Vijayawada Gundugolanu Road Project Private Limited (SPV) had received termination notice from NHAI on 26th Aug 2016 and consequently NHAI took possession of the Toll Plazas at the Project Site on 27th August 2016. As a result of the Company's efforts and dialogues with top officials of NHAI and MORTH, NHAI has agreed to revoke the termination notice vide letter dated 16th Jan, 2017 and also agreed to handover of Toll plazas subject to completing financial closure and fulfilling other commitments as specified in the letter within the stipulated time frame. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The management is hopeful of the financial closure of the project and the project being revived. The net exposure of the group in the SPV is Rs. 66,267.77 lacs.

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Gammon Infrastructure Projects Mumbai

f. In respect of another project on annuity basis of the Group, The SPV has recorded the project in accordance with the requirement of Appendix A to Ind AS 11, titled "Service Concession Arrangement" with retrospective period in accordance with the requirements of Ind AS 101- First Time Adoption. Accordingly, the SPV has recognized "Trade Receivables" being financial asset as against the earlier accounting as per previous GAAP of Intangible Asset under Development. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount will be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the group in the SPV is Rs. 28,388.16 lacs

7. During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of Rs. 204.49 lacs and Rs. 183.96 lacs respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (Ministry) for approval of waiver of recovery of such excess remuneration. One of the Company's applications had been partially allowed and the Ministry has rejected the others, with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 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.

The Auditors have qualified their report on this matter as follows

"Attention is invited to note 7 to the Statement relating to the excess managerial remuneration paid of Rs. 388.45 lacs for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. 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. 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Subject to the outcome of the application made and to be made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 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. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016."

8. The Company had divested some of its subsidiaries in the previous period for a cash surplus, which reduced the current liability and current asset mismatch. However there is a continuing mismatch for which 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 quarterly financial results are appropriate. Accordingly the financial results do not include any adjustments that may result from these uncertainties.

9. The Exceptional items include the following

Particulars	March 17	March 16
	(Rs in lacs)	
Project Claim received	241.00	
Loss on divestments of Subsidiaries		(4508.56)
Sundry balances written back on divestment of subsidiaries.		66.51
Intangible Assets written off		(715.79)
Fixed Assets written off		(18.81)
Loss due to fire net of insurance claim		(614.78)
Professional fess in connection of disposal of Subsidiaries		(1.09)
Total	**241.00**	**(5792.52)**

10. The Company's operations constitute a single segment namely "Infrastructure Development" as per IND AS 108 - Operating Segments. Further, the Company's operations are within single geographical segment which is India.

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: Mumbai.
Date: June 18, 2017.

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

To
The Board of Directors of
Gammon Infrastructure Projects Limited,

1. We have audited the accompanying Statement of Consolidated Ind AS Financial Results of Gammon Infrastructure Projects Limited ("the Company") and its subsidiaries and Joint Ventures (the Company and its subsidiaries and Joint Ventures together referred to as "the Group") for the year ended March 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. 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 Ind AS financial statements of the Group, which is in accordance with the Companies (Indian Accounting Standards) Regulations, 2015 specified under Section 133 of the Companies Act, 2013, read with relevant Rules thereon and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

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. (a) We did not audit the financial statements and other financial information, in respect of 25 subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 173,164.77 lacs as at March 31, 2017, total revenues of Rs. 20,796.57 lacs and net cash flow amounting to Rs. (198.31) lacs for the year ended on that date, before giving effect to elimination of intra-group transactions as considered in the preparation of the consolidated financial statements. The consolidated financial statements also includes the Group's share of net profit after tax of Rs.8.65 lacs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of 1 Jointly controlled entity, 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, insofar 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 1 subsidiary, whose financial statements reflect

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total assets of Rs. 1,242.65 lacs as at March 31, 2017, total revenues of Rs. 2.49 lacs and net cash flow amounting to Rs. (25.07) lacs for the year ended on that date, as considered in the preparation of the 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 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 associates, 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.

4. Basis of Qualified Opinion

   a. *Attention is invited to note 7 to the Statement relating to the excess managerial remuneration paid of Rs. 388.45 lacs for the previous periods 1st January 2014 to 30th September 2014 and 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration to the Ministry of Corporate Affairs, which has been rejected by the Ministry. However, the Company has once again submitted its representation to the Ministry to reconsider its decision and allow the waiver of recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. 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. 388.45 lacs. Pending the same no adjustments have been made to the financial statements. Subject to the outcome of the application made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter ended March 31, 2017. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 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. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016.*
   b. *We invite attention to Note no 5 relating to the recoverability of the Insurance claim in respect of one of the subsidiaries of the Company. In the absence of any intimation of acceptance of the claim or receipt of any survey report findings we are unable to comment upon the recoverability of the amount of Insurance claim aggregating to Rs. 520 lacs. The Management is confident that its claim will be approved and the insurance claim will be realised.*

5. *Except for the possible 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 3 above, the Statement:

   (a) In the case of the consolidated financial results of the Group includes the results for the year ended March 31, 2017 of the companies listed in Annexure A to this report which are

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consolidated in accordance with the requirements of the Companies (Indian Accounting Standards) Rules 2015 specified under Section 133 of the Companies Act 2013 and the relevant rules thereon.;

(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 Indian Accounting Standards and other accounting principles generally accepted in India in the case of the consolidated financial results of the Group of the net profit and other financial information of the Group for the year ended March 31, 2017.

6. Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters;

a) We invite attention to Note 6(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 the subsidiary. The Company's exposure towards the said project (funded and non-funded) is Rs. 2,588.40 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.

b) We invite attention to Note 6(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 7110.91 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements

c) We invite attention to Note 6(c) of the Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 12,632.78 lacs (funded and non-funded). As mentioned in the said note a draft supplementary agreement has been discussed between the parties under which the project would go for a re-bid and the SPV has a Right Of First Refusal. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. The management has since the balance sheet date acquired further stake from the JV partner and has obtained control over the JV and holds 74% of the equity of the JV Company. Pending execution of the supplementary agreement and the conclusion of the Re-bid, no adjustments have been made in the financial statements

d) We invite attention to Note 6(d) of the Statement, 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. In order to overcome the current situation and after due deliberations with all the lenders, the SPV has submitted a proposal under the Reserve Bank of India's Scheme for Sustainable Structuring of Stressed Assets (S4A) to the lenders for their approval. The Company and the SPV is confident of the proposal being sanctioned. In view of above, no impairment of assets has been accounted as per

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Ind AS 36 in the hands of the SPV or towards the Investment by the Company in the SPV. Pending conclusions no adjustments have been made in the financial statements. The Company's exposure towards the project/SPV is Rs. 92560 lacs (funded and non-funded).

e) We invite attention to Note 6(e) of the Statement, in respect of the Tolling Road Project in Andhra Pradesh where termination notice was received from NHAI on 26th August 2016 and consequently NHAI took over possession of toll plaza. Based on the subsequent negotiation and discussion with the grantor, the grantor has agreed to revoke the termination notice vide its letter dated 16th January 2017 subject to completing of financial closure and fulfilling other Commitments as specified in the letter within the stipulated timeframe. The Company has entered into an agreement, subject to fulfillment of certain conditions, wherein Hinduja Realty Ventures will subscribe to equity participation of 49% in the Project as and when their conditions are satisfied. The exposure of the company in the SPV is Rs. 16,062.44 lacs (including Bank guarantee of Rs 8420.00 Lakhs). Pending conclusions no adjustments have been made in the financial statements.

f) We invite attention to Note No 6(f) an annuity project of the Company where the SPV has accounted for the asset as a financial asset. The SPV will have cost overrun on account of issue beyond the scope of the SPV and attributable to the Grantor. This will not result in any changes in the Annuity from the grantor. However this amount would be treated separately as receivable from the Grantor based on certification of delay period attributable to the Grantor certified by the Independent Engineer. The SPV expects a sizeable claim on this amount and has obtained legal support for the validity of its claim from an Independent Expert on claim and litigation. The SPV has also separately applied to the lenders for Scheme for Sustainable Structuring of Stressed Assets (S4A). Considering the proposed S4A application and also the probable claim towards the delay period, the management contends that there will be no impairment necessary towards the financial asset or towards the investment of the Company. The exposure of the Company in the SPV is Rs. 118269.72 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.

g) We invite attention to Note 8 of the Statement; wherein the Company has stated that as of that date the Group's current liabilities exceeded current assets resulting in continued mismatch despite the sale of some of the SPVs in the previous period. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of significant uncertainty as to timing and realization of cash flow.

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

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
M. No. 40441
Mumbai, Dated : June 18, 2017

Natvarlal Vepari & Co.

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Name of Company	Relationship
Gammon Infrastructure Projects Limited	Holding Company
Birmitrapur Barkote Highway Private Limited	Subsidiary
Cochin Bridge Infrastructure Company 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
SidhiSingrauli Road Projects Limited	Subsidiary
Tada Infra Development Company Limited	Subsidiary
Tidong Hydro Power Limited	Subsidiary
Vizag Seaport Private Limited	Subsidiary
Yamunanagar Panchkula Highway Private Limited	Subsidiary
Youngthang Power Ventures Limited	Subsidiary
Vijayawada Gundugolanu Road Project Private Limited	Subsidiary
Pravara Renewable Energy Limited	Subsidiary
Sikkim Hydro 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
Chitoor Infra Company Private Limited	Step-down subsidiary
Earthlink Infrastructure Projects Private Limited	Step-down subsidiary
Segue Infrastructure Projects Private Limited	Step-down subsidiary
ATSL Infrastructure Projects Limited	Associate
Eversun Sparkle Maritimes Services Private Limited	Associate
Modern Tollroads Limited	Associate
SEZ Adityapur Limited	Associate
Blue Water Iron Ore Terminal Private Limited	Joint Venture
GIPL - GIL JV	Joint Venture
Indira Container Terminal Private Limited	Joint Venture

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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 Twelve Months Ended March 31, 2017 [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	68,585.81	68,585.81
	2	Total Expenditure	75,714.85	75,714.85
	3	Net Profit / (Loss)	(10,405.95)	(10,405.95)
	4	Earnings Per Share	(1.10)	(1.10)
	5	Total Assets	486,794.83	486,794.83
	6	Total Liabilities	416,559.47	416,559.47
	7	Net Worth	70,235.36	70,235.36
	8	Any other financial item(s) (as felt appropriate by the management)	---	---
II.	**Audit Qualification (each audit qualification separately):**			
	1. **Details of Audit Qualification:**During the financial year ended 30th September, 2014 and 31st March, 2016, on account of inadequacy of profits, the managerial remuneration paid in respect of two personnel was in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable, and refundable to the extent of Rs. 204.49 lacs and Rs. 183.96 lacs respectively, which were approved by the Nomination & Remuneration Committee, Board of Directors and also by the shareholders at the last Annual General Meeting held on 30th September, 2016. The Company had made applications to the Ministry of Corporate Affairs (MCA) for approval of waiver of recovery of such excess remuneration, which were rejected with the direction to the Company to recover the excess amounts paid which were not approved. However, the Company has submitted its representation to the MCA to reconsider its decisions and allow the waiver of			

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		recovery of the excess remuneration paid for the said periods aggregating to Rs. 388.45 lacs. Pending the same, no adjustments have been made to the financial statements. Similarly for the current year the remuneration in excess of the limits computed under the provisions of Section 197 read with Schedule V to the Companies Act 2013 is Rs. 108.72 lacs for which the Company is in the process of making an application to the MCA for approval / waiver of recovery of the same. Pending the approval, no adjustments have been made to the financial statements for the remuneration of the current period. 2. Company had incurred a loss by fire in previous year for which an insurance claim has been lodged and which till date is outstanding. Company has been in discussions with insurance company and is confident that whole amount is receivable.
		a. **Type of Audit Qualification:** Qualified Opinion
		b. **Frequency of qualification:** 1) Appeared in annual financial statements for the year ended 31st March 2017, year ended March 31, 2016. Also Qualified in limited review reports for the fifteen months period ended December 31, 2015(for the first time), quarter ended June 30, 2016, half year ended September 30, 2016, nine months ended December 31, 2016. 2) Appeared in annual financial statements for the year ended 31st March 2017.
		c. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** 1) The Company has made a representation to the MCA for the previous periods for the said amount of Rs 388.45 lacs and is in the process of making application for the current year ended March 31, 2017 of Rs 108.72 lacs. The Auditors have said the impact cannot be quantified till the decision of MCA. 2) Company has already approached insurance company and is in talks with them for clearance of claim. The Auditors have said the impact cannot be quantified in absence of any intimation of acceptance of the claim or receipt of any survey report findings.
		d. **For Audit Qualification(s) where the impact is not quantified by the auditor:** 1) The Company has made a representation for the previous periods for the said amount of Rs 388.45 lacs and is in the process of making application for the current year ended March 31, 2017 of Rs 108.72 lacs. The Auditors have said the impact cannot be quantified till the decision of MCA. 2) Insurance claim of Rs 520 lacs is made towards loss by fire is subject to confirmation from the Insurance Company. The Management is of the view that the claim will eventually be received and contends that the whole amount is receivable
		(i) **Management's estimation on the impact of audit qualification:** 1)We expect the MCA to consider our representation made as also application favourably which will be made in due course for the excess remuneration paid to the Managing Director who is a professional. 2) Company is in talks with insurer and expect to receive the claim at the

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	earliest.	
	(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 and insurance company, we are unable to comment.	
III.	**Signatories:**	
	Mr. Kishor Kumar Mohanty Managing Director	
	Mr. Kaushik Chaudhuri CFO	
	Mr. C C Dayal Chairman of the Audit Committee	
	For Natvarlal Vepari & Co. Chartered Accountants Firm Regn no.: 106971W Mr. N. Jayendran Partner M. no. 040441	
	Place: Mumbai	
	Date: 18 July 2017	